

REGISTERED NUMBER: 04187229 (England and Wales)

**MASTERMAILER STATIONERY LIMITED
REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**



MASTERMAILER STATIONERY LIMITED
FOR THE YEAR ENDED 30 JUNE 2012

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MASTERMAILER STATIONERY LIMITED
FOR THE YEAR ENDED 30 JUNE 2012

COMPANY INFORMATION

DIRECTORS	J Perry (Chief Executive) P Rogers (resigned 5 October 2011) J Bunce (appointed 9 February 2012) B Fisher (appointed 9 February 2012) P Woods (resigned 9 February 2012)
COMPANY SECRETARY	Friars Management Services Limited
REGISTERED NUMBER	04187229
REGISTERED OFFICE	Bloxham Mill Barford Road Bloxham Oxfordshire OX15 4FF
AUDITORS	Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD

MASTERMAILER STATIONERY LIMITED FOR THE YEAR ENDED 30 JUNE 2012

REPORT OF THE DIRECTORS

The directors present their report and the financial statements for the year ended 30 June 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 judgments and 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.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The company's principal activity is the selling of its worldwide-patented Mastermailer stationery products, which are manufactured for the company under a separate license agreement.

Financial Results

Notwithstanding the difficult economic situation, I am pleased to be able to report that, thanks to a more active and focused marketing approach, our sales in the year ending 30th June, 2012 grew by 9.3% over the prior year and, with cost reductions an operating profit was achieved of £118,730 compared to £23,720 for the same period in 2011. Our operating loss before taxation for the year after exceptional charges amounted to £3,480 against the previous year profit of £121,170 which was achieved after adding back unused contingency liabilities of £300,000.

From the figures above you can see that although margins on sales slipped from 32.5% to 34.3% we were able to reduce overheads by 19%, from £403,037 to £326,514. When we took management control of the Company in 2009 overheads were running in excess of £569,000. We will continue our policy of keeping a tight grip on overheads and endeavour to at least maintain margins in the face of inflation costs and competition from other similar products in the market.

The bulk of the exceptional cost was incurred as a result of the departure and abortive actions of a former director who, you will recall, tried to gain management control of the Parent Company last December, which was rejected by an overwhelming vote by shareholders to keep Peter Woods and myself on the board and continue running your Company. Unfortunately Peter retired for health reasons from the Company at the end of 2011 having first, agreed with me, to appoint two new directors to the board: John Bunce as Sales Director and Bryan Fisher as Finance Director. Peter Woods made a great and much valued contribution to the Company in his role as Chairman and will be much missed.

Litigation

We still have one active court action in progress with a Company who has challenged the efficacy of our mailer. We have produced evidence thwarting the claim and are instigating preliminary action, in the Patent Court, to have the patent, owned by the challenging Company, struck out because of prior art.

MASTERMAILER STATIONERY LIMITED

FOR THE YEAR ENDED 30 JUNE 2012

REPORT OF THE DIRECTORS continued

Trading outlook

As you will appreciate we have made a great deal of headway in putting the expenses of the past behind us as well as expanding the base of the Company. We now want to concentrate on growing our business and to achieve this we will actively start looking at the best way of funding this.

In managing the business the directors monitor various key performance indicators with the objective of maintaining or enhancing them wherever possible. The key performance indicators for the year to 30 June 2012 were:

		2012	2011
Sales growth percentage	%	9.3	7.4
Gross margin percentage	%	32.5	34.3
Trade debtor days	Days	68	55
Trade creditor days	Days	70	73
Stockholding days	Days	10	12

RISKS AND UNCERTAINTIES

The principal risks to the group which the directors have identified are the trends over time for payslip and other confidential data to be delivered electronically rather than in hard copy form. In addition there is the risk that competing products may be introduced to the market that offer similar functionality to the Mastermailer products at similar or lower cost. The Company will mitigate these risks by seeking new product and market opportunities and by defending its patents vigorously.

Interest rate risk

The Company finances its operations by a mix of interest free advances from its parent company and bank borrowings. The exposure to interest rate fluctuations is therefore limited and so the directors do not believe the Company is materially sensitive to interest rate risk.

