DX

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DX Secure Mail Limited

Report and financial statements for the year ended 30 June 2009

Company number 05844344

Contents

Directors and advisers

Directors
Petar Cvetkovic
Ian Pain

Company secretary
Matthew O'Flynn

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Solicitors
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Registered number
05844344

Directors' report

The directors present their report and the audited financial statements for the year ended 30 June 2009

Activities
The company's principal activity is that of a holding company

Results and dividends
The company acts as an intermediate holding company within the DX Group

The loss for the financial year after taxation was £49 7 million (2008 £1 9 million), after charging exceptional items in respect of impairment charges of £47 6 million (2008 £nil) The directors do not recommend the payment of a dividend (2008 £nil)

The principal risk that the company is exposed to is impairment of the value of its investments in its subsidiary undertaking The group is managed on a centralised basis and each of the trading companies within the group responds to changes in the economic climate There are factors outside the group's control which may impact on the value of its investments

A full impairment review has been undertaken as at 30 June 2009, and the outcome of that review has been included in the results for the year to reflect the reduced forecast profitability of the company's principal subsidiary undertaking in the current economic climate

Total third party borrowings of £18 3 million at 30 June 2009 include £17 7 million of bank loans drawn down under a group £225 0 million senior facilities agreement, expiring on 31 December 2015, and a group £57 2 million mezzanine facility agreement, expiring on 30 June 2016, both facilities bearing interest at floating rates In order to manage interest rate risk on these borrowings, interest rate swaps have been used to convert a proportion of the bank borrowings to fixed rate borrowings At 30 June 2009, debt of £7 2 million (41% of total bank debt) was converted to a fixed interest rate

The company's interest rate swaps expired on 30 September 2009 The swaps were not replaced at that time, but new arrangements will be entered into under the restructuring of the company's finances explained below

Events after the balance sheet date
On 19 July 2010 the group finalised a capital and debt restructuring with its controlling party and its lenders, the principal terms of which, in so far as they impact on the accounts of the company, are

- the final maturity date of the Term Loan A facility ('TLA') (£3 3 million as at 30 June 2009) has been extended from 30 June 2013 to 31 December 2014,
- the final maturity date of the Term Loan B facility (TLB) (£4 5 million as at 30 June 2009) has been extended from 30 June 2014 to 30 June 2016,
- the final maturity of the Term Loan C facility ('TLC') (£4 5 million as at 30 June 2009) has been extended from 30 June 2015 to 1 August 2016,
- all existing cash pay interest margins of the TLA, TLB and TLC remain unchanged In addition, a further interest charge, payable on final repayment of the respective facilities, shall accrue on TLA, TLB and TLC at the rate of 1 5% per annum,
- the final maturity date of the Term Loan D facility ('TLD') (£1 3 million as at 30 June 2009) has been extended from 31 December 2015 to 1 August 2017 The interest rate thereon is changed from LIBOR plus 5 25% to the lower of LIBOR and 1 5% per annum,
- the combined effect of the extensions to the TLA, TLB, TLC and TLD facilities is to reclassify £3 9 million of debt falling due for payment within two to five years as at 30 June 2009 to debt falling due for payment after more than five years at that date,
- the £4 1 million of mezzanine principal and accrued interest owed by the group as at 30 June 2009 has been acquired by a partnership between the company's controlling party, the former mezzanine lenders and the group's senior management team, and consequently will cease to be classified as bank loans,

- the existing cash pay interest margin on the mezzanine facility of LIBOR plus 4 25% has been converted to an accrued interest margin, payable on final maturity of the facility,
- a new set of financial covenants has been agreed with the company's lenders, and
- the company is required to enter into interest rate hedging arrangements in respect of 67% of the company's TLA, TLB and TLC facilities for a three year period

Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future Thus, they continue to adopt the going concern basis in preparing the financial statements

Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in note 1 to the financial statements

Share capital

Details of the company's authorised and issued share capital are shown in note 11 to the financial statements

Directors

The directors at the end of the financial year were as follows

Ian Gray	Non executive
Ian Pain	Chief Financial Officer
Bill Rogers	Non executive
Michael Stone	Chief Operating Officer
Emma Watford	Non executive

In addition to the above, James Greenbury and Alan Whelan served as directors until their resignations on 16 July 2008 and 18 July 2008 respectively

Bill Rogers, Emma Watford and Ian Gray resigned as directors on 6 July 2009, 7 August 2009 and 7 September 2009 respectively

