



DX Secure Mail Limited

**Directors report and financial statements
for the year ended 30 June 2018**

Company number 05844344



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DX Secure Mail Limited

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DX Secure Mail Limited

Company information

Directors

Ronald Series

David Mulligan

Registered office

DX1 Ditton Park

Ditton Park

Riding Court Road

Datchet

Slough

SL3 9GL

Registered number

05844344

DX Secure Mail Limited

Directors' report

The directors present their report and the unaudited financial statements for the year ended 30 June 2018.

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 group of companies headed by DX (Group) plc).

The profit for the financial year after taxation was £0.2 million (2017: £0.2 million).

The Company did not declare a dividend during the year (2017: £nil).

The principal risk that the Company is exposed to is impairment of the value of the Company's investments and related balances. An impairment review was undertaken as at 30 June 2018 and no changes were made to the carrying value of the Company's investments as a result.

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 share capital are shown in note 9 to the financial statements.

Directors

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

Ronald Series
David Mulligan

There were no changes subsequent to the year end.

Audit exemption

For the year ended 30 June 2018 the Company is exempt from audit under section 479A of the Companies Act 2006 relating to subsidiary entities.

Directors' report

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 UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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, 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.

The Company is exempt from the requirements to prepare a strategic report in accordance with s414B of the Companies Act 2006.

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 of directors on 6 December 2018 and signed on its behalf by:



David Mulligan
Director

Registered in England and Wales No. 05844344

DX Secure Mail Limited**Profit and loss account and other comprehensive income
for the year ended 30 June 2018**

	Notes	2018 £m	2017 £m
Operating profit		-	-
Interest receivable and similar income	3	0.3	0.2
Profit before tax		0.3	0.2
Tax expense	4	(0.1)	-
Profit for the year		0.2	0.2
Other comprehensive income		-	-
Total comprehensive income for the year		0.2	0.2

All results are derived from continuing operations.

**Statement of changes in equity
for the year ended 30 June 2018**

	Share capital £m	Profit and loss account £m	Total £m
At 1 July 2016	-	8.7	8.7
Profit for the year	-	0.2	0.2
Other comprehensive income	-	-	-
At 30 June 2017	-	8.9	8.9
Profit for the year	-	0.2	0.2
Other comprehensive income	-	-	-
At 30 June 2018	-	9.1	9.1

The notes on pages 6 to 10 form part of these financial statements.

DX Secure Mail Limited**Balance sheet
as at 30 June 2018**

	Notes	2018 £m	2017 £m
Non-current assets:			
Investments	5	-	9.5
		<u>-</u>	<u>9.5</u>
Current assets:			
Debtors	6	9.2	0.3
Creditors: amounts falling due within one year	7	(0.1)	(0.1)
Net current assets		<u>9.1</u>	<u>0.2</u>
Total assets less current liabilities		<u>9.1</u>	<u>9.7</u>
Creditors: amounts falling due after more than one year	8	-	(0.8)
Net assets		<u>9.1</u>	<u>8.9</u>
Capital and reserves:			
Share capital	9	-	-
Profit and loss account		<u>9.1</u>	<u>8.9</u>
Shareholder's funds		<u>9.1</u>	<u>8.9</u>

For the year ended 30 June 2018 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476. The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements of DX Secure Mail Limited, registered number 05844344, were approved and authorised for issue by the board of directors on 6 December 2018 and signed on its behalf by:



David Mulligan
Director

The notes on pages 6 to 10 form part of these financial statements.

**Notes to the financial statements
for the year ended 30 June 2018**

1 Significant accounting policies

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

Basis of accounting

DX Secure Mail Limited (the "Company") is a private company incorporated and domiciled in the UK.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken. The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

The Company's ultimate parent undertaking, DX (Group) plc includes the Company in its consolidated financial statements. The consolidated financial statements of DX (Group) plc are prepared in accordance with International Financial Reporting Standards (as adopted by the EU) and are available to the public and may be obtained from Ditton Park, Riding Court Road, Datchet, Slough, SL3 9GL.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A Cash Flow Statement and related notes;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management,
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of the ultimate parent undertaking include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IAS 36 Impairment of assets in respect of the impairment of goodwill and indefinite life intangible assets; and
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

Measurement convention

The financial statements are prepared on the historical cost basis.

The financial information is presented in sterling and, unless otherwise stated, has been rounded to the nearest £0.1 million (£m).

**Notes to the financial statements
for the year ended 30 June 2018**

1 Significant accounting policies (continued)

Judgements and estimates

The preparation of financial information in conformity with FRS 101 requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of the amount, event or actions, actual amounts ultimately may differ from those estimates.