Liquidity risk

The Company is exposed to liquidity risk through its normal trading cycle and through the exceptional costs referred to in note 7. The preparation of regular forecasts of the short term and long term funding requirements ensure sufficient liquidity is available for the activities of the Company. Working capital requirements are amply satisfied by the invoice discounting facility while exceptional requirements are met by the parent company.

Currency risk

The Company transacts its business primarily in the UK in GBP and so has very limited exposure to currency risk.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £3,480 (2011: profit of £121,170).

The directors have not recommended payment of a dividend (2011: £nil).

**MASTERMAILER STATIONERY LIMITED
FOR THE YEAR ENDED 30 JUNE 2012**

REPORT OF THE DIRECTORS Continued

DIRECTORS

The directors who served during the year were

P Woods
J Perry
P Rogers
J Bunce
B Fisher

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

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

AUDITORS

—The Auditors, Kingston Smith LLP are deemed to be reappointed under section 487 (2) of the Companies Act 2006 — — — — —

This report was approved by the board on 30 October 2012 and signed on its behalf



J Perry
Director

MASTERMAILER STATIONERY LIMITED
FOR THE YEAR ENDED 30 JUNE 2012

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MASTERMAILER STATIONERY LIMITED

We have audited the financial statements of Mastermailer Stationery Limited for the year ended 30 June 2012 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).

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 for no purpose other than to draw to the attention of the company's members those matters which we are required to include in an auditors' report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and company's members as a body, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement 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 (APB'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 Companies Act 2006.

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.

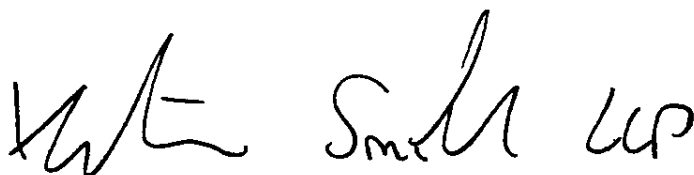
**MASTERMAILER STATIONERY LIMITED
FOR THE YEAR ENDED 30 JUNE 2012**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MASTERMAILER STATIONERY LIMITED Continued

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



30 October 2012

Matthew Meadows (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP, Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M7AD

MASTERMAILER STATIONERY LIMITED
FOR THE YEAR ENDED 30 JUNE 2012

PROFIT AND LOSS ACCOUNT

		2012	2011
		£	£
TURNOVER	2	1,361,496	1,245,450
Cost of sales		(916,252)	(818,693)
GROSS PROFIT		445,244	426,757
Administrative expenses		(326,514)	(403,037)
		118,730	23,720
Exceptional items	7		
Release of deferred grant income		-	300,360
Patent income		-	70,215
Professional fees		(96,865)	(260,160)
Total exceptional expenses		(96,865)	110,415
OPERATING PROFIT	3	21,865	134,135
Other income		-	10,000
		21,865	144,135
Interest payable and similar charges	6	(25,345)	(22,965)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(3,480)	121,170
Tax on (loss)/profit on ordinary activities	8	-	-
(LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION	15	(3,480)	121,170

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the profit and loss account

The notes on pages 10 to 17 form part of these financial statements

MASTERMAILER STATIONERY LIMITED
FOR THE YEAR ENDED 30 JUNE 2012

REGISTERED NUMBER:

04187229
(England and Wales)

BALANCE SHEET

	Notes	£	2012	£	£	2011	£
FIXED ASSETS							
Intangible fixed assets	9			-			-
Tangible fixed assets	10			3,508			3,729
				<u>3,508</u>			<u>3,729</u>
CURRENT ASSETS							
Stocks	11		25,603			26,313	
Debtors	12		328,143			276,129	
Cash at bank and in hand			<u>1,389</u>			<u>924</u>	
			355,135			303,366	
CREDITORS							
Amounts falling due within one year	13		<u>(2,429,987)</u>			<u>(2,374,959)</u>	
NET CURRENT LIABILITIES							
				(2,074,852)			(2,071,593)
NET LIABILITIES							
				<u>(2,071,344)</u>			<u>(2,067,864)</u>
CAPITAL AND RESERVES							
Called up share capital	14			2,400			2,400
Profit and loss account	15			(2,073,744)			(2,070,264)
SHAREHOLDERS' DEFICIT							
	16			<u>(2,071,344)</u>			<u>(2,067,864)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 October 2012