Petar Cvetkovic was appointed as a director on 30 April 2010, and Michael Stone resigned as a director on the same date

There have been no other changes since the end of the year

Auditors

Each of the persons who is a director at the date of approval of this report confirms that

(1) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and

(2) the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an annual general meeting

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Directors' report

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) 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 period In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent, 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 are 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

The directors confirm that they have complied with these requirements

Directors' and officers' insurance and indemnities
The company maintains appropriate directors' and officers' liability insurance for the benefit of the directors

Approved by the board and signed on its behalf by

M.J. O'Fl—

Matthew O'Flynn
Company Secretary

20 July 2010

DX House
Ridgeway
Iver
Buckinghamshire SL9 0JQ

Independent auditors' report to the members of DX Secure Mail Limited

We have audited the financial statements of DX Secure Mail Limited for the year ended 30 June 2009 which comprise the profit and loss account, the balance sheet and the related notes 1 to 16 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)

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 auditors' 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

Respective responsibilities of directors and auditors
As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements
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 directors, and the overall presentation of the financial statements

Opinion on financial statements
In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2009 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

Opinion on other matter prescribed by the Companies Act 2006
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

Independent auditors' report
to the members of DX Secure Mail Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us 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

Mark Mullins

Mark Mullins (Senior Statutory Auditor)

for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Reading, United Kingdom

20 July 2010

Profit and loss account
for the year ended 30 June 2009

	Notes	2009 £m	2008 £m
Operatıng costs:			
Exceptıonal ımpaırment charges	3	(47 6)	-
Operatıng loss		**(47.6)**	**-**
Fınance charges (net)	4	(2 9)	(2 7)
Loss on ordınary activıtıes before taxatıon		**(50.5)**	**(2.7)**
Tax on loss on ordınary actıvıtıes	5	0 8	0 8
Loss on ordinary activitıes after taxation transferred from reserves	12	**(49.7)**	**(1.9)**

All results are derıved from contınuıng operatıons

There are no other recognısed gaıns or losses arısıng durıng the current or previous financıal perıods other than those shown ın the profit and loss account Accordıngly, a Statement of total recognısed gaıns and losses has not been presented

Balance sheet
as at 30 June 2009

	Notes	2009 £m	2008 £m
Fixed assets:			
Investments	6	-	47 0
		-	**47.0**
Current assets:			
Debtors	7	2 1	1 3
Cash at bank and in hand		0 1	0 2
		2.2	**1.5**
Creditors: amounts falling due within one year	8	(3 2)	(7 1)
Net current liabilities		**(1.0)**	**(5 6)**
Total assets less current liabilities		**(1.0)**	**41.4**
Creditors: amounts falling due after more than one year	9	(39 7)	(32 4)
Net (liabilities)/assets		**(40.7)**	**9.0**
Capital and reserves:			
Called up share capital	11	12 0	12 0
Profit and loss account	12	(52 7)	(3 0)
Shareholders' funds	12	**(40.7)**	**9.0**

The financial statements of DX Secure Mail Limited, registered number 05844344, were approved and authorised for issue by the board of directors on 20 July 2010 and signed on its behalf by

Ian Pain

Notes to the financial statements for the year ended 30 June 2009

1 Significant accounting policies

The principal accounting policies are summarised below They have all been applied consistently throughout the year and the preceding period

Basis of accounting
The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards

Group financial statements
The company is a wholly owned subsidiary of DX Group Limited which is incorporated in Great Britain and registered in England and Wales, and which has prepared consolidated financial statements to 30 June 2009 Therefore as the company is exempt from the obligation to prepare and deliver group financial statements, the financial statements only present information about the company as an individual undertaking, not about its group

Cash flow statement
Under Financial Reporting Standard 1 (revised) the company is exempt from the requirement to prepare a cash flow statement on the grounds that the ultimate parent company includes the company in its own consolidated financial statements, which include a cash flow statement, and are publicly available

Going concern
The group's forecasts and projections, incorporating the projections for the company and taking account of reasonably possible changes in trading performance, show that the group, and therefore the company, has no requirement for any external short term borrowing facilities

The current economic conditions create uncertainty over the level of demand for the services provided by the company's subsidiary undertakings

As explained in the directors' report on pages 2 and 3, the group agreed a capital and debt restructuring with its controlling party and its lenders on 19 July 2010 The company has net liabilities and the directors have received a letter of continuing financial support from the company's parent undertaking, DX Group Limited

