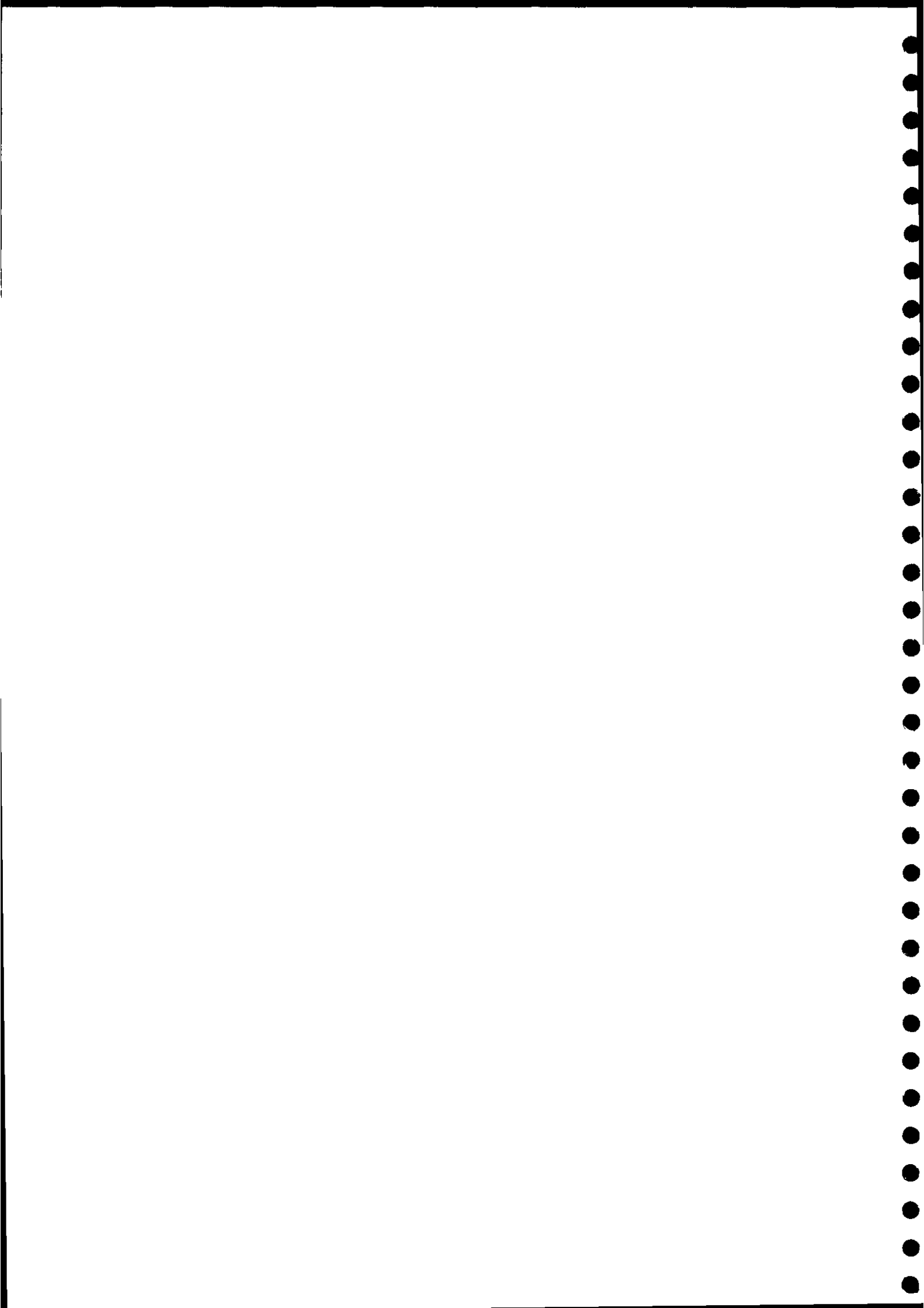


**LBM DIRECT MARKETING
LIMITED**

Report and Financial Statements

31 May 2005





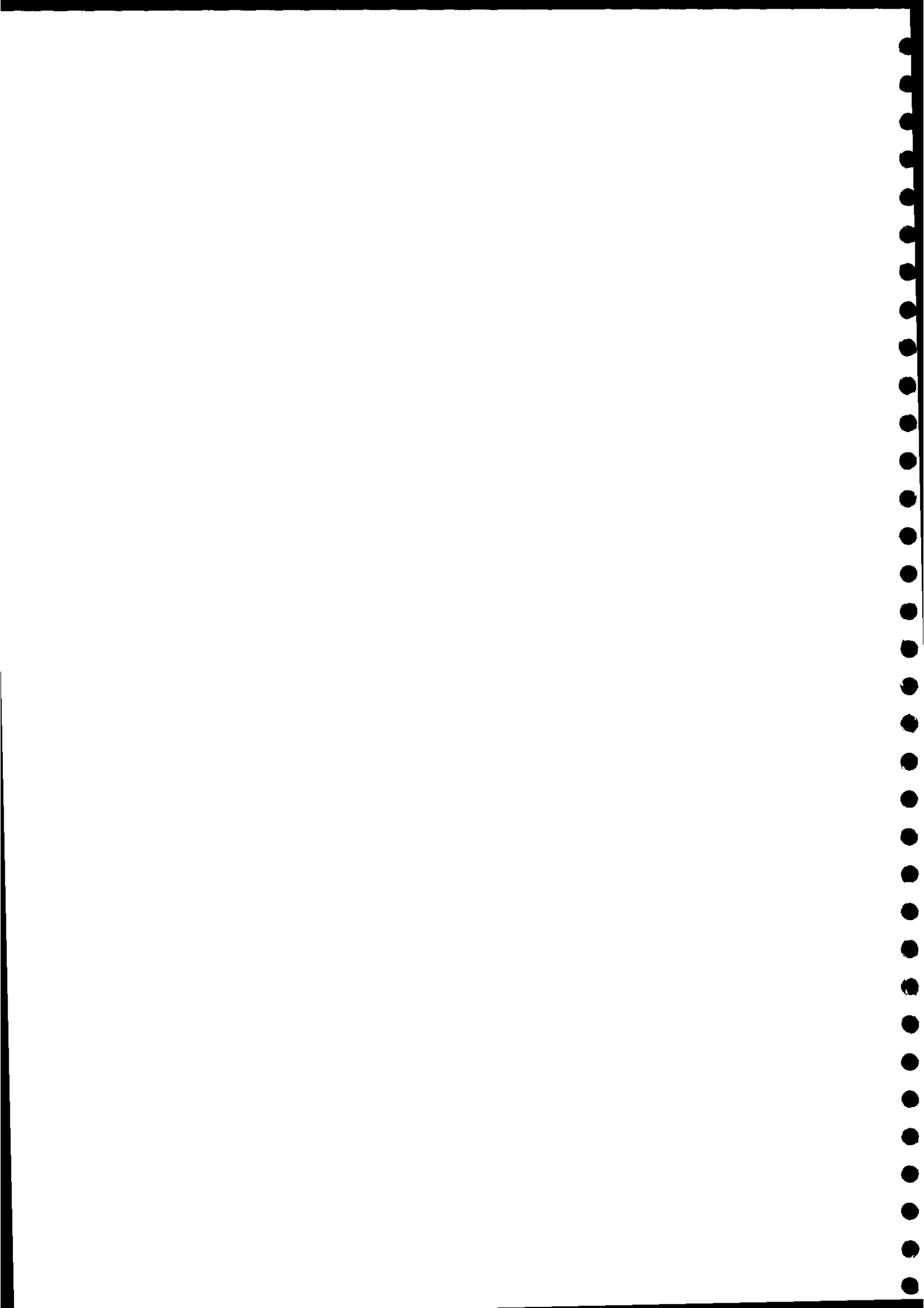
LBM DIRECT MARKETING LIMITED

REPORT AND FINANCIAL STATEMENTS 2005

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LBM DIRECT MARKETING LIMITED

REPORT AND FINANCIAL STATEMENTS 2005

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

P W Beck
B P Dixon
M R Bates
T M Borthwick
V S Townsend

SECRETARY

M R Bates

REGISTERED OFFICE

LBM House
Atlantic Point
Atlantic Street
Broadheath
Altrincham
WA14 5FY