Going concern

Going concern is considered on a group basis. Following a review of cash flow forecasts, the Directors believe that the DX Group is able to meet its obligations as they fall due, including adequate headroom to cushion against downside operational risks and one-off costs whilst the DX Group carries out its turnaround, thus the going concern basis of preparation remains appropriate.

Investments

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

Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised in the profit and loss account when the asset's carrying value exceeds its recoverable amount. Its recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other debtors, loans and borrowings, and trade and other creditors.

(a) Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

(b) Loans and borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost. Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date.

(c) Trade and other creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Impairment of financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. 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.

**Notes to the financial statements
for the year ended 30 June 2018****1 Significant accounting policies (continued)****Taxation**

Tax on the profit or loss for the year is recognised in the profit and loss account.

Current 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.

2 Operating costs

No amounts for Directors' remuneration was paid by the Company. £0.7 million (2017: £0.9 million) remuneration was paid to the directors by the ultimate parent company for qualifying services to the group as a whole. The highest paid director received total remuneration of £0.2 million (2017: £0.4 million).

The Company had no employees in the current or previous year.

3 Interest receivable and similar income

	2018 £m	2017 £m
Interest receivable and similar income:		
Group interest receivable	0.3	0.2
Total interest receivable and similar income	0.3	0.2

4 Tax expense**(a) Analysis of charge in year**

	2018 £m	2017 £m
Current tax		
United Kingdom corporation tax	(0.1)	-
Tax expense	(0.1)	-

(b) Factors affecting the tax charge for year

The tax assessed for the year is in line with the weighted average rate of corporation tax in the UK:

	2018 £m	2017 £m
Profit before tax	0.3	0.2
Profit before tax at the standard rate of UK corporation tax of 19.0% (2017: 19.75%)	(0.1)	-
Tax expense	(0.1)	-

(c) Factors that may affect future tax charges

The UK corporation tax rate is 19% with effect from 1 April 2017. A reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the Company's future current tax charge accordingly.

DX Secure Mail Limited**Notes to the financial statements
for the year ended 30 June 2018****5 Investments**

	Shares in group companies £m	Loans to group companies £m	Total £m
Cost:			
At 1 July 2017	-	9.5	9.5
Repayments	-	(9.5)	(9.5)
At 30 June 2018	-	-	-
Provisions:			
At 1 July 2017 and 30 June 2018	-	-	-
Net book value:			
At 30 June 2018	-	-	-
At 30 June 2017	-	9.5	9.5

Loans to group companies bear interest at the interest rate payable by the group on its bank borrowings and are repayable no earlier than 30 June 2020.

At 30 June 2018 DX Secure Mail Limited owned 100% of each class of issued shares of the following company:

	<u>Principal activity</u>
DX (EBT Trustees) Limited	Dormant

The above company is registered and operates in England and Wales and has the same registered office as that of the Company.

6 Debtors

	2018 £m	2017 £m
Amounts due from group companies	9.2	0.3
	9.2	0.3

Amounts due from group companies are unsecured, interest free and repayable on demand.

7 Creditors: amounts falling due within one year

	2018 £m	2017 £m
Amounts owed to group companies	-	0.1
Group relief payable to group companies	0.1	-
	0.1	0.1

Amounts owed to group companies are unsecured, interest free and repayable on demand.

DX Secure Mail Limited**Notes to the financial statements
for the year ended 30 June 2018****8 Creditors: amounts falling due after more than one year**

	2018 £m	2017 £m
Loan from fellow subsidiary undertaking	-	0.8
	-	0.8

Loans from group companies bear interest at the interest rate payable by the group on its bank borrowings and are repayable no earlier than 30 June 2020.

9 Share capital***Allotted, called up and fully paid:***

	No	2018 £m	No	2017 £m
Ordinary shares of £1 each	1	-	1	-

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

There were no changes to share capital during the year.

10 Parent undertaking and controlling party

The Company's parent undertaking is DX (VCP) Limited, a company incorporated in England and Wales whose registered office is at Ditton Park, Riding Court Road, Datchet, Slough, SL3 9GL.

The Company's ultimate parent undertaking and controlling party at 30 June 2018 was DX (Group) plc, a company incorporated in England and Wales whose registered office is at Ditton Park, Riding Court Road, Datchet, Slough, SL3 9GL.

DX (Group) plc is also both the smallest and the largest group into which the Company's results are consolidated. Copies of the annual report and financial statements of DX (Group) plc may be obtained from the registered office.