

DEI GROUP LIMITED

Financial statements

For the year ended 31 December 2017

Registered number 02613886

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DEI Group Limited
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for the Year Ended 31 December 2017

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DEI Group Limited
Company Information
For the Year Ended 31 December 2017

Directors :	J Farmer K Woor
Secretary :	J Dally
Registered Office :	Tower Close Huntingdon Cambridgeshire PE29 7YD
Registered Number :	02613886
Auditor :	Deloitte LLP Statutory Auditor Cambridge United Kingdom

DEI Group Limited
Report of the Directors
for the Year Ended 31 December 2017

The directors present their report with the financial statements of the company for the year ended 31 December 2017.

The directors have taken the small companies exemption contained in S414B of the Companies Act 2006 from the requirement to prepare a Strategic Report.

The directors' report has been prepared in accordance with the provisions relating to small companies under S415A of the Companies Act 2006.

DEI Group Limited is a company registered in England and Wales under the Companies Act 2006, and limited by shares.

PRINCIPAL ACTIVITY

The principal activity of the company is the holding of investments in group subsidiaries.

The company is not expected to trade in the future, and it is the intention of the directors that it be liquidated in the foreseeable future.

GOING CONCERN BASIS

It is the intention of the Directors that the company be liquidated in the foreseeable future. As required by FRS 102 Section 3 the Directors have prepared the financial statements on the basis that the company is no longer a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis.

The financial statements do not include any provision for the future cost of terminating the business of the company except to the extent that such were committed to at the balance sheet date.

RESULTS AND DIVIDENDS

The company made a profit for the year of £3,563,000 (2016 - £nil). The company paid a dividend for the year ended 31 December 2017 of £1.4539 (2016 - £nil) per ordinary share.

DIRECTORS

The directors of the company who served throughout the year and to the date of this report were as follows:

J Farmer

K Woor

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual 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 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), including FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the 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; 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 which disclose with reasonable accuracy at any time the financial position of the company and to 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.

AUDITOR

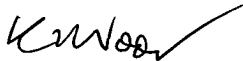
In the case of each of the persons who are directors of the company at the date when this report is approved:

- so far as each of the directors is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is 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 expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors on 26 April 2018 and signed on its behalf by:



K T Woor

Director

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

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of DEI Group Limited ('the company') which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 11.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Financial statements prepared other than on a going concern basis

We draw attention to note 1 in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement in the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
DEI GROUP LIMITED (continued)**

Report on the audit of the financial statements (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.



Paul Schofield FCA (Senior statutory auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
Cambridge, United Kingdom

26 April 2018

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DEI Group Limited
Profit and Loss Account
Year ended 31 December 2017

	Note	2017 £000	2016 £000
Income from fixed asset investments	5	3,563	-
Profit before taxation	3	3,563	-
Tax on profit	6	-	-
Profit after taxation		<u>3,563</u>	<u>-</u>

All activities are derived from discontinued operations.

All comprehensive income and expenses are included in the profit and loss account, accordingly no separate statement of comprehensive income is presented.

DEI Group Limited
Balance Sheet
As at 31 December 2017

	Notes	2017 £000	2016 £000
FIXED ASSETS			
Investments	8	3,969	3,969
NET CURRENT ASSETS		-	-
TOTAL ASSETS LESS CURRENT LIABILITIES, BEING NET ASSETS		<u>3,969</u>	<u>3,969</u>
CAPITAL AND RESERVES			
Called up Share Capital	9	2,451	2,451
Profit and loss Account	9	1,518	1,518
SHAREHOLDERS' FUNDS		<u>3,969</u>	<u>3,969</u>

The financial statements of DEI Group Limited, registered number 02613886 were approved by the Board of Directors on 26 April 2018 and signed on its behalf by:



K T Woor
Director

DEI Group Limited
Statement of changes in equity
As at 31 December 2017

	Called up share capital £000	Profit and loss account £000	Total £000
At 1 January and 31 December 2016	2,451	1,518	3,969
Profit for the financial year	-	3,563	3,563
Dividend paid on equity shares (note 7)	-	(3,563)	(3,563)
At 31 December 2017	2,451	1,518	3,969

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

General information and basis of accounting

DEI Group Limited is a private company incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales, and limited by shares. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the directors' report on page 2.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of DEI Group Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

DEI Group Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available in respect of intra-group transactions, cash flow statement and remuneration of key management personnel.

The company is consolidated into the accounts of its parent company RR Donnelley UK Limited, which can be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

Going concern

It is the intention of the Directors that the company be liquidated in the foreseeable future. As required by FRS 102 Section 3 the Directors have prepared the financial statements on the basis that the company is no longer a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis.

The financial statements do not include any provision for the future cost of terminating the business of the company except to the extent that such were committed to at the balance sheet date.