BANKERS

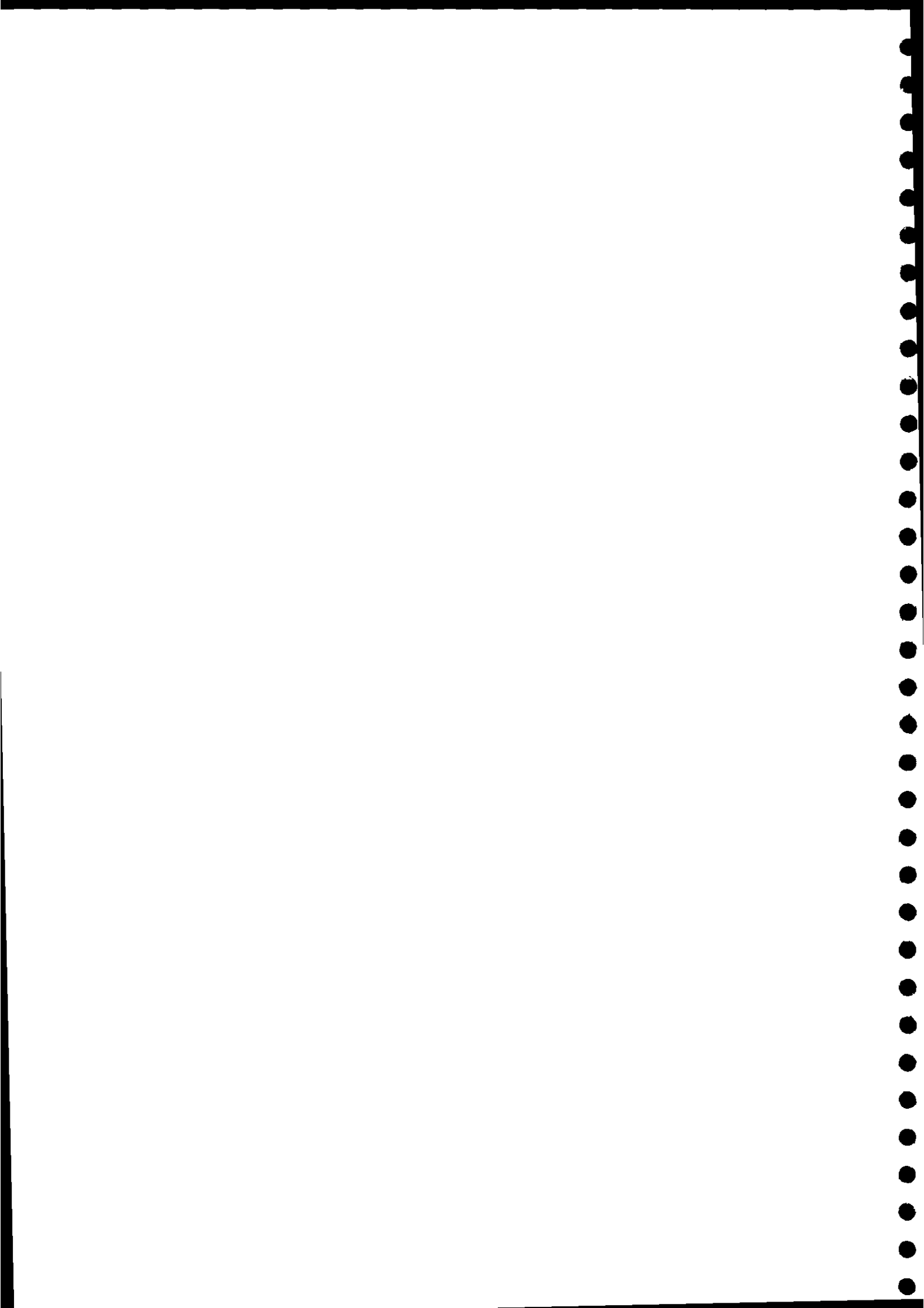
Lloyds TSB Bank Plc
Manchester

SOLICITORS

Addleshaw Goddard LLP
Manchester

AUDITORS

Deloitte & Touche LLP
Chartered Accountants
Manchester



LBM DIRECT MARKETING LIMITED

CHAIRMAN'S STATEMENT

I am pleased to report a successful year both in terms of financial performance and contact centre service development.

On 20 October 2004, ISIS Equity Partners announced the completion of its investment in LBM Holdings (UK) Limited and as a result has taken a controlling interest in the business as part of a £50 million transaction.

