

REGISTERED NUMBER 05673888 (England and Wales)

**METASPHERE LIMITED**  
**REPORT OF THE DIRECTORS AND**  
**AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2012**

WEDNESDAY



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19/09/2012  
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**METASPHERE LIMITED**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 30 APRIL 2012**

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**DIRECTORS.**

C M C Young  
N R Tubman  
R B Howe  
T B O'Brien  
I P Williams

**SECRETARY**

J L Smith

**REGISTERED OFFICE**

Oakleigh House  
High Street  
Hartley Wintney  
Hampshire  
RG27 8PE

**REGISTERED NUMBER:**

05673888 (England and Wales)

**METASPHERE LIMITED**  
**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 30 APRIL 2012**

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The directors present their report with the financial statements of the company for the year ended 30 April 2012

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of a telemetry services provider, providing robust asset monitoring and control of time critical remote operations to gain competitive advantage and meet regulatory compliance

**REVIEW OF BUSINESS**

The directors are pleased that the company has consolidated last year's performance with significant growth in profit before tax to £276k on rising sales of £3,739k

The continued sales development increased profitability in the business to 7% of sales. We start the current year positively with a consistently high order book and continue our focus on growth from existing and new markets, both in the UK and overseas

Metasphere continue to invest significant monies in market and product development including end-to-end applications and DNP3 /WITS DNP3 enabled product for launch during 2012/13

With the achievement of profitability in both of the last two years the company, which had been reliant on the financial support of Kaye Enterprises Limited, its holding company, has become largely self-funding. Kaye Enterprises has indicated that it will continue to provide working capital support in order to grow the business. During the year the company repaid £250k of the long term loan due to Kaye Enterprises

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 May 2011 to the date of this report

C M C Young  
N R Tubman  
R B Howe  
T B O'Brien  
I P Williams

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors 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,
- 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

**METASPHERE LIMITED**  
**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 30 APRIL 2012**

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**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each 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 report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

**ON BEHALF OF THE BOARD**



J L Smith - Secretary

Date 4 September 2012

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF METASPHERE LIMITED**

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We have audited the financial statements of MetaspHERE Limited for the year ended 30 April 2012 on pages six to fifteen. 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 a Report of the Auditors 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 Statement of Directors' Responsibilities set out on page two, 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 Report of the Directors 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 April 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.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
METASPHERE LIMITED**

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**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, or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Report of the Directors

*Wilkins Kennedy LLP*

Kevin Walmsley (Senior Statutory Auditor)  
for and on behalf of Wilkins Kennedy LLP

Statutory Auditor  
Chartered Accountants  
Mount Manor House  
16 The Mount  
Guildford  
Surrey  
GU2 4HN

Date *12 September 2012.*

**METASPHERE LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 30 APRIL 2012**

	Notes	2012 £	2011 £
<b>TURNOVER</b>	2	<b>3,739,428</b>	3,640,397
Cost of sales		<u>(2,137,640)</u>	<u>(2,006,019)</u>
<b>GROSS PROFIT</b>		<b>1,601,788</b>	1,634,378
Administrative expenses		<u>(1,287,911)</u>	<u>(1,524,904)</u>
		<b>313,877</b>	109,474
Other operating income		<u>1,250</u>	-
<b>OPERATING PROFIT</b>	5	<b>315,127</b>	109,474
Interest receivable and similar income		<u>340</u>	-
		<b>315,467</b>	109,474
Interest payable and similar charges	6	<u>(39,327)</u>	<u>(52,633)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>276,140</b>	56,841
Tax on profit on ordinary activities	7	<u>62,720</u>	<u>26,718</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u><b>338,860</b></u>	<u>83,559</u>

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous year

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profits for the current year or previous year

The notes form part of these financial statements

**METASPHERE LIMITED**

**BALANCE SHEET  
30 APRIL 2012**

	Notes	2012 £	2011 £
<b>FIXED ASSETS</b>			
Intangible assets	9	12,833	19,833
Tangible assets	10	52,818	33,700
		<u>65,651</u>	<u>53,533</u>
<b>CURRENT ASSETS</b>			
Stocks	11	259,219	226,796
Debtors	12	1,066,940	955,353
Cash at bank and in hand		51,748	144,583
		<u>1,377,907</u>	<u>1,326,732</u>
<b>CREDITORS</b>			
Amounts falling due within one year	13	(783,560)	(1,068,127)
<b>NET CURRENT ASSETS</b>		<u>594,347</u>	<u>258,605</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>659,998</u>	<u>312,138</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	14	(850,000)	(850,000)
<b>PROVISIONS FOR LIABILITIES</b>	17	(38,500)	(29,500)
<b>NET LIABILITIES</b>		<u>(228,502)</u>	<u>(567,362)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	18	2,500,154	2,500,154
Share premium	19	437,400	437,400
Capital redemption reserve	19	118,490	118,490
Profit and loss account	19	(3,284,546)	(3,623,406)
<b>SHAREHOLDERS' FUNDS</b>	22	<u>(228,502)</u>	<u>(567,362)</u>

