

Registered number: 06180792

dsicmm GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

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COMPANIES HOUSE

dsicmm GROUP LIMITED

COMPANY INFORMATION

DIRECTOR	G Givens
REGISTERED NUMBER	06180792
REGISTERED OFFICE	DST House St Marks Hill Surbiton Surrey KT6 4QD
INDEPENDENT AUDITORS	PricewaterhouseCoopers LLP The Atrium 1 Harefield Road Uxbridge Middlesex UB8 1EX
BANKERS	Lloyds Bank plc 25 Gresham Street London Surrey E2CV 7HN

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**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014**

The Director presents his Strategic Report of dsicmm Group Limited for the year ended 31 December 2014.

BUSINESS REVIEW

The loss for the year after tax is £1,821 thousand (2013: £199 thousand) and no dividend has been proposed or paid during the year (2013: £nil).

KEY PERFORMANCE INDICATORS

dsicmm Group Limited is managed by the director in accordance with the strategies of its parent company, DST Output Limited. For this reason, the director believes that further key performance indicators for the company are not necessary or appropriate to understand the development, performance or position of the business. These strategies and key performance indicators are discussed in the company's parent's group strategic report which does not form part of this report.

PRINCIPAL RISKS AND UNCERTAINTIES

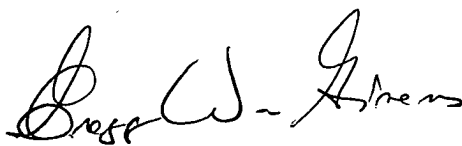
From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of the group and are not managed separately. Accordingly, the principal risks and uncertainties of DST Output Limited, which include those of the company, are discussed in DST Output Limited group strategic 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.

This report was approved by the board on 11 June 2015

and signed on its behalf.



G Givens
Director

**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 statements was:

G Givens

PRINCIPAL ACTIVITIES

The principal activity of the company continued to be that of a holding company for DST Output (London) Limited.

DIRECTOR'S RESPONSIBILITIES STATEMENT

The director is responsible for preparing the Strategic report, 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 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.

DISCLOSURE OF INFORMATION TO AUDITOR

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 auditor is 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 auditor is aware of that information.

INDEPENDENT AUDITORS

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

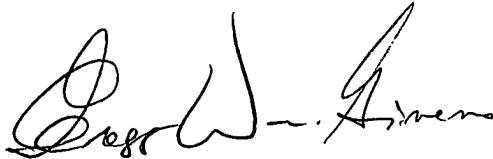
dsicmm GROUP LIMITED

**DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014**

Director's 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. These were in force throughout the year and at the date of approval of the financial statements.

This report was approved by the board on 11 June 2015 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'G Givens', is written over a horizontal line.

G Givens
Director

dsicmm GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DSICMM GROUP LIMITED

Report on the financial statements

Our opinion

In our opinion dsicmm GROUP 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 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.

What we have audited

dsicmm GROUP 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, he has 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 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.

Directors' remuneration

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DSICMM GROUP LIMITED

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Director's Responsibilities Statement, 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 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.

In addition, we read all the financial and non-financial information in the Directors' 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: 11/06/2015

dsicmm GROUP LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 £000	2013 £000
Administrative expenses		<u>(1,605)</u>	<u>-</u>
OPERATING LOSS		(1,605)	-
Interest payable and similar charges	2	<u>(255)</u>	<u>(256)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	3	(1,860)	(256)
Tax credit on loss on ordinary activities	4	<u>39</u>	<u>57</u>
LOSS FOR THE FINANCIAL YEAR	10	<u>(1,821)</u>	<u>(199)</u>

All amounts relate to continuing operations.

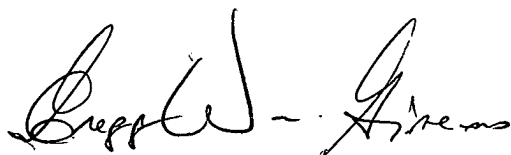
There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and loss account.

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

BALANCE SHEET
AS AT 31 DECEMBER 2014

	Note	£000	2014 £000	£000	2013 £000
FIXED ASSETS					
Investments	5		23,970		23,970
CURRENT ASSETS					
Debtors	6	15,936		17,500	
CREDITORS: amounts falling due within one year	7	(9,353)		(9,096)	
NET CURRENT ASSETS			6,583		8,404
TOTAL ASSETS LESS CURRENT LIABILITIES			30,553		32,374
CREDITORS: amounts falling due after more than one year	8		(17,000)		(17,000)
NET ASSETS			13,553		15,374
CAPITAL AND RESERVES					
Called up share capital	9		47		47
Merger relief reserve	10		16,619		16,619
Profit and loss account	10		(3,113)		(1,292)
TOTAL SHAREHOLDERS' FUNDS			13,553		15,374

The financial statements on pages 6 to 12 were approved by the Board of Directors on 11/06/2015 and signed on its behalf by



G Givens
Director

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

1. ACCOUNTING POLICIES

1.1 Accounting Convention

These financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are disclosed below. 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.