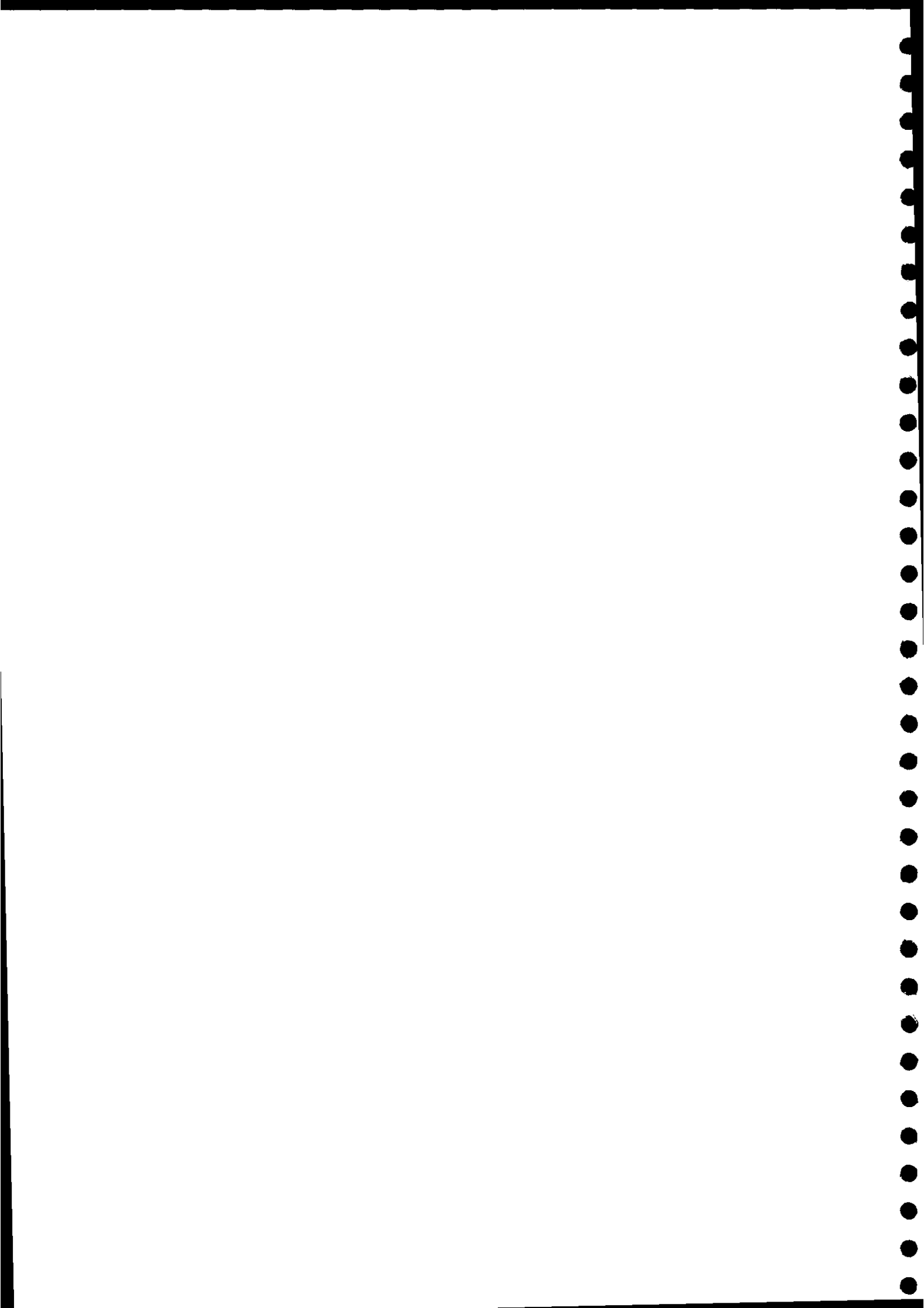
Turnover for the year was up 37% to £39.5m (2004: £28.9m) and operating profit before exceptional items was £3.0m (2004: £5.2m). These results were in line with our expectations as a large part of the financial year was spent re-organising the Company and making a substantial investment in strengthening our central management team to facilitate our future growth. During the year the Company incurred very significant exceptional bonus and further additional costs to re-organise the Company for its planned future growth and success. As part of this we commenced a programme of cost rationalisation to remove unnecessary costs from the business, the benefits of which we expect to see in the new financial year.

During the year the Company opened a new contact centre in Whiterock, Belfast. This new site is located in temporary premises at the Whiterock business park. Significant investment and overhead expenditure was incurred in the year to get this site fully operational. The contact centre is being re-located to its permanent premises during early 2006 and the Company expects to see the rewards flow through in the second half of this year when the site is fully operational and approaching capacity.

Finally, I would like to take this opportunity to thank all those employees who have worked hard in the last year to position the Company for its planned future growth and success.

Keith Pacey

22 December 2005



LBM DIRECT MARKETING LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 May 2005.

PRINCIPAL ACTIVITIES

LBM is a results driven direct marketing agency that designs and delivers innovative marketing and contact strategies for the UK corporate market place.

BUSINESS REVIEW

The profit for the year after taxation amounted to £746,674 (2004 - £3,476,294). The directors recommend dividends of £1,166,266 (2004 - £1,029,706) resulting in a loss of £419,592 (2004 - £2,446,588 profit) being retained.

On 20 October 2004 the parent company, LBM Holdings (UK) Limited, was purchased by LBM Holdings Limited (formerly Inhoco 3114 Limited).

RESEARCH AND DEVELOPMENT

The company's research and development activities amounted to £141,817 (2004 - £209,365) and they have been written off to the profit and loss account.

DIRECTORS

The present membership of the Board is set out below. All served on the Board throughout the year, unless otherwise indicated:

P W Beck

B P Dixon

M R Bates (appointed 4 May 2005)

T M Borthwick

V S Townsend

R A Beck (resigned 20 October 2004)

N P Kennedy (resigned 20 October 2004)

J H Gunn (resigned 20 October 2004)

N D Pople (resigned 20 October 2004)

None of the directors have an interest in the shares of the company, details of those directors who have an interest in the shares in the ultimate parent undertaking, LBM Holdings Limited, are disclosed in that company's financial statements.

