

Company Registration No 3789864

INKFISH SERVICES LIMITED
REPORT AND FINANCIAL STATEMENTS

for the year ended 30 June 2012



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 AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
Manchester
United Kingdom

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DIRECTORS' REPORT

The directors present their report and the audited financial statements of the company for the year ended 30 June 2012. The company changed its accounting reference date from 31 March to 30 June in the prior period, hence the comparative results are for a 65 week period.

Principal activities and business review

Until 31 March 2011, 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 March 2011, the trade, certain assets & liabilities were transferred to the parent company, CDMS Limited, and from 1 April 2011 the company traded as a property management company.

Having disposed of its one remaining property, the company ceased to trade in July 2011. There are now no principal risks or uncertainties evident for the company.

The profit after taxation for the year of £729,000 was transferred to reserves (65 weeks ended 30 June 2011: loss of £1,316,000 withdrawn from reserves).

The directors do not recommend the payment of a dividend (61 weeks ended 30 June 2011: same).

Going concern

As a result of the company ceasing to trade the financial statements have been prepared on a basis other than going concern. More details are included in note 1 to the financial statements.

Directors

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

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

Political and charitable contributions

The company made no charitable or political donations during the year (65 weeks ended June 2011: same).

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 the auditor

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

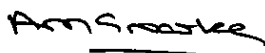
- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that 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.

Auditor

PricewaterhouseCoopers LLP resigned as auditor during the year and Deloitte LLP was appointed. Deloitte LLP have indicated their willingness to continue in office.

By order of the board



Anne Marie Groarke
For and on behalf of March Secretarial Services Limited
Company Secretary
18 December 2012

DIRECTORS' RESPONSIBILITIES STATEMENT

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 AUDITOR'S REPORT TO THE MEMBERS OF INKFISH SERVICES LIMITED

We have audited the financial statements of Inkfish Services Limited for the year ended 30 June 2012, which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 12. 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 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.

Respective responsibilities of directors and auditor

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 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.

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. 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 2012 and of its profit 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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INKFISH SERVICES LIMITED
(continued)**

Emphasis of matter

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in Note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of going concern

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



William Smith (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Manchester, United Kingdom
18 December 2012

PROFIT AND LOSS ACCOUNT

	<i>Notes</i>	Year ended 30 June 2012 £'000	65 weeks ended 30 June 2011 £'000
Turnover		-	3,624
Cost of sales		-	(2,075)
Gross profit		-	1,549
Net operating expenses		-	(2,863)
Operating loss		-	(1,314)
Profit on disposal of tangible fixed assets	2	729	-
Profit/(loss) on ordinary activities before taxation	2	729	(1,314)
Taxation on ordinary activities	4	-	(2)
Profit/(loss) on ordinary activities after taxation	10,11	729	(1,316)

The profit for the current year and the loss for the prior period arise from discontinued operations

No separate statement of total recognised gains and losses has been presented as there are no gains and losses other than those disclosed in the profit and loss account above

There is no material difference between the profit (65 weeks ended 30 June 2011 loss) on ordinary activities before taxation and the profit (65 weeks ended 30 June 2011 loss) for the year/period stated above and their historical cost equivalents

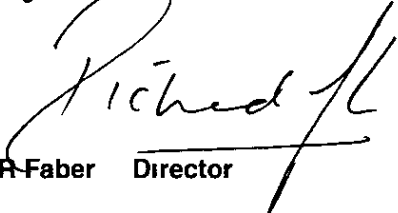
INKFISH SERVICES LIMITED
REPORT AND FINANCIAL STATEMENTS
For the year ended 30 June 2012

BALANCE SHEET

	<i>Notes</i>	30 June 2012 £'000	30 June 2011 £'000
Fixed assets			
Tangible assets	5	-	2,464
Current assets			
Debtors	6	3,194	-
Creditors Amounts falling due within one year	7	-	(115)
Net current assets/(liabilities)		3,194	(115)
Net assets		3,194	2,349
Capital and reserves			
Called-up share capital	9	50	50
Share premium	10	4,935	4,935
Profit and loss account	10	(1,791)	(2,636)
Total shareholder's funds	11	3,194	2,349

The financial statements of Inkfish Services Limited, company number 3789864, on pages 6 to 14 were approved by the Board of Directors on 19th December 2012

Signed on its behalf


R. Faber Director

NOTES TO THE FINANCIAL STATEMENTS

1. 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, modified to include the revaluation of certain fixed assets, and in accordance with the Companies Act 2006 and applicable United Kingdom accounting standards.

Going concern

The financial statements are prepared on a basis other than that of a going concern. This is as a result of the company ceasing to trade in July 2011. No adjustments arose as a result of ceasing to apply the going concern basis. The financial statements do not include any provision for the future costs of terminating the operations of the company.

Cash flow statement and related party transactions

As the results of the company are included in the consolidated financial statements of Shop Direct Holdings Ltd (formerly 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 Shop Direct Holdings Ltd (formerly 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. The turnover and profit/loss before taxation all arise within the United Kingdom in the current year and prior period, and relate to the company's principal activity.

Tangible fixed assets and depreciation

Freehold land and buildings are measured at valuation. All other tangible fixed assets are stated at historical cost. Depreciation is provided to write down the cost or valuation 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. Accounting Policies (continued)

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.

