Company Registration No 3789864

INKFISH SERVICES LIMITED

REPORT AND FINANCIAL STATEMENTS

for the 65 week period ended 30 June 2011

DIRECTORS AND ADVISORS

A S Barclay
H M Barclay
R Faber
D W Kershaw
G A Monk
P L Peters
M Seal

COMPANY SECRETARY

March Secretarial Services Limited

REGISTERED OFFICE

First Floor, Skyways House
Speke Road
Speke
Liverpool
L70 1AB

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London
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DIRECTORS' REPORT

The directors present their report and the audited financial statements of the company for the period ended 30 June 2011

The company changed its accounting reference date from 31 March to 30 June in the period

Principal activities and business review

The principal activity of the Company was mailing services in support of the Domestic & General Group and also to a wide range of external customers covering various business sectors

On 31 July 2010, 100% of the share capital of the company was acquired by CDMS Limited

On 31 March 2011, the trade, certain assets & liabilities were transferred to the parent company, CDMS Limited for consideration of £0 4m which generated a nil profit (note 10)

From 1 April 2011 the company has traded as a property management company

The loss after taxation of £1,316,000 (2010 loss of £346,000) was withdrawn from reserves

No dividend was paid during the period (2010 £nil)

Directors

The directors who have held office during the period and to the date of this report are as follows

A S Barclay	(appointed 30 July 2010)
H M Barclay	(appointed 30 July 2010)
R Faber	(appointed 30 July 2010)
D W Kershaw	(appointed 30 July 2010)
G A Monk	(appointed 30 July 2010)
P L Peters	(appointed 30 July 2010)
M Seal	(appointed 30 July 2010)
P A Lee	(resigned 30 July 2010)
J J Pearmund	(resigned 30 July 2010)
K S Wilson	(resigned 30 July 2010)

Political and charitable contributions

During the period the company made charitable donations totalling £nil (2010 £nil) There were no political donations (2010 £nil)

Employee involvement

There is a commitment to employee engagement geared towards business improvement and which incorporates a full and open dialogue with employees and their representatives This encourages an active contribution from employees to achieving stated business objectives

Employees and their representatives are regularly informed of corporate and individual business unit objectives, trading performance, economic conditions and other relevant matters Employees are also represented on the various trustee boards relating to pension arrangements

DIRECTORS' REPORT (continued)

Equal opportunities

In addition, the company discharges, equitably, its statutory and social duties in respect of the Sex Discrimination Act 1975, the Race Relations Act 1976, the Disability Discrimination Act 1995 and the Employment Equality Regulations on sexual orientation, religion, belief or age An equal opportunities policy is in operation For those employees becoming disabled during the course of their employment, every effort is made, whether through training or redeployment, to provide an opportunity for them to remain with the company

Elective resolutions

The company has passed elective resolutions to dispense with the holding of general meetings and for the laying of the annual report and financial statements before the company in general meetings, until such time as the elections are revoked

Statement to disclose information to auditors

So far as the directors are aware, there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and the directors have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information to establish that the company's auditors are aware of that information

This statement is given and should be interpreted with Section 418 of the Companies Act 2006

Auditors

KPMG Audit plc resigned as auditors during the period and PricewaterhouseCoopers LLP were appointed PricewaterhouseCoopers LLP have indicated their willingness to continue in office

By order of the board

For and on behalf of March Secretarial Services Limited
Company Secretary
Date 9 February 2012

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 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 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, 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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INKFISH SERVICES LIMITED

We have audited the financial statements of Inkfish Services Limited for the period ended 30 June 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Respective responsibilities of directors and auditors
As explained more fully in the Statement of Directors' Responsibilities set out on page 3 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 and express an opinion on 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 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

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 group's and parent 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 In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

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 2011 and of its loss for the period 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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INKFISH SERVICES LIMITED (continued)

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

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

ALees

Alison Lees (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

9 February 2012

PROFIT AND LOSS ACCOUNT

	Notes	**65 weeks ended 30 June 2011 £'000**	52 weeks ended 31 March 2010 £'000
Turnover		3,624	5,868
Cost of sales		(2,075)	(2,339)
Gross profit		1,549	3,529
Administrative expenses		(2,863)	(3,628)
Operating loss	*2*	(1,314)	(99)
Exceptional items gain on revaluation of fixed assets	*3*	-	183
(Loss)/profit on ordinary activities before taxation		(1,314)	84
Taxation on (loss)/profit on ordinary activities	*5*	(2)	(430)
Loss for the period	*12*	(1,316)	(346)

The loss for the period arises from the company's continuing operations

No separate statement of total recognised gains and losses has been presented as all gains and losses have been dealt with in the profit and loss account

There is no material difference between the loss on ordinary activities before taxation and the loss for the years stated above and their historical cost equivalents