Exemption from preparing consolidated financial statements

The financial statements contain information about DEI Group Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, RR Donnelley UK Limited, a company registered in England and Wales.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

(i) Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to revised carrying amount higher than the carrying value had no impairment been recognised.

(ii) Financial assets

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

1. ACCOUNTING POLICIES (continued)

Impairment of assets (continued)

(ii) Financial assets (continued)

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Income

Income from fixed asset investments is recognised in the profit and loss account in the period in which the dividend is declared.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences, which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Deferred tax is measured at the average 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.

Investments

Investments held as fixed assets are stated at cost less provision for any impairment in value.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty:

a. Impairment of investments

Determining whether investments are impaired requires an estimation of the value in use of the subsidiaries in which the company has invested. The value in use calculation requires the company to estimate the future cash flows expected to arise from the subsidiaries and a suitable discount rate in order to calculate present value. The carrying amount of investments at the balance sheet date was £3,969,000, and no impairment loss has been recognised.

3. PROFIT BEFORE TAXATION

Auditor's remuneration of £3,000 for the year has been borne by RR Donnelley UK Limited (2016 - £3,000). There were no non-audit fees in either the current or prior year.

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The directors did not perform any qualifying services for the company in either the current or previous years.

There were no employees during the year (2016 - none).

5. INCOME FROM FIXED ASSET INVESTMENTS

	2017 £'000	2016 £'000
Dividend received from Data Entry Holdings Limited	<u>3,563</u>	<u>-</u>

6. TAX ON PROFIT

	2017 £'000	2016 £'000
United Kingdom corporation tax at 19.25% (2016 – 20%) based on the result for the year	<u>-</u>	<u>-</u>

The standard rate of tax for the year, based on UK standard rate of corporation tax is 19.25% (2016 - 20%). The actual tax charge for the current and previous year differs from the standard tax rate for the reasons set out in the following reconciliation.

	2017 £'000	2016 £'000
Profit before tax	<u>3,563</u>	<u>-</u>
Current tax charge for the year at standard rate of 19.25% (2016 - 20%)	686	-
Income not chargeable to corporation tax	(686)	-
Total actual amount of current tax charge	<u>-</u>	<u>-</u>

7. DIVIDENDS ON EQUITY SHARES

	2017 £'000	2016 £'000
Amounts recognised as distributions to equity holders in the year:		
Interim dividend for the year ended 31 December 2017 of £1.4539 (2016 - £nil) per ordinary share	<u>3,563</u>	<u>-</u>

8. FIXED ASSET INVESTMENTS

	Shares in group undertakings £'000
Cost	
At 1 January 2017 and 31 December 2017	<u>3,969</u>
Net book value	
At 31 December 2016 and 31 December 2017	<u>3,969</u>

Details of the investments in which the company holds more than 20% of the nominal value of any class of share capital are as follows:

Name and registered office of company	Nature of business	Country of registration	Class of shares	Holding
Data Entry Holdings Limited 13 Castle Street, St. Helier, Jersey, JE4 5UT	Holding of investments	Jersey	Ordinary	100%
Data Entry International Ltd 16 Kyriakou Matsi Street, Eagle House, 10 th Floor, Ayioi Omologites, 1082 Nicosia, Cyprus	Dormant	Cyprus	Ordinary	100%
RR Donnelley India Outsource Private Limited* 43A 1st Main Road, R A Puram, Chennai, 600 028, India	Professional support services	India	Ordinary	25.84%

*Indirectly owned.

9. CALLED UP SHARE CAPITAL AND RESERVES

Allotted, issued and fully paid:

Number:	Class:	Nominal Value	2017 £'000	2016 £'000
2,450,515	Ordinary	£1	<u>2,451</u>	<u>2,451</u>

The company's other reserve is as follows:

The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

10. PARENT COMPANY

The company's immediate parent undertaking is RRD BPO Holdings Limited, a company registered in England and Wales, whose registered office is situated at Tower Close, Huntingdon, Cambridgeshire, PE29 7YD.

The company's ultimate controlling party and the largest set of financial statements that DEI Group Limited is incorporated within are of RR Donnelley & Sons Company, a company incorporated in the state of Delaware in the United States of America, whose principal office is situated at 35 West Wacker Drive, Chicago, IL 60601. Copies of the group financial statements of RR Donnelley & Sons Company may be obtained from Investor Relations at this address.

The smallest set of group financial statements that DEI Group Limited is incorporated within is of RR Donnelley UK Limited, a company registered in England and Wales, whose registered office is situated at Tower Close, Huntingdon, Cambridgeshire, PE29 7YD. The consolidated financial statements are available to the public and may be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

11. RELATED PARTY DISCLOSURES

In the ordinary course of business, the company has undertaken transactions with its fellow group companies. These transactions are exempt from disclosure under FRS 102 Section 33 because consolidated financial statements of RR Donnelley UK Limited are publicly available.