On the disposal or recognition of a provision for impairment of a revalued fixed asset, any related balance remaining in the revaluation reserve is transferred to the profit and loss account as a movement on reserves.

Taxation

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

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 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.

Deferred tax assets and liabilities 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. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. Profit/(loss) on ordinary activities before taxation

Profit/(loss) on ordinary activities before taxation is stated after charging

	Year ended 30 June 2012 £'000	65 weeks ended 30 June 2011 £'000
Depreciation		
Owned assets	-	448
Profit on disposal of fixed assets	729	-

The audit fee has been borne by another group company and not recharged (65 weeks ended 30 June 2011 same)

There are no non-audit fees payable to the auditor in the current year or the prior period. In the prior period fees payable to the auditor were payable to Pricewaterhouse Coopers LLP

3. Employees and directors

	Year ended 30 June 2012 £'000	65 weeks ended 30 June 2011 £'000
Staff costs (including part-time staff and directors) during the year/period:		
Wages and salaries	-	1,547
Social security costs	-	135
Defined contribution pension costs	-	37
	-	1,719
	2012 Number	2011 Number
Average monthly number of full time equivalents (including part-time staff and excluding directors) employed:		
Administration	-	61

The directors did not receive any emoluments for services to the company during the year ended 30 June 2012 (65 weeks ended 30 June 2011 £nil)

NOTES TO THE FINANCIAL STATEMENTS (continued)

4 Tax charge on ordinary activities

	Year ended 30 June 2012 £'000	65 weeks ended 30 June 2011 £'000
Current tax charge	-	(2)
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The current tax charge assessed for the period is different to the standard rate of corporation tax in the UK 25.5% (2011 27.6%). The differences are explained below		
	Year ended 30 June 2012 £'000	65 weeks ended 30 June 2011 £'000
Profit/(loss) on ordinary activities before tax	729	(1,314)
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Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 25.5% (2011 27.6%)	(185)	363
Effects of		
Non taxable items	175	(22)
Other short term timing differences	-	7
Capital allowances less than/(in excess of) depreciation	10	(224)
Group relief surrendered for nil consideration	-	(126)
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Current tax charge for the year/period	-	(2)
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The company earns its profits primarily in the UK. Therefore the tax rate used for tax on profit on ordinary activities is the standard rate of UK corporation tax of 25.5%.

The Finance Act 2011, which was substantively enacted in July 2011, included provisions to reduce the rate of corporation tax to 25% with effect from 1 April 2012. The Budget announced on 21 March 2012 introduced an additional 1% reduction (to 24%) from 1 April 2012 which was substantively enacted on 26 March 2012.

On 21 March 2012, the government also announced that it intends to reduce the rate of corporation tax to 23% from 1 April 2013 and 22% from 1 April 2014. As this legislation was not substantively enacted by 30 June 2012, the impact of the anticipated rate change is not reflected in the tax provisions reported in these accounts.

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. Tangible fixed assets

	Freehold land & buildings £'000
Valuation	
At 1 July 2011	2,500
Disposals	(2,500)
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At 30 June 2012	-
	<hr/>
Depreciation	
At 1 July 2011	36
Disposals	(36)
	<hr/>
At 30 June 2012	-
	<hr/>
Net book value	
At 30 June 2012	-
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At 30 June 2011	2,464
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If land and buildings had not been revalued, they would have been included at the following amounts

	30 June 2012 £'000	30 June 2011 £'000
Cost	-	4,147
Accumulated depreciation	-	(554)
	<hr/>	<hr/>
Net book amount	-	3,593
	<hr/>	<hr/>

The net book value of land not depreciated is £nil (2011 £722,000)

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. Debtors

	30 June 2012 £'000	30 June 2011 £'000
Amounts falling due within one year.		
Amounts owed by group undertakings	3,194	-

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

7. Creditors

	30 June 2012 £'000	30 June 2011 £'000
Amounts falling due within one year		
Amounts owed to group undertakings	-	115

Amounts owed to group undertakings were unsecured, interest free and repayable on demand

8. Deferred taxation

	30 June 2012 £'000	30 June 2011 £'000
Opening deferred tax asset	-	(52)
Transferred to CDMS Limited	-	52
Closing deferred tax asset	-	-

9. Called-up share capital

	30 June 2012 £	30 June 2011 £
Authorised:		
50,001 ordinary shares of £1 each	50,001	50,001
Allotted, called-up and fully paid:		
50,001 ordinary shares of £1 each	50,001	50,001

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. Reserves

	Share premium £'000	Profit & loss account £'000
At 1 July 2011	4,935	(2,636)
Profit for the financial year	-	729
Capital contribution	-	116
At 30 June 2012	4,935	(1,791)

11. Reconciliation of movement in total shareholder's funds

	30 June 2012 £'000	30 June 2011 £'000
Profit/(loss) for the financial year/period	729	(1,316)
Capital contribution	116	-
Share capital issued	-	4,935
Movement in shareholder's funds	845	3,619
Opening shareholder's funds/(deficit)	2,349	(1,270)
Closing shareholder's funds	3,194	2,349

12. Ultimate controlling party

The immediate holding company is CDMS Limited, a company registered in England and Wales. The smallest and largest group into which the results of the Company are consolidated is the report and financial statements of Shop Direct Holdings Limited (formerly March UK Limited), a company registered in England and Wales, which the directors regard as being controlled by the Sir David Barclay and Sir Frederick Barclay Family Settlements.