

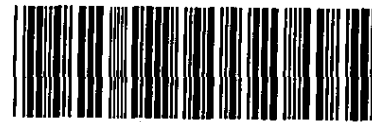
Registered number. 05707598

SOUND ADVERTISING HOLDINGS LIMITED

**DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED 30 JUNE 2013

FRIDAY



L34MSB36

LD2

28/03/2014

#149

COMPANIES HOUSE

SOUND ADVERTISING HOLDINGS LIMITED

COMPANY INFORMATION

DIRECTOR M D Charlesworth

REGISTERED NUMBER 05707598

REGISTERED OFFICE Aston House
Cornwall Avenue
London
N3 1LF

INDEPENDENT AUDITORS Adler Shine LLP
Chartered Accountants & Statutory Auditor
Aston House
Cornwall Avenue
London
N3 1LF

SOUND ADVERTISING HOLDINGS LIMITED

CONTENTS

	Page
Director's report	1 - 2
Director's responsibilities statement	3
Independent auditors' report	4 - 5
Consolidated profit and loss account	6
Consolidated balance sheet	7
Company balance sheet	8
Consolidated cash flow statement	9
Notes to the financial statements	10 - 20

SOUND ADVERTISING HOLDINGS LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 30 JUNE 2013

The director presents his report and the financial statements for the year ended 30 June 2013

PRINCIPAL ACTIVITIES

The principal activity of the company is that of investment holding. The principal activity of the group continued to be that of the provision of domestic premium rate, international telemedia and related activities.

BUSINESS REVIEW

Sound Advertising Limited's customers are able to utilise high quality telecommunication services through networks routed to international destinations.

RESULTS

The loss for the year, after taxation, amounted to £234,240 (2012 - profit £145,650)

DIRECTOR

The director who served during the year was

M D Charlesworth

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties in the business are

- Competitors in the market providing reduced rates at lower margins
- Retention of key executives and personnel
- Adverse foreign exchange currency movements
- Continued trading with key partners and the renewal of contracts with them

The director monitors the risks and takes action to mitigate against any adverse consequences where appropriate.

EVENTS SINCE THE END OF THE YEAR

No significant events were noted post year end.

DISCLOSURE OF INFORMATION TO AUDITORS

The director at the time when this Director's report is approved has confirmed that

- so far as he is aware, there is no relevant audit information of which the company and the group's auditors are unaware, and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditors are aware of that information.

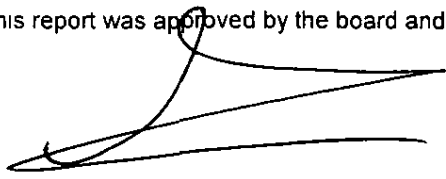
SOUND ADVERTISING HOLDINGS LIMITED

**DIRECTOR'S REPORT
FOR THE YEAR ENDED 30 JUNE 2013**

AUDITORS

The auditors, Adler Shine LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board and signed on its behalf



M D Charlesworth
Director

Date *19 March 2014*

SOUND ADVERTISING HOLDINGS LIMITED

**DIRECTOR'S RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 JUNE 2013**

The director is responsible for preparing the Director's report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and the group and the profit or loss of the group for that period. In preparing these financial statements, the director is required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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 group will continue in business.

The director is 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 the group and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SOUND ADVERTISING HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SOUND ADVERTISING HOLDINGS LIMITED

We have audited the financial statements of Sound Advertising Holdings Limited for the year ended 30 June 2013, set out on pages 6 to 20. 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 Auditors' 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 DIRECTOR AND AUDITORS

As explained more fully in the Director's responsibilities statement, the director is 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 group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the director, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Director's 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 group's and the parent company's affairs as at 30 June 2013 and of the group's loss 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 Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

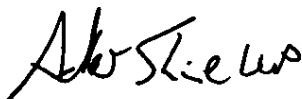
SOUND ADVERTISING HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SOUND ADVERTISING HOLDINGS LIMITED

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of director's remuneration specified by law are not made or
- we have not received all the information and explanations we require for our audit



Christopher Taylor (Senior statutory auditor)
for and on behalf of

Adler Shine LLP
Chartered Accountants
Statutory Auditor
Aston House
Cornwall Avenue
London
N3 1LF

Date *26 March 2014*

SOUND ADVERTISING HOLDINGS LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2013**