J Perry

Director

The notes on pages 10 to 17 form part of these financial statements

MASTERMAILER STATIONERY LIMITED
FOR THE YEAR ENDED 30 JUNE 2012

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and are in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently

Going Concern

The directors are confident that the litigation that has dogged the company over the past few years is drawing to an end. Old debt that was the subject of agreed payment plans has now largely been settled. Cash flow projections have been prepared up to 30 June 2015 and with anticipated trading revenues and the continued support of the parent company the directors are satisfied that it is appropriate to prepare the accounts on the going concern basis.

Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

Turnover

Turnover is measured at the fair value of the consideration received or receivable for goods and services supplied in the normal course of business, net of trade discounts and value added tax.

Sales of goods or services are recognised when they have been supplied.

Intangible fixed assets and amortisation

Intangible fixed assets are valued at cost less amortisation and impairment. Amortisation is calculated to write off the cost in equal installments over their estimated useful life.

Amortisation is provided at the following rates:

Development expenditure	-	10% on a straight line basis
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Development expenditure is only amortised where the product is fully developed and brought into commercial use.

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:

Office furniture and equipment	-	25% on a reducing balance basis
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Operating leases

Rentals under operating leases are charged on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

MASTERMAILER STATIONERY LIMITED
FOR THE YEAR ENDED 30 JUNE 2012

NOTES TO THE FINANCIAL STATEMENTS continued

Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks

Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse. Deferred tax balances are not discounted

Research and development

Development costs are capitalised within intangible assets where they can be identified with a specific product or project anticipated to produce future benefits, and are amortised on the straight line basis over the anticipated life of the benefits arising from the completed product or project

Deferred research and development costs are reviewed annually, and where future benefits are deemed to have ceased or to be in doubt, the balance of any related research and development is written off to the profit and loss account

Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the profit and loss account over the expected useful lives of the assets concerned. Other grants are credited to the profit and loss account as the related expenditure is incurred. Where conditions attach to the grant the income is deferred until these conditions are met

Invoice discounting

The Company discounts its trade invoices with amounts receivable included within trade debtors due within one year and cash advances within bank loans and overdrafts due within one year. The debts are with full recourse and the accounting treatment in accordance with FRS 5 is to present the debtors and the liability separately. Discounting fees and interest are charged to the profit and loss when incurred

Preference shares

The preference shares in issue are redeemable and as such we consider that there is a contractual obligation to repay the capital introduced and have therefore disclosed these as a liability rather than equity

2. TURNOVER

The whole of the turnover is attributable to selling stationery products within the United Kingdom

MASTERMAILER STATIONERY LIMITED
FOR THE YEAR ENDED 30 JUNE 2012

NOTES TO THE FINANCIAL STATEMENTS continued

3. OPERATING PROFIT

The operating profit is stated after charging

	2012 £	2011 £
Depreciation of tangible fixed assets owned by the company	971	1,105
Auditors' remuneration	14,500	14,500
Fees payable to the company auditor for non audit services	2,980	1,250
Operating lease rentals – land and buildings	18,800	43,800
Exceptional income (note 7)	-	(370,575)
Exceptional costs (note 7)	<u>96,865</u>	<u>260,160</u>

4. STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2012 £	2011 £
Wages and salaries	102,192	149,610
Social security costs	<u>11,957</u>	<u>15,963</u>
	<u>114,149</u>	<u>165,573</u>

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

	2012 No	2011 No.
Administration and selling	<u>4</u>	<u>4</u>

5. DIRECTORS' REMUNERATION

	2012 £	2011 £
Emoluments	<u>102,241</u>	<u>111,410</u>

Emoluments include professional fees billed by directors

6 INTEREST PAYABLE

	2012 £	2011 £
On bank loans and overdrafts	710	503
On other loans	<u>24,635</u>	<u>22,462</u>
	<u>25,345</u>	<u>22,965</u>