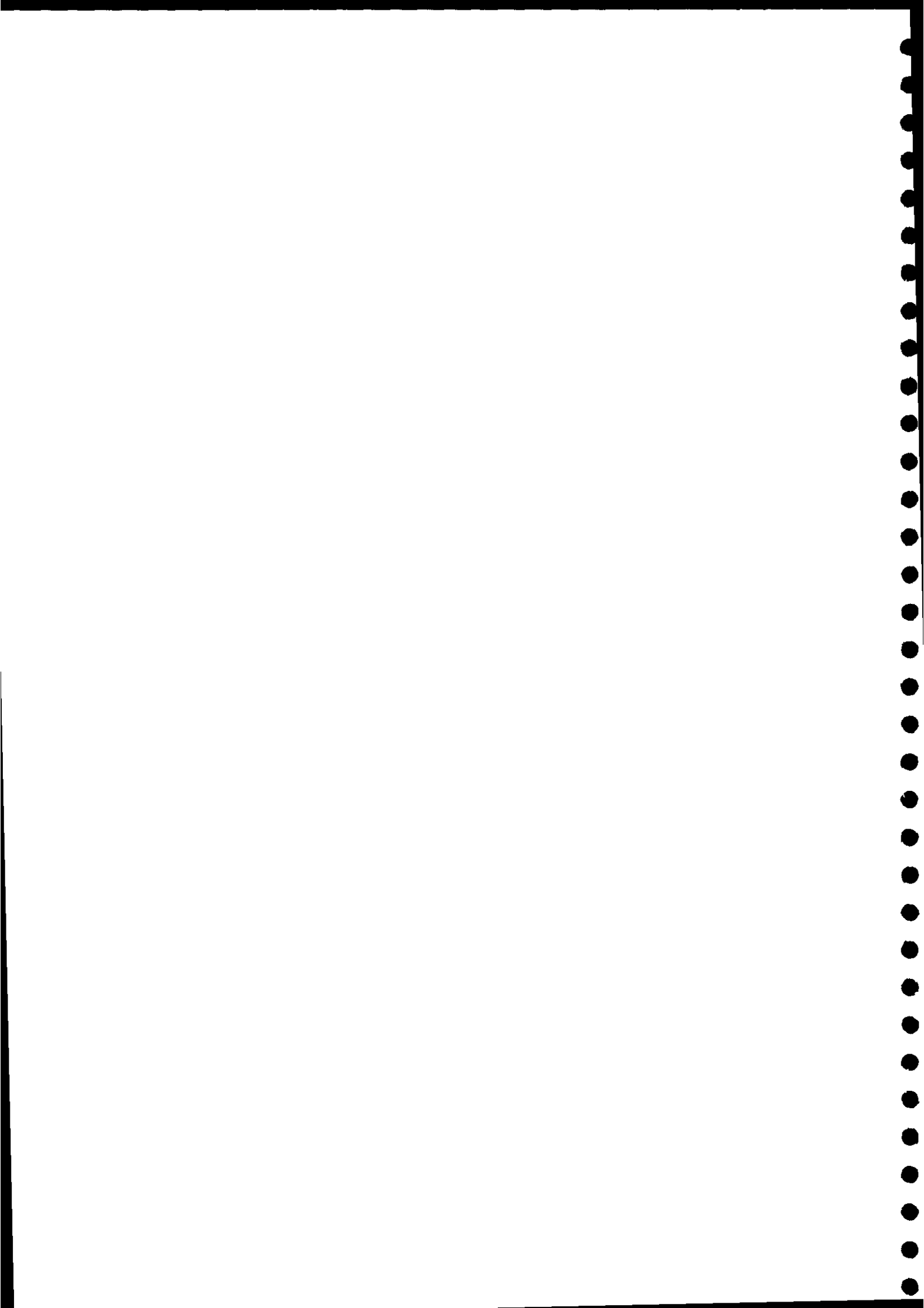
EMPLOYEE INVOLVEMENT

The company maintains a policy of recruiting and promoting its employees on the basis of aptitude and ability without discrimination of any kind. Applications for employment by disabled people are always considered bearing in mind the qualifications and abilities of the applicants.

The management of the company consult with employees and keep them regularly informed of matters of interest and concern to the business.

POLITICAL AND CHARITABLE DONATIONS

During the year the company made charitable donations of £132,714 (2004 - £59,728).



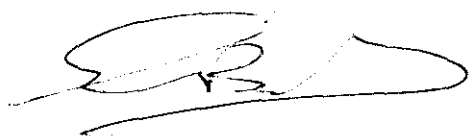
LBM DIRECT MARKETING LIMITED

DIRECTORS' REPORT (continued)

AUDITORS

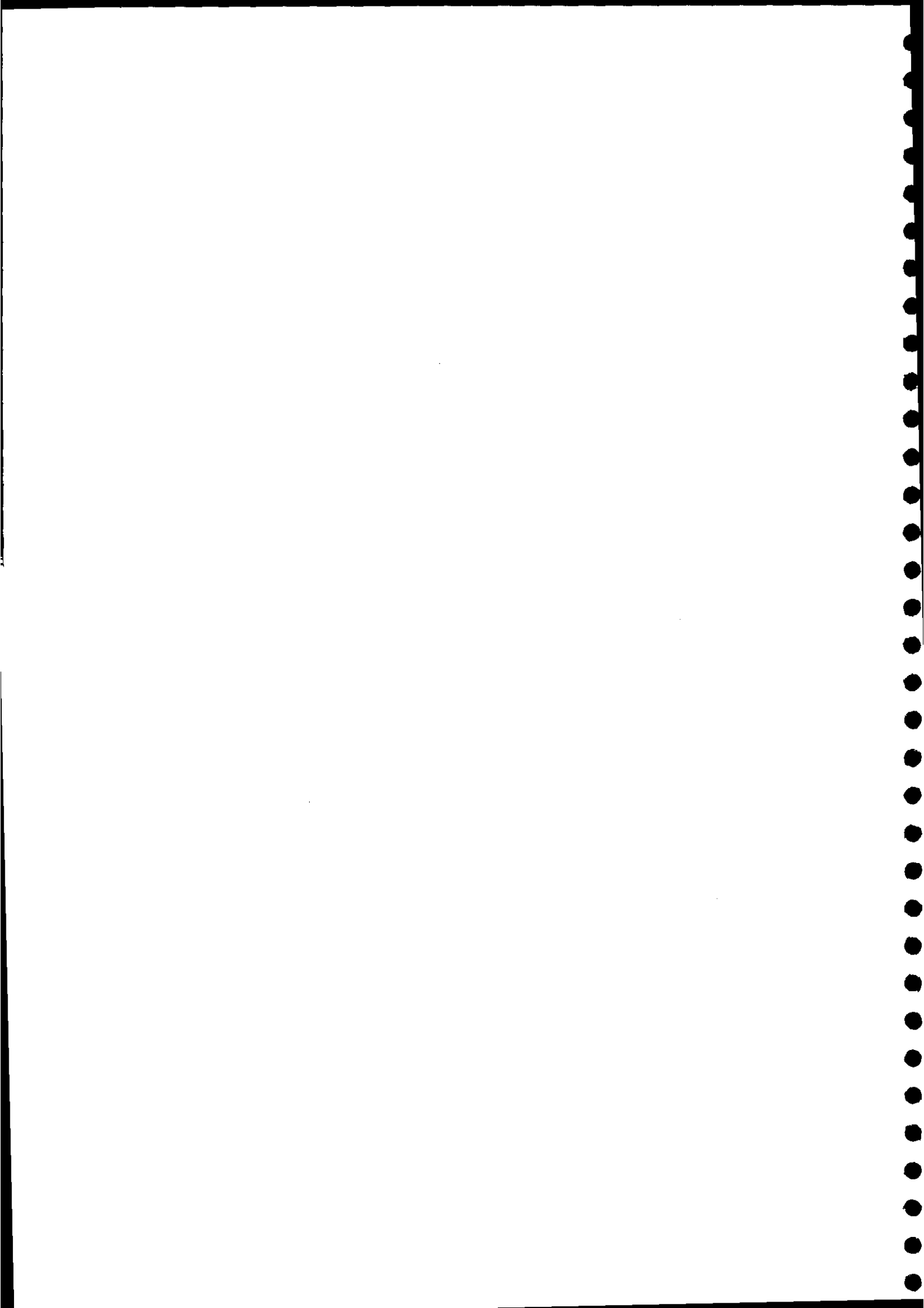
A resolution to re-appoint Deloitte & Touche LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