	Note	2013 £	2012 £
TURNOVER	1,2	14,377,193	19,029,094
Cost of sales		(13 697 783)	(18,249,880)
GROSS PROFIT		679,410	779,214
Administrative expenses		(954,066)	(686,453)
OPERATING (LOSS)/PROFIT	3	(274,656)	92,761
Share of operating profit in associates		10,363	9,530
		(264,293)	102,291
Interest receivable and similar income		18,202	7,128
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(246,091)	109,419
Tax on (loss)/profit on ordinary activities	5	11,851	36,231
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	11	(234,240)	145,650

All amounts relate to continuing operations

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and loss account

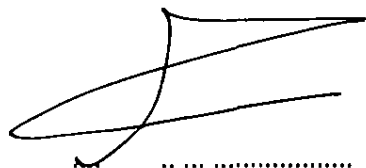
The notes on pages 10 to 20 form part of these financial statements

SOUND ADVERTISING HOLDINGS LIMITED
REGISTERED NUMBER 05707598

CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2013

	Note	£	2013 £	£	2012 £
FIXED ASSETS					
Tangible assets	6		64,231		84,783
Investments in associates	7		(4,044)		(14,407)
			<u>60,187</u>		<u>70,376</u>
CURRENT ASSETS					
Debtors	8	2,031,623		4,305,359	
Cash at bank and in hand		602,417		1,297,562	
		<u>2,634,040</u>		<u>5,602,921</u>	
CREDITORS amounts falling due within one year	9	(2,983,470)		(5,728,300)	
NET CURRENT LIABILITIES			(349,430)		(125,379)
NET LIABILITIES			<u>(289,243)</u>		<u>(55,003)</u>
CAPITAL AND RESERVES					
Called up share capital	10		10		10
Profit and loss account	11		(289,253)		(55,013)
SHAREHOLDERS' DEFICIT	12		<u>(289,243)</u>		<u>(55,003)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by



.....
M D Charlesworth
 Director

Date 19 March 2014

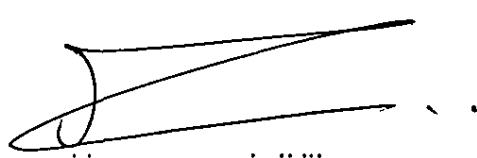
The notes on pages 10 to 20 form part of these financial statements

SOUND ADVERTISING HOLDINGS LIMITED
REGISTERED NUMBER 05707598

COMPANY BALANCE SHEET
AS AT 30 JUNE 2013

	Note	£	2013 £	£	2012 £
FIXED ASSETS					
Investments	7		405		405
CURRENT ASSETS					
Debtors	8	2,478		6,537	
CREDITORS amounts falling due within one year	9	(8,450)		(8,450)	
NET CURRENT LIABILITIES			(5,972)		(1,913)
NET LIABILITIES			(5,567)		(1,508)
CAPITAL AND RESERVES					
Called up share capital	10		10		10
Profit and loss account	11		(5,577)		(1,518)
SHAREHOLDERS' DEFICIT	12		(5,567)		(1,508)

The financial statements were approved and authorised for issue by the board and were signed on its behalf by



M D Charlesworth
Director

Date 19 March 2014

The notes on pages 10 to 20 form part of these financial statements

SOUND ADVERTISING HOLDINGS LIMITED

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2013**

	Note	2013 £	2012 £
Net cash flow from operating activities	14	(690,612)	(939,710)
Returns on investments and servicing of finance	15	18,202	7,128
Taxation		(23,159)	(329,818)
Capital expenditure and financial investment	15	424	(24,239)
Equity dividends paid		-	(350,000)
DECREASE IN CASH IN THE YEAR		(695,145)	(1,636,639)

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 30 JUNE 2013**

	2013 £	2012 £
Decrease in cash in the year	(695,145)	(1,636,639)
MOVEMENT IN NET DEBT IN THE YEAR	(695,145)	(1,636,639)
Net funds at 1 July 2012	1,297,562	2,934,201
NET FUNDS AT 30 JUNE 2013	602,417	1,297,562

The notes on pages 10 to 20 form part of these financial statements

SOUND ADVERTISING HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

1 ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

1.2 Basis of consolidation

The group financial statements consolidate the financial statements of the company and all of its subsidiary undertakings ('subsidiaries'). Subsidiaries include all entities over which the group has the power to govern financial and operating activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. Subsidiaries are consolidated from the date on which control commences until the date that control ceases. Intra-group balances and any unrealised gains and losses on income or expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of services supplied during the year, exclusive of Value Added Tax

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures & fittings	- 25% reducing balance
Computer equipment	- 25% reducing balance

1.5 Investments

(i) Subsidiary undertakings

Investments in subsidiaries are valued at cost less provision for impairment

(ii) Associated undertakings

Investments in associates are stated at the amount of the company's share of net assets. The Profit and loss account includes the company's share of the associated companies' profits after taxation using the equity accounting basis.