After careful consideration of the outcome of the capital and debt restructuring and the letter of continuing financial support, the directors have a reasonable expectation that the company will have access to adequate resources to continue in operational existence for the foreseeable future Thus, the directors continue to adopt the going concern basis in preparing the annual report and accounts

Investments
Fixed asset investments in subsidiaries are shown at cost less provision for impairment

Taxation
The tax currently payable is based on the taxable profit for the year Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes items that are never taxable or deductible The company's liability for current tax is calculated using the tax rates that have been enacted or substantively enacted by the balance sheet date

1 Significant accounting policies (continued)

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the calculation of taxable profit, and is accounted for using the balance sheet liability method Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised Deferred tax is charged or credited in the profit and loss account, except when it relates to an item charged or credited directly to equity, in which case the deferred tax is also dealt with in equity

Borrowings
Interest-bearing borrowings are initially stated at the amount of the net proceeds received after deduction of direct issue costs Finance charges other than borrowing costs, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise

Finance costs are recognised in the profit and loss account over the term of the relevant instruments at a constant rate on the carrying amount

2 Operating costs

Auditors' remuneration and directors' emoluments are both paid by the ultimate parent undertaking No amount has been recharged to the company in respect of these services

Total directors' emoluments paid in this way amounted to £648,000 (2008 £1,212,000) and £2,500 (2008 £2,500) of the total audit fee is attributable to the company

The company had no employees in the current or previous year

Fees payable to the company's auditors for non-audit services were £nil (2008 £nil)

3 Exceptional items

	2009 £m	2008 £m
Impairment charges	(47 6)	-
	(47.6)	**-**

The directors have reviewed the carrying values of the company's investments and related balances, and concluded that impairment charges of £47 6 million (2008 £nil) are required as a result of the reduced forecast profitability of the company's principal subsidiary undertaking in the current economic climate The carrying values of investment in subsidiary undertakings, loans to subsidiary undertakings and amounts due from subsidiary undertakings have been impaired by £42 2 million, £5 3 million and £0 1 million respectively

Notes to the financial statements for the year ended 30 June 2009

4 Finance charges (net)

	2009 £m	2008 £m
Interest payable and similar charges:		
Bank loans and overdrafts not wholly repayable within five years	1 4	1 6
Other loans wholly repayable within five years	0 1	0 2
Group interest	1 6	1 2
Other interest	0 1	0 1
Amortisation of financing costs	0 1	0 1
Total interest payable and similar charges	**3.3**	**3.2**
Interest receivable:		
Group interest	(0 4)	(0 5)
Net interest payable	**2.9**	**2.7**

5 Tax on loss on ordinary activities

(a) Analysis of credit in year

	2009 £m	2008 £m
Current tax:		
United Kingdom corporation tax	**(0.8)**	**(0.8)**

(b) Factors affecting the tax charge for year

The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 28% (2008 29 5%) The differences are explained below

	2009 £m	2008 £m
Loss on ordinary activities before tax	(50 5)	(2 7)
Loss on ordinary activities before tax at the standard rate of UK corporation tax of 28% (2008 29 5%)	(14 1)	(0 8)
Impairment charges not eligible for tax relief	13 3	-
Total actual amount of current tax	**(0.8)**	**(0.8)**

Notes to the financial statements for the year ended 30 June 2009

6 Investments

	Shares in group companies £m	Loans to group companies £m	Total £m
Cost:			
At 1 July 2008	42 2	4 8	47 0
Increases in the period	-	0 5	0 5
At 30 June 2009	**42.2**	**5.3**	**47.5**
Provisions:			
At 1 July 2008	-	-	-
Impairment charge for the year	42 2	5 3	47 5
At 30 June 2009	**42.2**	**5.3**	**47.5**
Net book value:			
At 30 June 2009	-	-	-
At 1 July 2008	42 2	4 8	47 0

Deferred consideration of £10 0 million was initially payable in respect of the acquisition of Secure Mail Services Limited, of which £9 5 million has been settled to date The remaining £0 5 million of deferred consideration has been accrued within Creditors amounts falling due within one year (2008 £4 0 million)

At 30 June 2009 DX Secure Mail Limited owned, directly or indirectly, 100% of each class of issued shares of the following companies

	Principal activity
Directly owned	
Secure Mail Services Limited	Mail services
Indirectly owned	
Special Mail Services Limited	Dormant