MASTERMAILER STATIONERY LIMITED
FOR THE YEAR ENDED 30 JUNE 2012

NOTES TO THE FINANCIAL STATEMENTS continued

7. EXCEPTIONAL ITEMS

The professional fees of £96,865 (2011 £260,160) are principally in respect of actions taken to protect group assets or recover assets that are alleged to have been misappropriated by the previous directors

The directors were satisfied that it was appropriate to release grant income of £300,360 to the profit and loss account in the prior year following legal advice received during that year

Patent income of £70,215 was received in the prior year under an agreement with the disputed owner of a patent Mastermailer wished to acquire in return for funding the legal costs to establish ownership

8 TAXATION

	2012 £	2011 £
ANALYSIS OF TAX CHARGE IN THE YEAR		
CURRENT TAX	-	-
DEFERRED TAX		
Origination and reversal of timing differences	-	-
TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES	-	-

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2011 lower than) the standard rate of corporation tax in the UK (20%) The differences are explained below

	2012 £	2011 £
(Loss)/profit on ordinary activities before tax	(3,480)	121,170
Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2011 21%)	(696)	25,446
EFFECTS OF		
Expenses not deductible for tax purposes	787	826
Depreciation in excess of capital allowances for the year	(281)	(376)
Utilisation of tax losses	190	(25,896)
CURRENT TAX CHARGE/(CREDIT) FOR THE YEAR	-	-

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

At 30 June 2012 the company had tax losses carried forward of £621,379 (2011 £621,608)

A deferred tax asset of £123,678 (2011 £129,613) has not been recognized within the financial statements on the grounds that there is insufficient evidence that the amount would be recoverable

Due to the ongoing legal cases, referred to in note 7, it is possible the tax losses may require amendment if further detail comes to light regarding the company's historical expenditure

MASTERMAILER STATIONERY LIMITED
FOR THE YEAR ENDED 30 JUNE 2012

NOTES TO THE FINANCIAL STATEMENTS continued

9 INTANGIBLE FIXED ASSETS

	Deferred development expenditure £
COST	
At 1 July 2011 and 30 June 2012	<u>618,755</u>
AMORTISATION	
At 1 July 2011 and 30 June 2012	<u>618,755</u>
NET BOOK VALUE	
At 30 June 2011 and 30 June 2012	<u>-</u>

10 TANGIBLE FIXED ASSETS

	Office furniture and equipment £
COST	
At 1 July 2011	8,999
Additions	750
At 30 June 2012	<u>9,749</u>
DEPRECIATION	
At 1 July 2011	5,270
Charge for the year	971
At 30 June 2012	<u>6,241</u>
NET BOOK VALUE	
At 30 June 2012	<u>3,508</u>
At 1 July 2011	<u>3,729</u>

MASTERMAILER STATIONERY LIMITED
FOR THE YEAR ENDED 30 JUNE 2012

NOTES TO THE FINANCIAL STATEMENTS continued

11. STOCKS

	2012 £	2011 £
Finished goods and goods for resale	<u>25,603</u>	<u>26,313</u>

12. DEBTORS

	2012 £	2011 £
Trade debtors	305,533	222,747
Other debtors	22,610	50,882
Prepayments	-	2,500
	<u>328,143</u>	<u>276,129</u>

13. CREDITORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £	2011 £
Bank loans and overdrafts	271,658	194,695
Trade creditors	272,910	272,637
Amounts owed to group undertakings	1,009,977	953,989
Taxation and social security	15,111	10,702
Other creditors	14	1,821
Accruals and deferred income	60,317	141,115
Share capital treated as debt	800,000	800,000
	<u>2,429,987</u>	<u>2,374,959</u>

Disclosure of the terms and conditions attached to the non-equity shares are made in note 14

Borrowings included in bank loans and overdrafts are secured on the assets of the company by fixed and floating charges registered on 20 May 2008 and 1 August 2008 by our bankers. In January 2012 the overdraft was replaced by a short term loan repayable over twelve months and secured on a personal guarantee given by Mr J Perry. All other borrowings are all repayable on demand with variable interest rates of 2% to 5% above bank base rate.