1.6 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

SOUND ADVERTISING HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

1. ACCOUNTING POLICIES (continued)**1.7 Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the Profit and loss account

2. TURNOVER

The whole of the turnover is attributable to the provision of telephony services to United Kingdom and foreign markets

A geographical analysis of turnover is as follows

	2013	2012
	£	£
United Kingdom	9,234,282	13,257,145
Rest of European Union	116,390	108,724
Rest of world	5,026,521	5,663,225
	<u>14,377,193</u>	<u>19,029,094</u>

3. OPERATING (LOSS)/PROFIT

The operating (loss)/profit is stated after charging/(crediting)

	2013	2012
	£	£
Depreciation of tangible fixed assets		
- owned by the group	20,128	28,261
Operating lease rentals		
- other operating leases	39,433	41,026
Difference on foreign exchange	(8,920)	77,409
Fees payable for the audit of the company and consolidated accounts	8,000	8,000
The audit of company's subsidiaries pursuant to legislation	22,000	22,000
	<u> </u>	<u> </u>

During the year, no director received any emoluments (2012 - £NIL)

SOUND ADVERTISING HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

4 STAFF COSTS

Staff costs were as follows

	2013	2012
	£	£
Wages and salaries	640,691	684,032
Social security costs	71,493	77,126
	<u>712,184</u>	<u>761,158</u>

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

	2013	2012
	No.	No
Administration	4	4
Sales and support	11	15
	<u>15</u>	<u>19</u>

5. TAXATION

	2013	2012
	£	£
Analysis of tax credit in the year		
UK corporation tax charge on (loss)/profit for the year	-	37,761
Adjustments in respect of prior periods	(11,851)	(73,992)
	<u>(11,851)</u>	<u>(36,231)</u>

SOUND ADVERTISING HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

5 TAXATION (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2012 - lower than) the standard rate of corporation tax in the UK of 20% (2012 - 20%) The differences are explained below

	2013 £	2012 £
(Loss)/profit on ordinary activities before tax	(246,091)	109,419
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2012 - 20%)	(49,218)	21,884
Effects of		
Non deductible expenses for tax purposes	-	359
Depreciation for the year in excess of capital allowance	-	2,985
Adjustments to tax charge in respect of prior periods	(11,851)	(73,992)
Other differences leading to an increase (decrease) in the tax charge	49,218	12,533
Current tax credit for the year (see note above)	(11,851)	(36,231)

6 TANGIBLE FIXED ASSETS

Group	Fixtures & fittings £	Computer equipment £	Total £
Cost			
At 1 July 2012	77,052	275,204	352,256
Additions	154	-	154
Disposals	-	(578)	(578)
At 30 June 2013	77,206	274,626	351,832
Depreciation			
At 1 July 2012	67,616	199,857	267,473
Charge for the year	2,398	17,730	20,128
At 30 June 2013	70,014	217,587	287,601
Net book value			
At 30 June 2013	7,192	57,039	64,231
At 30 June 2012	9,436	75,347	84,783

SOUND ADVERTISING HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

7 FIXED ASSET INVESTMENTS

	Investments in associates £
Group	
Cost or valuation	
At 1 July 2012	(14,407)
Share of profit/(loss)	10,363
	<hr/>
At 30 June 2013	(4,044)
	<hr/>
Net book value	
At 30 June 2013	(4,044)
	<hr/> <hr/>
At 30 June 2012	(14,407)
	<hr/> <hr/>

Subsidiary undertakings

The following were subsidiary undertakings of the company

Name	Class of shares	Holding
Sound Advertising Limited	Ordinary	100%

The aggregate of the share capital and reserves as at 30 June 2013 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows

Name	Aggregate of share capital and reserves £	Profit/(loss) £
	(260,227)	(221,544)
	<hr/> <hr/>	<hr/> <hr/>

Participating interests**Associates**

Name	Class of shares	Holding	Principal activity
Penguin Conferencing Limited	Ordinary	40%	Supply of telephone conference calls

SOUND ADVERTISING HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

7 FIXED ASSET INVESTMENTS

	Investments in associates £
Group	
Cost or valuation	
At 1 July 2012	(14,407)
Share of profit/(loss)	10,363
	<hr/>
At 30 June 2013	(4,044)
	<hr/>
Net book value	
At 30 June 2013	(4,044)
	<hr/>
At 30 June 2012	(14,407)
	<hr/>

Subsidiary undertakings

The following were subsidiary undertakings of the company

Name	Class of shares	Holding
Sound Advertising Limited	Ordinary	100%

The aggregate of the share capital and reserves as at 30 June 2013 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows

Name	Aggregate of share capital and reserves £	Profit/(loss) £
	(260,227)	(221,544)
	<hr/>	<hr/>

Participating interests**Associates**

Name	Class of shares	Holding	Principal activity
Penguin Conferencing Limited	Ordinary	40%	Supply of telephone conference calls

SOUND ADVERTISING HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

7 FIXED ASSET INVESTMENTS (continued)

The group's aggregate share of the associates' turnover and net assets at the Balance sheet date was as follows

	2013 £	2012 £
Share of turnover	24,722	22,918
Share of assets		
Total assets	13,010	10,714
Share of liabilities		
Due within one year or less	(17,856)	(25,922)
Share of net assets	(4,846)	(15,208)

Company	Investments in subsidiary companies £	Investments in associates £	Total £
Cost or valuation			
At 1 July 2012 and 30 June 2013	5	400	405
Net book value			
At 30 June 2013	5	400	405
At 30 June 2012	5	400	405

Details of the principal subsidiaries can be found under note number 21

8 DEBTORS

	Group		Company	
	2013 £	2012 £	2013 £	2012 £
Trade debtors	806,783	2,438,749	-	-
Amounts owed by group undertakings	-	-	2,478	6,537
Other debtors	90,667	242,991	-	-
Prepayments and accrued income	1,128,066	1,620,868	-	-
Tax recoverable	6,107	2,751	-	-
	2,031,623	4,305,359	2,478	6,537

SOUND ADVERTISING HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

9. CREDITORS

Amounts falling due within one year

	<u>Group</u>		<u>Company</u>	
	2013	2012	2013	2012
	£	£	£	£
Trade creditors	673,025	2,855,630	-	-
Amounts owed to associates	400	400	400	400
Corporation tax	6,107	37,761	-	-
Other taxation and social security	424,026	567,235	-	-
Other creditors	555,310	901,904	50	50
Accruals and deferred income	1,324,602	1,365,370	8,000	8,000
	<u>2,983,470</u>	<u>5,728,300</u>	<u>8,450</u>	<u>8,450</u>

10. SHARE CAPITAL

	2013	2012
	£	£
Allotted, called up and fully paid		
10 Ordinary shares of £1 each	<u>10</u>	<u>10</u>

11 RESERVES

	Profit and loss account £
Group	
At 1 July 2012	(55,013)
Loss for the year	(234,240)
	<u>(289,253)</u>
At 30 June 2013	<u>(289,253)</u>
Company	Profit and loss account £
At 1 July 2012	(1,518)
Loss for the year	(4,059)
	<u>(5,577)</u>
At 30 June 2013	<u>(5,577)</u>

SOUND ADVERTISING HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

12 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT

	2013 £	2012 £
Group		
Opening shareholders' (deficit)/funds	(55,003)	149,347
(Loss)/profit for the financial year	(234,240)	145,650
Dividends (Note 13)	-	(350,000)
	<hr/>	<hr/>
Closing shareholders' deficit	(289,243)	(55,003)
	<hr/>	<hr/>
 Company	 2013 £	 2012 £
Opening shareholders' (deficit)/funds	(1,508)	359,025
Loss for the financial year	(4,059)	(10,533)
Dividends (Note 13)	-	(350,000)
	<hr/>	<hr/>
Closing shareholders' deficit	(5,567)	(1,508)
	<hr/>	<hr/>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and loss account

The loss for the year dealt with in the accounts of the company was £4,059 (2012 - £47,948)