The above companies are registered and operate in England and Wales

7 Debtors

	2009 £m	2008 £m
Corporation tax recoverable from group undertakings	2 1	1 3
	2.1	**1.3**

8 Creditors: amounts falling due within one year

	2009 £m	2008 £m
Bank loans and overdrafts	0 7	0 4
Guaranteed loan notes	0 6	0 4
Amounts owed to ultimate parent undertaking	0 1	-
Amounts owed to immediate parent undertaking	1 0	0 7
Amounts owed to fellow subsidiary undertaking	0 2	1 4
Other creditors	0 5	4 0
Accruals	0 1	0 2
	3.2	**7 1**

8 Creditors· amounts falling due within one year (continued)

The guaranteed loan notes comprise guaranteed unsecured redeemable loan notes 2010 and 2011 (2008 guaranteed unsecured redeemable loan notes 2010), on which interest is payable at LIBOR minus 0 125% The notes are redeemable at the request of the noteholders

Other creditors include an amount of £0 5 million (2008 £4 0 million) of deferred consideration in respect of the acquisition of Secure Mail Services Limited (see note 6)

9 Creditors: amounts falling due after more than one year

	2009 £m	2008 £m
Bank loans not wholly repayable within five years	16 6	15 4
Loan from immediate parent undertaking	21 1	17 0
Loan from fellow subsidiary undertaking	2 0	-
	39.7	**32.4**

The bank loans at 30 June 2009 are the amount owed by the company under a £225 million senior facilities agreement, expiring on 31 December 2015, and a £57 2 million mezzanine facility agreement, expiring on 30 June 2016 The carrying amount of the bank loans comprises

	2009 £m	2008 £m
Senior facility	12 9	11 9
Mezzanine facility	3 7	3 7
Accrued interest	0 4	0 3
	17 0	15 9
Loan issue costs	(0 4)	(0 5)
	16 6	**15.4**

The maturity profile of the bank loans is set out in note 10

The loans from the immediate parent undertaking and the fellow subsidiary undertaking bear interest at the blended interest rate payable by the group on its bank borrowings The interest rate on each facility is LIBOR plus a margin which ranges from 2 25% to 8 25%, depending on the facility The loans are repayable no earlier than 31 December 2015

10 Financial instruments

Short term debtors and creditors have been excluded from the following disclosures

(a) Interest rate risk profile of financial liabilities

The interest rate risk profile of the company's financial liabilities at 30 June 2009, after taking account of the interest rate swaps used to manage the interest profile, was

	Floating rate £m	Fixed rate £m	Total £m
At 30 June 2009			
Sterling debt	**10 5**	**7.8**	**18.3**
At 30 June 2008	4 9	11 8	16 7

10 Financial instruments (continued)

The effect of the group's interest rate swaps is to classify £7 2 million (2008 £11 4 million) of borrowings in the above table as fixed rate

(b) Maturity of financial liabilities

The maturity profile of the company's financial liabilities as at 30 July 2009 was as follows

	Bank loans, together with accrued interest £m	Guaranteed loan notes £m	Group loans £m	Total £m
Between one and two years	0 8	-	-	0 8
Between two and five years	6 3	-	-	6 3
After five years	9 9	-	23 1	33 0
Total payable after more than one year	**17.0**	**-**	**23.1**	**40.1**
On demand or within one year	0 7	0 6	-	1 3
Total	**17.7**	**0.6**	**23.1**	**41.4**

Subsequent to the end of the year, the terms of the facilities were renegotiated, with the result that £3 9 million of debt classified as falling due between two and five years would have been classified as falling due after more than five years had the renegotiation been competed at 30 June 2009 Furthermore, the amount outstanding under the mezzanine facility of £4 1 million, including accrued interest, would have been classified as owing to related parties, not as bank loans

The maturity profile of the company's financial liabilities at 30 June 2008 was as follows

	Bank loans, together with accrued interest £m	Guaranteed loan notes £m	Group loans £m	Total £m
Between one and two years	0 4	-	-	0 4
Between two and five years	1 2	-	-	1 2
After five years	14 3	-	17 0	31 3
Total payable after more than one year	**15.9**	**-**	**17.0**	**32 9**
On demand or within one year	0 4	0 4	-	0 8
Total	**16.3**	**0.4**	**17.0**	**33 7**