Secretary

31 / 1 / 2006



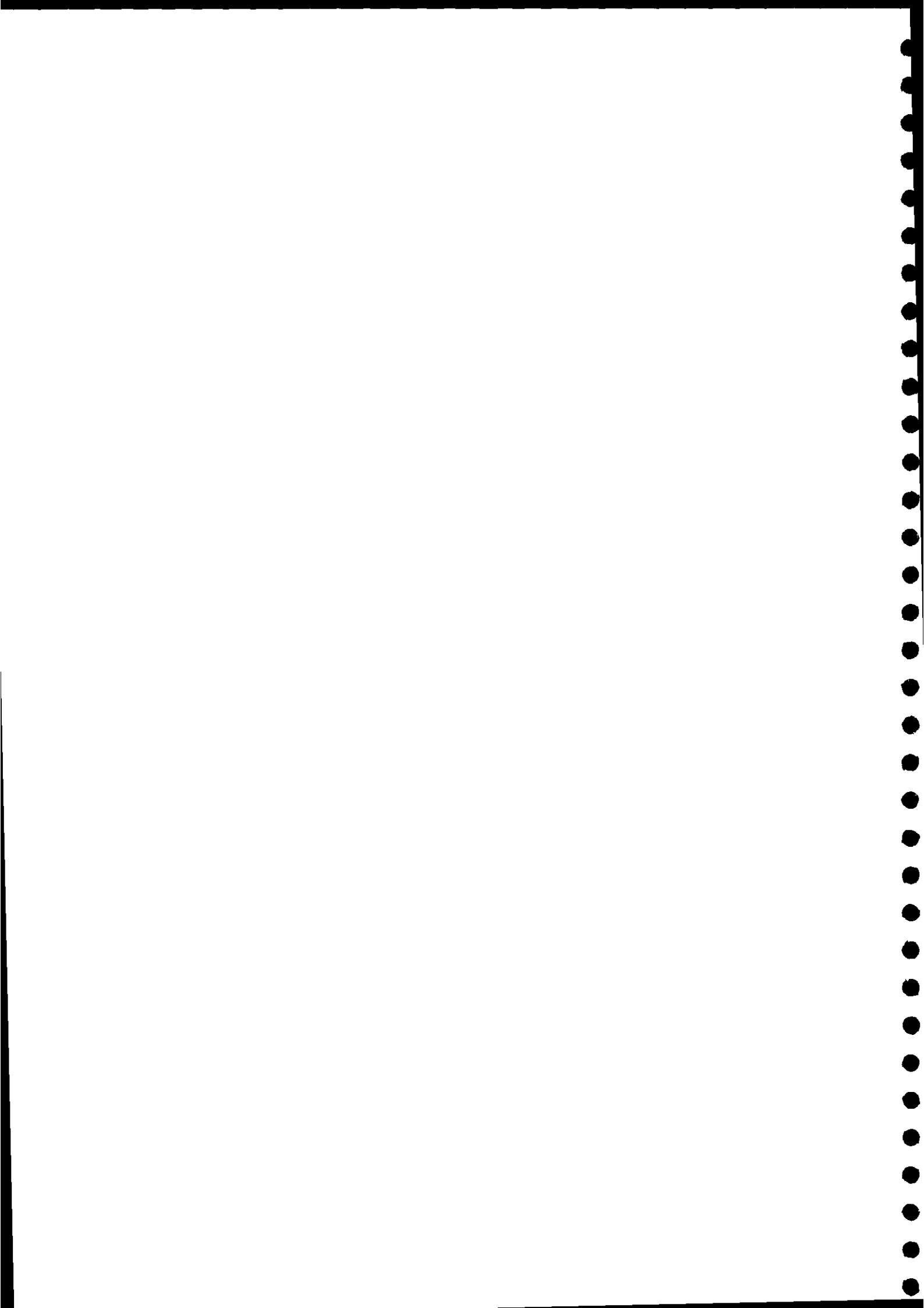
LBM DIRECT MARKETING LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act. They are also responsible for establishing and maintaining the system of internal control, safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LBM DIRECT MARKETING LIMITED

We have audited the financial statements of LBM Direct Marketing Limited for the year ended 31 May 2005 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 23. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and Chairman's statement for the above year and consider the implications for our report if we become aware of any apparent misstatements.