BALANCE SHEET

	Notes	**30 June 2011 £'000**	31 March 2010 £'000
Fixed assets			
Tangible assets	*6*	2,464	3,713
Current assets			
Debtors	*7*	-	564
Creditors Amounts falling due within one year	*8*	(115)	(5,547)
Net current liabilities		(115)	(4,983)
Net assets/(liabilities)		2,349	(1,270)
Capital and reserves			
Share capital	*11*	50	50
Share premium	*12*	4,935	-
Profit and loss deficit	*12*	(2,636)	(1,320)
Total shareholder's funds/(deficit)	*13*	2,349	(1,270)

The financial statements of Inkfish Services Limited, company number 3789864, on pages 6 to 16 were approved by the Board of Directors on 9 February 2012

Signed on its behalf

Richard

R Faber Director

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies

Basis of accounting

The financial statements are prepared on the going concern basis, under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with the Companies Act 2006 and United Kingdom applicable accounting standards, which have been applied on a consistent basis with the previous period The principal accounting policies are set out below

The accounting reference date was changed from 31 March to 30 June in the current year

Cash flow statement and related party transactions

As the results of the company are included in the consolidated financial statements of March UK Limited, its parent undertaking, which are publicly available, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 'Cash Flow Statements (revised 1996)'

The company is also exempt under the terms of Financial Reporting Standard 8 'Related Party Transactions' from disclosing related party transactions with entities that are part of the Group or investees of the group as March UK Limited controls 100% of the total shareholding and the consolidated financial statements of that company are publicly available

Revenue recognition

Turnover represents amounts receivable for services provided, exclusive of Value Added Tax

Tangible fixed assets and depreciation

Freehold land & buildings are measured at valuation All other tangible fixed assets are stated at historic cost Depreciation is provided to write down the cost of tangible fixed assets to their estimated residual values by equal annual instalments over their estimated useful working lives as follows

Buildings	- 2% per annum
Motor vehicles	- 25% per annum
Fixtures, fittings & equipment	- 10 – 25% per annum

Freehold land is not depreciated

Revaluation of properties

Freehold land & buildings are stated at valuation based on an existing use basis with the benefit of vacant possession Values are assessed annually by the directors, based on the advice of professionally qualified chartered surveyors employed by the company, as well as external independent valuers Any changes in the value of freehold land & buildings are disclosed as movements on the revaluation reserve to the extent the reserve is sufficient Any impairments below cost are charged to the profit and loss account

Where depreciation charges are increased following a revaluation, an amount equal to the increase is transferred annually from the revaluation reserve to the profit and loss account as a movement on reserves On the disposal or recognition of a provision for impairment of a revalued fixed asset, any related balance remaining in the revaluation reserve is also transferred to the profit and loss account as a movement on reserves

NOTES TO THE FINANCIAL STATEMENTS (continued)

Deferred tax

In accordance with FRS 19 'Deferred Tax', full provision is made for deferred tax arising from timing differences between the differing treatment of certain items for taxation and accounting purposes The provision is based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date Deferred tax assets are recognised only to the extent that the directors consider there to be suitable taxable profits in the foreseeable future from which the underlying timing differences can be deducted Deferred tax assets are not discounted

Pensions

The pension scheme costs relate to a defined contribution pension scheme operated by Domestic & General Group Limited The assets of this scheme are held separately from the Company

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. Operating loss

Operating loss is stated after charging

	65 weeks ended 30 June 2011 £'000	52 weeks ended 31 March 2010 £'000
Depreciation		
Owned assets	448	537
Profit on disposal of fixed assets	-	(1)
Services provided by the company's auditors		
Fees payable for the statutory audit	-	8

The current year audit fee has been borne by CDMS Limited and not recharged

3. Exceptional items

	65 weeks ended 30 June 2011 £'000	52 weeks ended 31 March 2010 £'000
Gain on revaluation of land and buildings	-	183

The freehold land and building, was valued at 31 March 2009 by external valuers, Colliers CRE, Chartered Surveyors, at their Existing Use Value (EUV) in accordance with the RICS Appraisal and Valuation Manual The value was based on active market prices
Following these valuations the Directors took the decision to reduce the carrying value of land and buildings by £1,538,834 An interim valuation was performed at 31 March 2010 which indicated that the value had increased by £183,450 since the previous valuation At 30 June 2011 no material movement in valuation was identified

4. Employees and directors

	65 weeks ended 30 June 2011 £'000	52 weeks ended 31 March 2010 £'000
Staff costs (including part-time staff and directors) during the year:		
Wages and salaries	1,547	2,405
Social security costs	135	212
Defined contribution pension costs	37	79
	1,719	2,696

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. Employees and directors (continued)

	2011 Number	2010 Number
Average monthly number of full time equivalents (including part-time staff and directors) employed:		
Administration	61	119

The directors did not receive any emoluments for services to the company during the period ended 30 June 2011 (31 March 2010 £nil)

5. Tax charge on profit on ordinary activities

	65 weeks ended 30 June 2011 £'000	52 weeks ended 31 March 2010 £'000
Current taxation:		
Total current tax charge	2	4
Adjustment in respect of prior periods	-	11
Total current tax charge	2	15
Deferred taxation:		
Origination and reversal of timing differences	-	415
Total deferred tax credit	-	415
Tax charge on loss on ordinary activities	2	430