We have considered the exposure of the financial instruments included above to interest rate risk, liquidity risk and currency risk and comments as follows

Interest rate risk

The Company finances its operations by a mix of interest free advances from its parent company and bank borrowings. The exposure to interest rate fluctuations is therefore limited and so the directors do not believe the Company is materially sensitive to interest rate risk.

MASTERMAILER STATIONERY LIMITED
FOR THE YEAR ENDED 30 JUNE 2012

NOTES TO THE FINANCIAL STATEMENTS continued

Liquidity risk

The Company is exposed to liquidity risk through its normal trading cycle and through the exceptional costs referred to in note 7. The preparation of regular forecasts of the short term and long term funding requirements ensure sufficient liquidity is available for the activities of the Company. Working capital requirements are amply satisfied by the invoice discounting facility while exceptional requirements are met by the parent company.

Currency risk

The Company transacts its business primarily in the UK in GBP and so has very limited exposure to currency risk.

14. SHARE CAPITAL

	2012 £	2011 £
SHARES CLASSIFIED AS CAPITAL		
AUTHORISED, ALLOTTED, CALLED UP AND FULLY PAID		
2,400 Ordinary shares of £1 each	<u>2,400</u>	<u>2,400</u>
	2012 £	2011 £
SHARES CLASSIFIED AS DEBT		
AUTHORISED, ALLOTTED, CALLED UP AND FULLY PAID		
800,000 Preference shares of £1 each	<u>800,000</u>	<u>800,000</u>

The preference shares carry no right to receive a dividend. On winding up of the company the holder is entitled to receive the par value of the shares. The preference shares were due to be redeemed at par value on 30 June 2007. The preference shares were not redeemed at that date as the company did not have sufficient distributable reserves.

15. RESERVES

	Profit and loss account £
At 1 July 2011	(2,070,264)
Loss for the year	(3,480)
At 30 June 2012	<u>(2,073,744)</u>

MASTERMAILER STATIONERY LIMITED
FOR THE YEAR ENDED 30 JUNE 2012

NOTES TO THE FINANCIAL STATEMENTS continued

16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT

	2012 £	2011 £
Opening shareholders' deficit	(2,067,864)	(2,189,034)
(Loss)/profit for the year	(3,480)	121,170
Closing shareholders' deficit	<u>(2,071,344)</u>	<u>(2,067,864)</u>

17. COMMITMENTS UNDER OPERATING LEASES

At 30 June 2012 the company had commitments under non-cancellable operating leases as follows

	2012 £	2011 £
Land and buildings Expiring within one year	<u>3,450</u>	<u>18,450</u>
Other assets Expiring within one year	<u>-</u>	<u>4,199</u>

18. TRANSACTIONS WITH DIRECTORS

Mr J Bunce, a director of the company, provided marketing consultancy services of £14,303 while a director and £2,809 is included in accruals at the year end in respect of these services

Mr B Fisher, also a director of the company, provided accountancy services of £8,500 while a director Trade creditors includes £8,400 owing to his company at the year end and accruals includes £3,500 for unbilled services

During the year the company paid rent of £5,000 (2011 £30,000) to Mr P Rogers, a director of the company in the period but who resigned during the year, for the use of his London premises At the end of the year Mr Rogers had an overdrawn loan account of £nil (2011 £4,130) in relation to non-business expenses paid on his company credit card

19. RELATED PARTY DISCLOSURES

As at 30 June 2012 the amount due to Mastermailer Holdings Plc, the ultimate parent undertaking, included in creditors was £1,009,977 (2011 £953,989) The Company has taken advantage of FRS8 and has not disclosed intra group transactions in these accounts

20. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company is a wholly owned subsidiary of Mastermailer Holdings Plc, a public limited company registered in England and Wales whose share are listed on the London PLUS market The parent company does not have an ultimate controlling party