The financial statements were approved by the Board of Directors on 4 September 2012 and were signed on its behalf by

  
C M C Young - Director

  
T B O'Brien - Director

The notes form part of these financial statements



## METASPHERE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2012

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#### 1 ACCOUNTING POLICIES

##### **Accounting convention**

The financial statements have been prepared under the historical cost convention

##### **Going Concern**

Despite the company making significant profits in the year ended 30 April 2012, the company continues to have net liabilities and at the year end these amounted to £228,502 (2011 £567,362). The company has benefited from ongoing support from Kaye Enterprises Limited, the parent company, through a number of difficult years and this support remains in place. The position of the company continues to improve.

These accounts have been prepared on a going concern basis, which depends on the continued support of Kaye Enterprises Limited. The parent company has confirmed that it will continue to support the company to allow it to trade within its forecasts and projections for a period of not less than twelve months from the date of the financial statements.

##### **Financial Reporting Standard Number 1**

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

##### **Turnover**

Turnover represents sale of goods and services to external customers at invoiced amounts less value added tax or local tax on sales. Revenue is recognised as follows:

- for product sales, on despatch of goods
- for project costs, on completion of a milestone as agreed with the customer
- for support contracts, over the term of the contract on a straight line basis
- for other support services, as and when the service is provided

##### **Goodwill**

Goodwill arising on an acquisition of a trade is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. Positive goodwill is capitalised and amortised through the profit and loss account over the directors' estimate of its useful economic life which is 5 years.

Impairment tests on the carrying value of goodwill are undertaken,

- at the end of the first full financial year following acquisition,
- in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

##### **Tangible fixed assets**

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, except for investment properties and freehold land, evenly over their expected useful lives. It is calculated at the following rates:

- |                    |                    |
|--------------------|--------------------|
| Office equipment   | - 20 - 33% on cost |
| Computer equipment | - 33% on cost      |

##### **Stocks**

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

## METASPHERE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30 APRIL 2012

#### 1 ACCOUNTING POLICIES - continued

##### **Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, except that

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief, and
- the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences

Deferred tax balances are not discounted

##### **Research and development**

Expenditure on pure and applied research is charged to the profit and loss account in the year in which it is incurred

Development costs are also charged to the profit and loss account in the year of expenditure, unless individual projects satisfy all of the following criteria

- the project is clearly defined and related expenditure is separately identifiable,
- the project is technically feasible and commercially viable,
- current and future costs are expected to be exceeded by future sales, and
- adequate resources exist for the project to be completed

In such circumstances the costs are carried forward and amortised over a period not exceeding five years commencing in the year the company starts to benefit from the expenditure

##### **Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result

##### **Pension costs and other post-retirement benefits**

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable

##### **Operating leases**

Annual rentals on operating leases are charged to the profit and loss account on a straight-line basis over the term of the lease

##### **Other intangibles**

Other intangibles include intellectual property rights acquired. Intellectual property rights are capitalised and amortised through the profit and loss account over the directors' estimate of its useful economic life which is 5 years. Impairment tests on the carrying value are undertaken at the end of the first full financial year following acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable

#### 2 TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company

The proportion of turnover that is attributable to markets outside the United Kingdom is 5% (2011 - 6%)

**METASPHERE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 APRIL 2012**

**3 STAFF COSTS**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>910,193</b>	917,502
Social security costs	<b>88,475</b>	68,717
Other pension costs	<b>43,364</b>	40,535
	<u><b>1,042,032</b></u>	<u>1,026,754</u>

The average monthly number of employees during the year was as follows

<b>2012</b>	<b>2011</b>
<b>16</b>	<b>15</b>
<u>16</u>	<u>15</u>

**4 DIRECTORS' EMOLUMENTS**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Directors' remuneration	<b>226,773</b>	232,030
	<u><b>226,773</b></u>	<u>232,030</u>