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. Tax charge on (loss)/profit on ordinary activities (continued)

The current tax charge assessed for the period is different to the standard rate of corporation tax in the UK 27 6% (2010 21%) The differences are explained below

	65 weeks ended 30 June 2011 £'000	52 weeks ended 31 March 2010 £'000
(Loss)/profit on ordinary activities before tax	(1,314)	84
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 27 6% (2010 21%)	(363)	18
Effects of		
Expenses not deductible for tax purposes	22	-
Other short term timing differences	(7)	(41)
Capital allowances in excess of depreciation	224	26
Adjustments in respect of prior years	-	12
Group relief surrendered for nil consideration	126	-
Current tax charge for the year	2	15

In July 2010 legislation was enacted to reduce the main rate of UK corporation tax from 28% to 27% from 1 April 2011

The Budget announced on 23 March 2011 included further changes to the main rates of tax for UK companies The main rate of corporation tax will reduce from 28% to 26% from 1 April 2011 This reduction is in addition to the decrease to 27% The Budget also proposes to reduce the main rate of corporation tax from 26% to 25% from 1 April 2012 It also proposes to make further reductions to the main rate of 1% per annum to 23% by 1 April 2014

The additional 1% reduction (to 26%) from 1 April 2011 was substantively enacted on 29 March 2011 Consequently deferred tax balances have been remeasured to 26%

The proposed further reduction to 25% is expected to be included in the Finance Bill 2011, with future finance bills introducing the additional reductions to 23%

Given these further changes were not substantively enacted at the balance sheet date, they are not reflected in the financial statements

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. Tangible fixed assets

	Freehold land & buildings £'000	Motor vehicles £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost or valution				
At 1 April 2010	2,500	17	4,594	7,111
Additions	-	-	20	20
Disposals	-	(17)	(4,614)	(4,631)
At 30 June 2011	2,500	-	-	2,500
Depreciation				
At 1 April 2010	-	6	3,392	3,398
Charged in the period	36	-	412	448
Disposals	-	(6)	(3,804)	(3,810)
At 30 June 2011	36	-	-	36
Net book value				
At 30 June 2011	2,464	-	-	2,464
At 31 March 2010	2,500	11	1,202	3,713

If land and buildings had not been revalued, they would have been included at the following amounts

	30 June 2011 £'000	31 March 2010 £'000
Cost	4,147	4,147
Accumulated depreciation	(554)	(450)
Net book amount	3,593	3,697

The net book value of land not depreciated is £722,000 (2010 £722,000)

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. Debtors

	30 June 2011 £'000	31 March 2010 £'000
Amounts falling due within one year:		
Trade debtors	-	412
Amounts owed by group undertakings	-	49
Prepayments and accrued income	-	51
Deferred tax asset (see note 9)		52
	-	564

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

8 Creditors

	30 June 2011 £'000	31 March 2010 £'000
Amounts falling due within one year		
Trade creditors	-	34
Amounts owed by group undertakings	115	5,206
Accruals and deferred income	-	307
	115	5,547

Amounts due to group undertakings are unsecured, interest free and repayable on demand

9 Deferred taxation

	30 June 2011 £'000	31 March 2010 £'000
Accelerated capital allowances	-	(52)
At 1 April	(52)	(467)
Deferred tax charge in profit and loss account	-	415
Transferred to CDMS Limited	52	-
At 30 June/31 March	-	(52)

There is an unrecognised deferred tax asset of £nil (2010 £420,000)

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. Disposal of trade & assets

The trade and certain assets of the Company were transferred to the parent company, CDMS Limited in the year at book value The assets of £0 4m (tangible fixed asset of £0 8m, current assets of £0 3m and current liabilities of £0 7m) were acquired for consideration of £0 7m leading to a nil gain or loss

11. Share capital

	30 June 2011 £	31 March 2010 £
Authorised:		
50,001 (2010 50,000) ordinary shares of £1 each	50,001	50,000
Allotted, issued and fully paid:		
50,001 (2010 50,000) ordinary shares of £1 each	50,001	50,000

During the period, 1 ordinary share was issued for consideration (which was settled through the intercompany account) of £4,935,001 leading to share premium of £4,935,000

12. Reserves

	Share premium £'000	Profit & loss account £'000
At 1 April 2010	-	(1,320)
Loss for the period	-	(1,316)
Issue of share capital	4,935	-
At 30 June 2011	4,935	(2,636)

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. Reconciliation of movement in total shareholders' funds

	30 June 2011 £'000	31 March 2010 £'000
Loss for the financial period	(1,316)	(346)
Share capital issued	4,935	-
Movement in shareholders' funds/(deficit)	3,619	(346)
Total shareholders' deficit at 1 April	(1,270)	(924)
Total shareholders' funds/(deficit) at 30 June/31 March	2,349	(1,270)

14. Ultimate controlling party

The immediate parent company is CDMS Limited, a company registered in England and Wales The results of the company are consolidated into the report and financial statements of March UK Limited, a company registered in England and Wales, which the directors regard as being controlled by Sir David and Sir Frederick Barclay Family Settlements