1.2 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 tax rates that are expected to apply in the periods 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.

1.3 Cash flow statement and related parties disclosures

The Company is a wholly owned subsidiary of DST Output Limited and is included in the consolidated financial statements DST Output Limited. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (Revised 1996). The Company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the DST Output Limited group or investees of the group.

1.4 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.

1.5 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

1.6 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 of its net realisable value and its value in use, is less than its carrying amount.

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

2. INTEREST PAYABLE AND SIMILAR CHARGES

	2014 £000	2013 £000
On bank loans and overdrafts	-	1
On loans from group undertakings	255	255
	<u>255</u>	<u>256</u>

3. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

Loss on ordinary activities before taxation is stated after charging:

	2014 £000	2013 £000
Impairment on investments	1,605	-
Auditors' remuneration - fees payable for the audit	3	3
	<u>1,608</u>	<u>3</u>

4. TAX ON LOSS ON ORDINARY ACTIVITIES

	2014 £000	2013 £000
Analysis of tax credit in the year		
Current tax (see note below)		
UK corporation tax credit on loss for the year	(54)	(59)
Deferred tax		
Adjustment in respect of prior years	15	2
Tax on loss on ordinary activities	<u>(39)</u>	<u>(57)</u>
Factors affecting tax charge for the year		

The tax assessed for the year is lower than (2013 - higher than) the standard rate of corporation tax in the UK of 21.50% (2013 - 23.25%). The differences are explained below:

	2014 £000	2013 £000
Loss on ordinary activities before tax	<u>(1,860)</u>	<u>(256)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.50% (2013 - 23.25%)	(400)	(60)
Effects of:		
Expenses not deductible	346	1
Current tax credit for the year (see note above)	<u>(54)</u>	<u>(59)</u>

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

4. TAX ON LOSS ON ORDINARY ACTIVITIES (continued)

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

5. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2014	24,232
Additions	1,605
	<hr/>
At 31 December 2014	25,837
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Impairment	
At 1 January 2014	262
Charge for the year	1,605
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At 31 December 2014	1,867
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Net book value	
At 31 December 2014	23,970
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At 31 December 2013	23,970
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Company	Class	Shares	Held	Principal activity
Subsidiary undertakings:				
Directly held:				
DST Output (London) Limited	Ordinary	100		Processing of data & 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
Participating interests:				
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

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

(*) – Investment in CMM Group Limited was impaired after being struck off by Companies House in 2014 on the request of the director. The director believes that the carrying value of the remaining investments is supported by their underlying net assets.

6. DEBTORS

	2014 £000	2013 £000
Amounts owed by group undertakings	15,936	17,485
Deferred tax asset	-	15
	<u>15,936</u>	<u>17,500</u>

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

Deferred taxation

A deferred tax asset is recognised in the financial statements as follows:

	2014 £000	2013 £000
Other short term timing differences	-	15
	<u>-</u>	<u>15</u>

	2014 £000	2013 £000
As at 1 January	15	15
Deferred tax asset	(15)	-
	<u>-</u>	<u>15</u>
As at 31 December	<u>-</u>	<u>15</u>

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

	2014 £000	2013 £000
Amounts owed to group undertakings	9,353	9,096
	<u>9,353</u>	<u>9,096</u>

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

**8. CREDITORS:
Amounts falling due after more than one year**

	2014 £000	2013 £000
Amounts owed to group undertakings	17,000	17,000
	<u>17,000</u>	<u>17,000</u>

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

8. CREDITORS:**Amounts falling due after more than one year (continued)**

Amounts owed to group undertakings consist of an unsecured £17 million 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

	2014 £000	2013 £000
Allotted, called up and fully paid		
4,729,837 (2013 - 4,729,837) Ordinary shares of 1p each shares of £0.01 each	47	47

10. RESERVES

	Merger relief reserve £000	Profit and loss account £000
At 1 January 2014	16,619	(1,292)
Loss for the financial year	-	(1,821)
At 31 December 2014	16,619	(3,113)

11. STAFF COSTS

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

12. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking is DST Output Limited, a company incorporated in England and Wales.

The ultimate parent undertaking company 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.