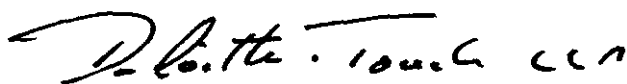
Basis of audit opinion

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

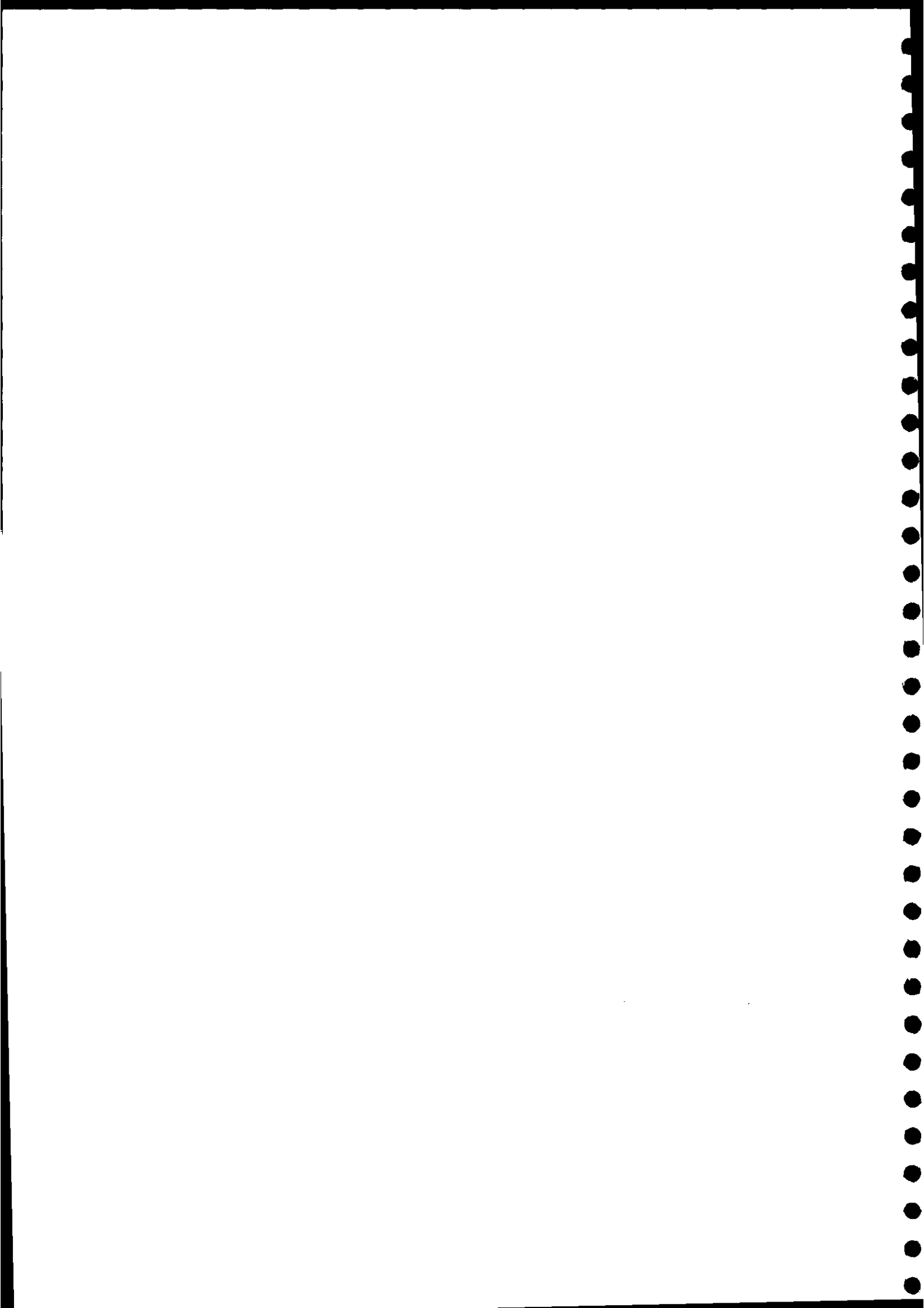
Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 May 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Manchester