The number of directors to whom retirement benefits were accruing was as follows

Money purchase schemes	<u><b>1</b></u>	<u>1</u>
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Information regarding the highest paid director is as follows

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Emoluments etc	<b>143,963</b>	139,287
	<u><b>143,963</b></u>	<u>139,287</u>

**5 OPERATING PROFIT**

The operating profit is stated after charging/(crediting)

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Depreciation - owned assets	<b>19,468</b>	6,939
Profit on disposal of fixed assets	<b>(350)</b>	-
Goodwill amortisation	-	255,444
Intellectual property amortisation	<b>7,000</b>	7,000
Foreign exchange differences	<b>(900)</b>	-
Audit fees	<b>8,500</b>	8,500
Operating lease payments - other	<b>50,000</b>	36,000
Operating lease payments - plant and machinery	<b>3,225</b>	1,968
	<u><b>79,943</b></u>	<u>340,841</u>

**METASPHERE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 APRIL 2012**

**6 INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Bank interest	4	3,133
Interest paid to group companies	<b>39,323</b>	49,500
	<u><b>39,327</b></u>	<u><b>52,633</b></u>

**7 TAXATION**

**Analysis of the tax credit**

The tax credit on the profit on ordinary activities for the year was as follows

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Current tax		
UK corporation tax	-	(21,386)
UK corporation tax prior year	<b>(62,720)</b>	(5,332)
	<u><b>(62,720)</b></u>	<u><b>(26,718)</b></u>

**Factors affecting the tax credit**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before tax	<b>276,140</b>	56,841
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26% (2011 - 28%)	<b>71,796</b>	15,915
Effects of		
Expenses not deductible for tax purposes	<b>498</b>	(11,791)
Capital allowances in excess of depreciation	<b>(7,678)</b>	(10,699)
Utilisation of tax losses	<b>(30,441)</b>	-
Adjustments to tax charge in respect of previous periods	-	(5,332)
Net timing differences	<b>852</b>	1,345
R & D tax relief	<b>(35,027)</b>	(38,420)
Adjustment in respect of prior year R & D tax credits	<b>(62,720)</b>	(21,386)
Surrender of losses for R & D tax credit	-	43,650
Current tax credit	<u><b>(62,720)</b></u>	<u><b>(26,718)</b></u>

**Factors that may affect future tax charges**

As at 30 April 2012 the company had tax losses of £2,514,155 (2011 - £2,631,236) to carry forward to future periods

The deferred tax asset of £603,397 (2011 - £684,121) in respect of these losses has not been recognised as it is uncertain if these will be utilised in the foreseeable future

**METASPHERE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 APRIL 2012**

**8 CHANGES TO COMPARATIVES**

A change has been made regarding the comparatives for the year ended 30 April 2012, to show a reallocation of research and development and marketing costs totalling £102,172 (2011 - £98,784) from cost of sales to overheads. This is not considered a prior year adjustment as it is merely a presentational change.

**9 INTANGIBLE FIXED ASSETS**

	<b>Goodwill £</b>	<b>Intellectual property £</b>	<b>Totals £</b>
<b>COST</b>			
At 1 May 2011	1,702,964	35,000	1,737,964
and 30 April 2012			
<b>AMORTISATION</b>			
At 1 May 2011	1,702,964	15,167	1,718,131
Amortisation for year	-	7,000	7,000
At 30 April 2012	1,702,964	22,167	1,725,131
<b>NET BOOK VALUE</b>			
At 30 April 2012	-	12,833	12,833
At 30 April 2011	-	19,833	19,833

**10 TANGIBLE FIXED ASSETS**

	<b>Fixtures and fittings £</b>	<b>Computer equipment £</b>	<b>Totals £</b>
<b>COST</b>			
At 1 May 2011	97,687	131,141	228,828
Additions	-	38,586	38,586
At 30 April 2012	97,687	169,727	267,414
<b>DEPRECIATION</b>			
At 1 May 2011	96,966	98,162	195,128
Charge for year	254	19,214	19,468
At 30 April 2012	97,220	117,376	214,596
<b>NET BOOK VALUE</b>			
At 30 April 2012	467	52,351	52,818
At 30 April 2011	721	32,979	33,700

**METASPHERE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 APRIL 2012**

**11 STOCKS**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Finished goods	<b><u>259,219</u></b>	<b><u>226,796</u></b>

There is no material difference between the replacement cost of stocks and the amounts stated above