(c) Fair values of financial assets and liabilities

The fair values of financial instruments are the same as their book values The fair value of the company's interest rate derivatives at 30 June 2009, calculated using market rates, was a liability of £0 1 million (2008 asset of £0 1 million) The interest rate derivatives expired on 30 September 2009 The swaps were not replaced at that time, but new arrangements will be entered into under the restructuring of the company's finances

11 Share capital

Authonsed:	No (000)	2009 £000	No (000)	2008 £000
Ordinary shares of £1 each	12,029	12,029	12,029	12,029

Allotted, called up and fully paid·	No (000)	2009 £000	No (000)	2008 £000
Ordinary shares of £1 each	12,029	12,029	12,029	12,029

The company has one class of ordinary shares which carry no right to fixed income

12 Shareholders' funds

	Called up share capital £m	Profit and loss account £m	Total £m
At 30 June 2007	12 0	(1 1)	10 9
Loss for the period	-	(1 9)	(1 9)
At 30 June 2008	**12.0**	**(3.0)**	**9.0**
Loss for the year	-	(49 7)	(49 7)
At 30 June 2009	**12.0**	**(52.7)**	**(40 7)**

13 Contingencies

The company has provided a cross guarantee in respect of amounts outstanding under the group's UK overdraft facilities The amount outstanding under these facilities at 30 June 2009 was £nil (2008 £nil)

The company has also provided a cross guarantee in respect of amounts outstanding under the ultimate parent undertaking's £282 2 million senior and mezzanine borrowing facilities, of which £250 4 million (2008 £252 4 million) was outstanding at 30 June 2009

No provisions are required or have been made in respect of these contingencies since, in the opinion of the directors, they are not expected to result in financial loss for the company

14 Related party transactions

As permitted by FRS 8 'Related party disclosures', the financial statements do not disclose transactions with the ultimate parent company and fellow subsidiaries

15 Events after the balance sheet date

On 19 July 2010 the group finalised a capital and debt restructuring with its controlling party and its lenders, the principal terms of which, in so far as they impact on the accounts of the company, are

- the final maturity date of the Term Loan A facility ('TLA') (£3 3 million as at 30 June 2009) has been extended from 30 June 2013 to 31 December 2014,

- the final maturity date of the Term Loan B facility (TLB) (£4 5 million as at 30 June 2009) has been extended from 30 June 2014 to 30 June 2016,

Notes to the financial statements
for the year ended 30 June 2009

15 Events after the balance sheet date (continued)

- the final maturity of the Term Loan C facility ('TLC') (£4 5 million as at 30 June 2009) has been extended from 30 June 2015 to 1 August 2016,

- all existing cash pay interest margins of the TLA, TLB and TLC remain unchanged In addition, a further interest charge, payable on final repayment of the respective facilities, shall accrue on TLA, TLB and TLC at the rate of 1 5% per annum,

- the final maturity date of the Term Loan D facility ('TLD') (£1 3 million as at 30 June 2009) has been extended from 31 December 2015 to 1 August 2017 The interest rate thereon is changed from LIBOR plus 5 25% to the lower of LIBOR and 1 5% per annum,

- the combined effect of the extensions to the TLA, TLB, TLC and TLD facilities is to reclassify £3 9 million of debt falling due for payment within two to five years as at 30 June 2009 to debt falling due for payment after more than five years at that date,

- the £4 1 million of mezzanine principal and accrued interest owed by the group as at 30 June 2009 has been acquired by a partnership between the company's controlling party, the former mezzanine lenders and the group's senior management team, and consequently will cease to be classified as bank loans,

- the existing cash pay interest margin on the mezzanine facility of LIBOR plus 4 25% has been converted to an accrued interest margin, payable on final maturity of the facility,

- a new set of financial covenants has been agreed with the company's lenders, and

- the company is required to enter into interest rate hedging arrangements in respect of 67% of the company's TLA, TLB and TLC facilities for a three year period

16 Parent undertaking and controlling party

In the opinion of the directors, the company's ultimate parent undertaking at 30 June 2009 was DX Group Limited, a company incorporated in England and Wales whose registered office is at DX House, Ridgeway, Iver, Buckinghamshire SL0 9JQ Copies of the annual report and financial statements of DX Group Limited may be obtained from the registered office

DX Group Limited is both the smallest and the largest group into which the company's results are consolidated

In the opinion of the directors, the company's controlling party at 30 June 2009 was funds managed by Candover Partners Limited