2 Feb 2006 2006



LBM DIRECT MARKETING LIMITED

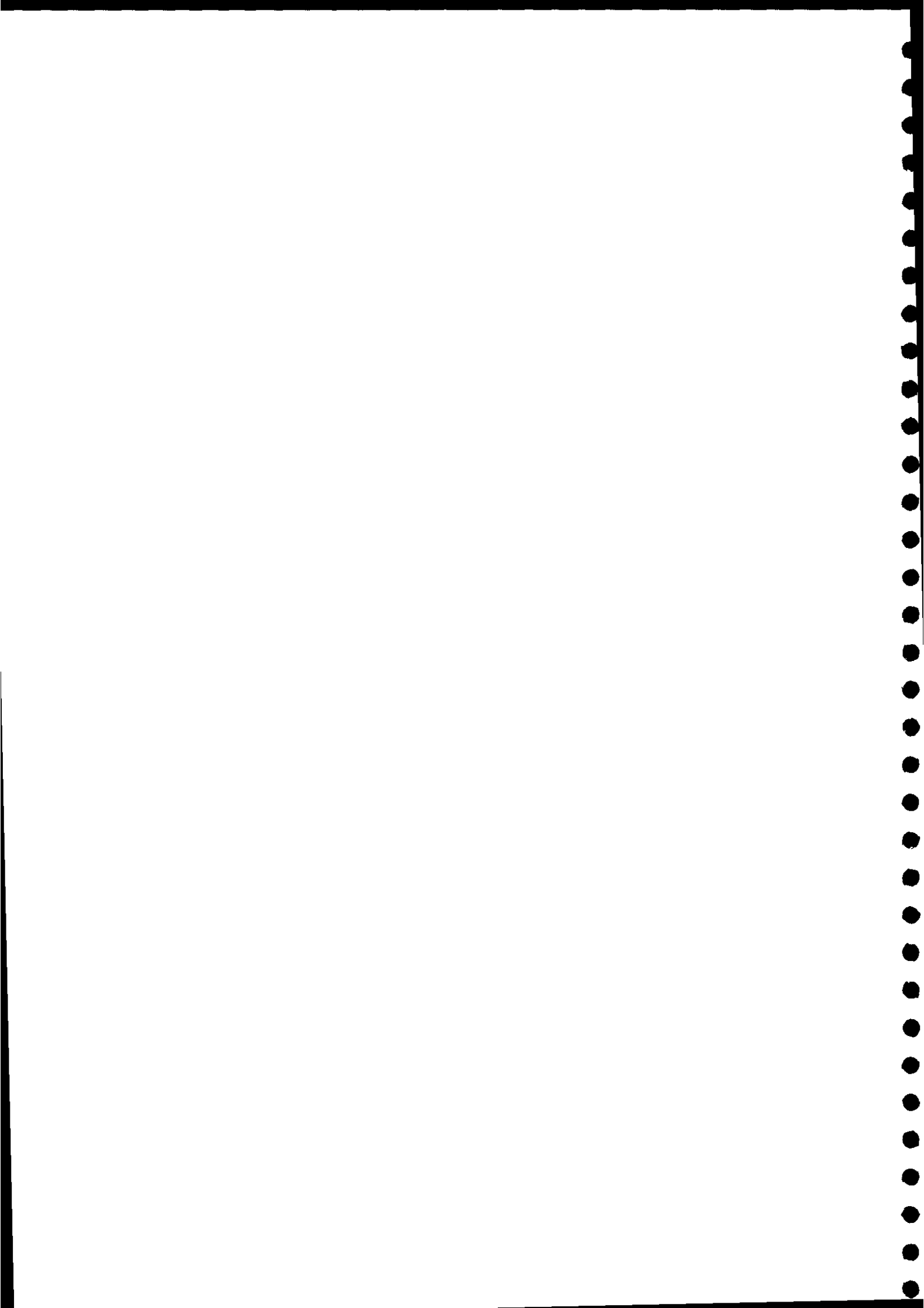
PROFIT AND LOSS ACCOUNT

Year ended 31 May 2005

	Note	2005 £	2004 £
TURNOVER	2	39,540,659	28,918,970
Cost of sales		(23,398,885)	(14,981,548)
GROSS PROFIT		16,141,774	13,937,422
Administrative expenses - ordinary		(13,872,583)	(8,689,363)
- exceptional	3	(1,222,819)	-
Other operating income		746,000	-
OPERATING PROFIT BEFORE EXCEPTIONAL ITEMS		3,015,191	5,248,059
Exceptional items		(1,222,819)	-
OPERATING PROFIT	3	1,792,372	5,248,059
Net interest payable	4	(484,276)	(223,732)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,308,096	5,024,327
Tax on profit on ordinary activities	6	(561,422)	(1,548,033)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		746,674	3,476,294
Dividends	7	(1,166,266)	(1,029,706)
RETAINED (LOSS)/PROFIT FOR THE FINANCIAL YEAR TRANSFERRED (FROM)/TO RESERVES	16	(419,592)	2,446,588

All of the company's operations are classed as continuing

There were no recognised gains and losses for the year other than those included in the profit and loss account, and consequently no statement of total recognised gains and losses has been presented.



LBM DIRECT MARKETING LIMITED

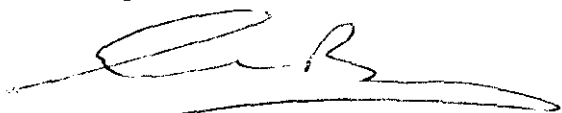
BALANCE SHEET

31 May 2005

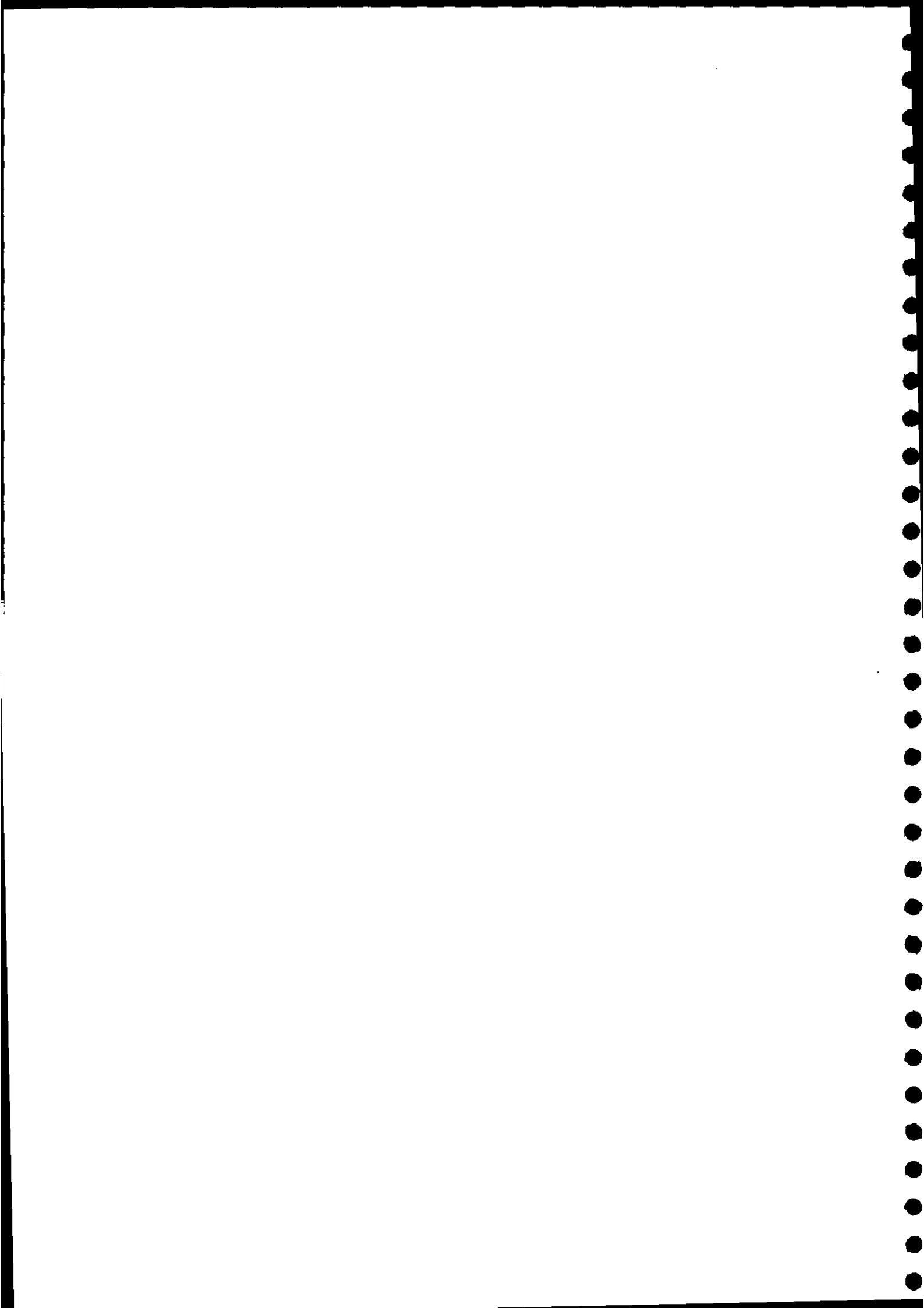
	Note	2005 £	2004 £
FIXED ASSETS			
Intangible fixed assets	8	-	-
Tangible fixed assets	9	6,715,899	4,177,719
		<u>6,715,899</u>	<u>4,177,719</u>
CURRENT ASSETS			
Debtors	10	8,470,470	7,722,632
Cash at bank and in hand		2,019,527	182
		<u>10,489,997</u>	<u>7,722,814</u>
CREDITORS: amounts falling due within one year	11	(11,587,494)	(7,357,604)
NET CURRENT (LIABILITIES)/ASSETS		<u>(1,097,497)</u>	<u>365,210</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		5,618,402	4,542,929
CREDITORS: amounts falling due after more than one year	12	(2,158,757)	(734,853)
PROVISIONS FOR LIABILITIES AND CHARGES	14	(71,161)	-
NET ASSETS		<u>3,388,484</u>	<u>3,808,076</u>
CAPITAL AND RESERVES			
Called up share capital	15	1,228,987	1,228,987
Profit and loss account	16	2,159,497	2,579,089
EQUITY SHAREHOLDERS' FUNDS	17	<u>3,388,484</u>	<u>3,808,076</u>

These financial statements were approved by the Board of Directors on 31 / 1 / 2006.