13 DIVIDENDS

	2013 £	2012 £
Dividends paid on equity capital	-	350,000
	<hr/>	<hr/>

14 NET CASH FLOW FROM OPERATING ACTIVITIES

	2013 £	2012 £
Operating (loss)/profit	(274,656)	92,761
Depreciation of tangible fixed assets	20,128	28,261
Decrease/(increase) in debtors	2,277,093	(154,029)
Decrease in creditors	(2,713,177)	(906,703)
	<hr/>	<hr/>
Net cash outflow from operating activities	(690,612)	(939,710)
	<hr/>	<hr/>

SOUND ADVERTISING HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

15 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2013 £	2012 £
Returns on investments and servicing of finance		
Interest received	18,202	7,128
	<u>18,202</u>	<u>7,128</u>
	2013 £	2012 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(154)	(24,239)
Sale of tangible fixed assets	578	-
	<u>424</u>	<u>(24,239)</u>
Net cash inflow/(outflow) from capital expenditure	<u>424</u>	<u>(24,239)</u>

16. ANALYSIS OF CHANGES IN NET FUNDS

	1 July 2012 £	Cash flow £	Other non-cash changes £	30 June 2013 £
Cash at bank and in hand	1,297,562	(695,145)	-	602,417
Net funds	<u>1,297,562</u>	<u>(695,145)</u>	<u>-</u>	<u>602,417</u>

17 OPERATING LEASE COMMITMENTS

At 30 June 2013 the group had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
Group	2013 £	2012 £
Expiry date		
Between 2 and 5 years	28,455	28,455

SOUND ADVERTISING HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

18 RELATED PARTY TRANSACTIONS

The related party transactions are as follows

At the year end the group was owed £28,054 (2012 - £18,744) by iTelebill Limited, a company in which Sound Advertising Holdings Limited is a shareholder. During the year the group received a dividend of £19,000 from iTelebill Limited.

At the year end, £420,877 (2012 - £93,444) was payable to Mediatel Limited and was included in other creditors. During the year management charges of £300,000 (2012 - £200,000) have been invoiced by Mediatel Limited to the group for the services of M Charlesworth and other members of staff. During the year the group invoiced £1,258,393 (2012 - £753,367) to Mediatel Limited for services provided and commission paid on behalf of that company. During the year Mediatel Limited invoiced the group £1,200,000 (2012 - £nil) for client introduction commission, agent commission and carrier advertising costs. M D Charlesworth is a shareholder of Mediatel Limited, a company based in Hong Kong.

At the year end, £4,047 (2012 - £214,807) was receivable from Mediatel Services Pty Limited and was included in other debtors. M D Charlesworth is a shareholder of Mediatel Services Pty Limited, a company based in Australia.

At the year end, the group was owed £64,214 (2012 - £64,214) by Central Coast Mariners FC, an entity in which M D Charlesworth has an interest. This loan was fully provided against in the year ended 30 June 2012.

At the year end, the group was owed £139,040 (2012 - £26,973) by Muirworth LLP. Sound Advertising Holdings Limited, of which M D Charlesworth is a shareholder, is a designated member of the LLP. This loan was fully provided against in the year.

At the year end, the group was owed £31,284 (2012 - £342) by Penguin Conferencing Limited, a company in which M D Charlesworth is a director. This amount was fully provided against at the year end.

At the end of the year, the group owed £2,478 (2012 - £6,537) to its parent company, Sound Advertising Holdings Limited.

At the end of the year, the group was owed £20,097 by International Financial Services Limited, a company in which M D Charlesworth is a director.

At the year end, the group was owed £5,018 (2012 - £2,598) by Tama Communications Pty Limited, a company in which M D Charlesworth is connected.

At the year end, the group was owed £28,024 (2012 - £nil) by Interactive Media Pty Limited, a company which is M D Charlesworth has an interest.

19 TRANSACTIONS WITH DIRECTOR

	2013 £	2012 £
M D Charlesworth directors' loan account	24,427	(312,019)
Maximum overdrawn during the year	24,427	15,735

SOUND ADVERTISING HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

20. CONTROLLING PARTY

The ultimate controlling party is the director M D Charlesworth by virtue of his majority shareholding

21. PRINCIPAL SUBSIDIARIES

Company name	Percentage Shareholding	Description
Sound Advertising Limited	100	Telecommunication services