**12 DEBTORS. AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Trade debtors	<b>834,798</b>	917,444
Amounts owed by group undertakings	<b>151,390</b>	17,343
Other debtors	<b>20,593</b>	20,566
Prepayments and accrued income	<b>60,159</b>	-
	<b><u>1,066,940</u></b>	<b><u>955,353</u></b>

**13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts (see note 15)	-	15,035
Trade creditors	<b>151,476</b>	314,106
Amounts owed to group undertakings	<b>64,028</b>	291,941
Other taxes and social security	<b>103,081</b>	24,244
Deferred income	<b>335,834</b>	263,521
Accrued expenses	<b>129,141</b>	159,280
	<b><u>783,560</u></b>	<b><u>1,068,127</u></b>

**14 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Amounts owed to group undertakings	<b><u>850,000</u></b>	<b><u>850,000</u></b>

**15 LOANS**

An analysis of the maturity of loans is given below

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Amounts falling due within one year or on demand		
Bank loans	<b><u>-</u></b>	<b><u>15,035</u></b>

**METASPHERE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 APRIL 2012**

**16 OPERATING LEASE COMMITMENTS**

The following operating lease payments are committed to be paid within one year

	<b>Land and buildings</b>		<b>Other operating leases</b>	
	<b>2012 £</b>	<b>2011 £</b>	<b>2012 £</b>	<b>2011 £</b>
Expiring Within one year	<u><b>12,500</b></u>	<u><b>12,000</b></u>	<u><b>-</b></u>	<u><b>3,225</b></u>

**17 PROVISIONS FOR LIABILITIES**

	<b>2012 £</b>	<b>2011 £</b>
Other provisions	<u><b>38,500</b></u>	<u><b>29,500</b></u>

Provisions relate to stock under a warranty period

**18 CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid			<b>2012 £</b>	<b>2011 £</b>
Number	Class	Nominal value		
556,000	Ordinary shares	£0.10	<b>55,600</b>	55,600
2,444,554	Ordinary B shares	£1	<u><b>2,444,554</b></u>	<u>2,444,554</u>
			<u><b>2,500,154</b></u>	<u><b>2,500,154</b></u>

Holders of ordinary shares have full voting rights. Ordinary B shareholders have no voting rights except on matters affecting the rights of B shares.

**19 RESERVES**

	<b>Profit and loss account £</b>	<b>Share premium £</b>	<b>Capital redemption reserve £</b>	<b>Totals £</b>
At 1 May 2011	<b>(3,623,406)</b>	<b>437,400</b>	<b>118,490</b>	<b>(3,067,516)</b>
Profit for the year	<u><b>338,860</b></u>			<u><b>338,860</b></u>
At 30 April 2012	<u><b>(3,284,546)</b></u>	<u><b>437,400</b></u>	<u><b>118,490</b></u>	<u><b>(2,728,656)</b></u>

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**METASPHERE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 APRIL 2012**

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**20 ULTIMATE PARENT COMPANY**

There is no ultimate controlling party

The largest and smallest group in which the results of the company are consolidated is that headed by Kaye Enterprises Limited, a company incorporated in the United Kingdom. The consolidated accounts of this company are available to the public and may be obtained from Oakleigh House, High Street, Hartley Wintney, Hook, Hampshire, RG27 8PE. No other group accounts include the results of the company.

**21 RELATED PARTY DISCLOSURES**

During the year, Kaye Enterprises Limited, a shareholder of the company, invoiced the company for £312,027 (2011 - £301,968) relating to recharged expenses, management fees and interest. At the year end a total of £64,028 (2011 - £41,941) remained outstanding.

During the year the company repaid £250,000 of the loan facility due to Kaye Enterprises. At the year end an amount of £850,000 (2011 - £1,100,000) was outstanding with £850,000 (2011 - £850,000) due for repayment in more than one year from the balance sheet date. The loan attracts interest rate charges of 4% above the base rate.

During the year Waterscan Ltd, a company under common control, was invoiced by the company for £172,676 (2011 - £38,526) relating to stock sales. At the year end £151,390 (2011 - £17,343) was outstanding.

**22 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Profit for the financial year	<b>338,860</b>	83,559
<b>Net addition to shareholders' funds</b>	<b>338,860</b>	83,559
Opening shareholders' funds	<b>(567,362)</b>	(650,921)
<b>Closing shareholders' funds</b>	<b>(228,502)</b>	(567,362)