Signed on behalf of the Board of Directors



Director



NOTES TO THE ACCOUNTS

Year ended 31 May 2005

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accountancy standards.

The principal accounting policies of the company are set out below. The policies have remained unchanged from the previous year.

Turnover

Turnover is the total amount receivable by the company for services provided, excluding VAT and trade discounts.

The company supplies services to customers under a number of contractual relationships. Under these contracts, revenue is recognised on performance by the company of all its contractual obligations. Where contracts require performance of a number of different services, the contract is accounted for as two or more separate transactions only where the commercial substance is that the individual components operate independently of each other.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost net of depreciation and any provision for impairment.

Depreciation is calculated to write down the cost, less estimated residual value of all tangible fixed assets by equal annual instalments over their expected useful economic lives. The rates/periods generally applicable are:

Plant and machinery	20%
Fixtures and fittings	33⅓%
Computer equipment	20% - 33⅓%
Motor vehicles	30%
Leasehold improvements	5 – 15 years

During the year management reviewed the useful economic lives of its fixed assets in accordance with the requirements of FRS 18. Following this review the rate applicable to telephone equipment was revised from 33⅓% to 20%. The impact on the profit for the year was an increase of £370,000.

Leased assets

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over the shorter of the lease term and their expected useful economic lives. The interest element of leasing payments represents a constant proportion of the capital element outstanding and is charged to the profit and loss account over the period of the lease. The capital elements of the future lease obligations are recorded as liabilities.

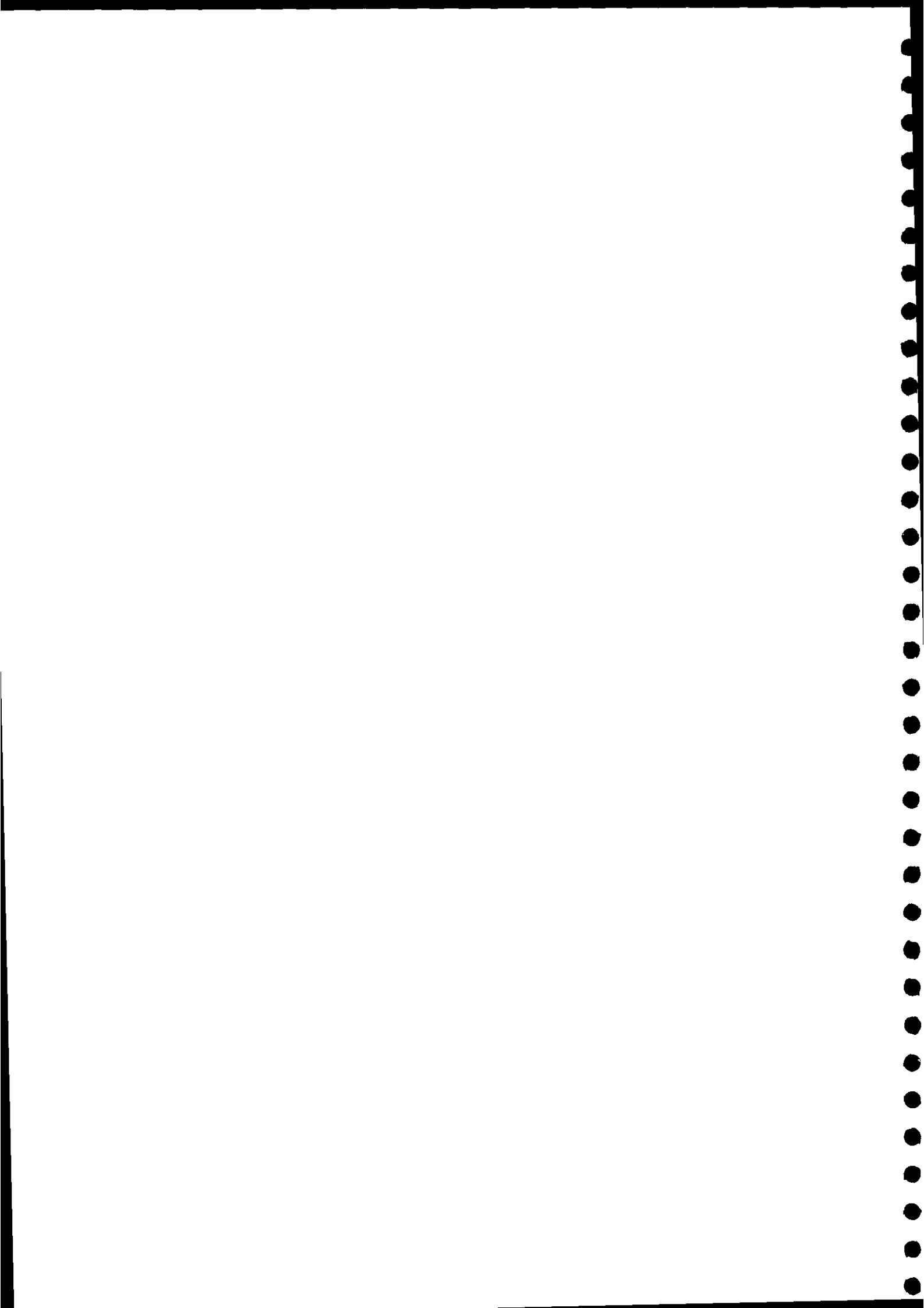
All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight line basis over the lease term, except where the period to the first next reviewable date is shorter than the lease term, in which case the shorter is used.

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 by the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Deferred tax assets are recognised to the extent that it is regarded more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.



LBM DIRECT MARKETING LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 May 2005

1. ACCOUNTING POLICIES (continued)

Defined contribution scheme

The pension costs charged against profits represent the amount of the contributions payable to the schemes in respect of the accounting period.

Research and development

Development costs incurred are capitalised as intangible fixed assets when recoverability can be assessed with reasonable certainty and amortised in line with the expected revenues from the project. All other development costs are written off to the profit and loss account in the year in which they are incurred.

Cash flow statement

The company is a wholly owned subsidiary of LBM Holdings (UK) Limited and the cash flows of the company are included in the consolidated group cash flow statement. Accordingly, the company has taken advantage of the exemption under the terms of FRS 1 not to publish a cash flow statement.

2. TURNOVER

Turnover attributable to regions outside the United kingdom amounted to 1.1% (2004 - 1.1%) of total turnover.

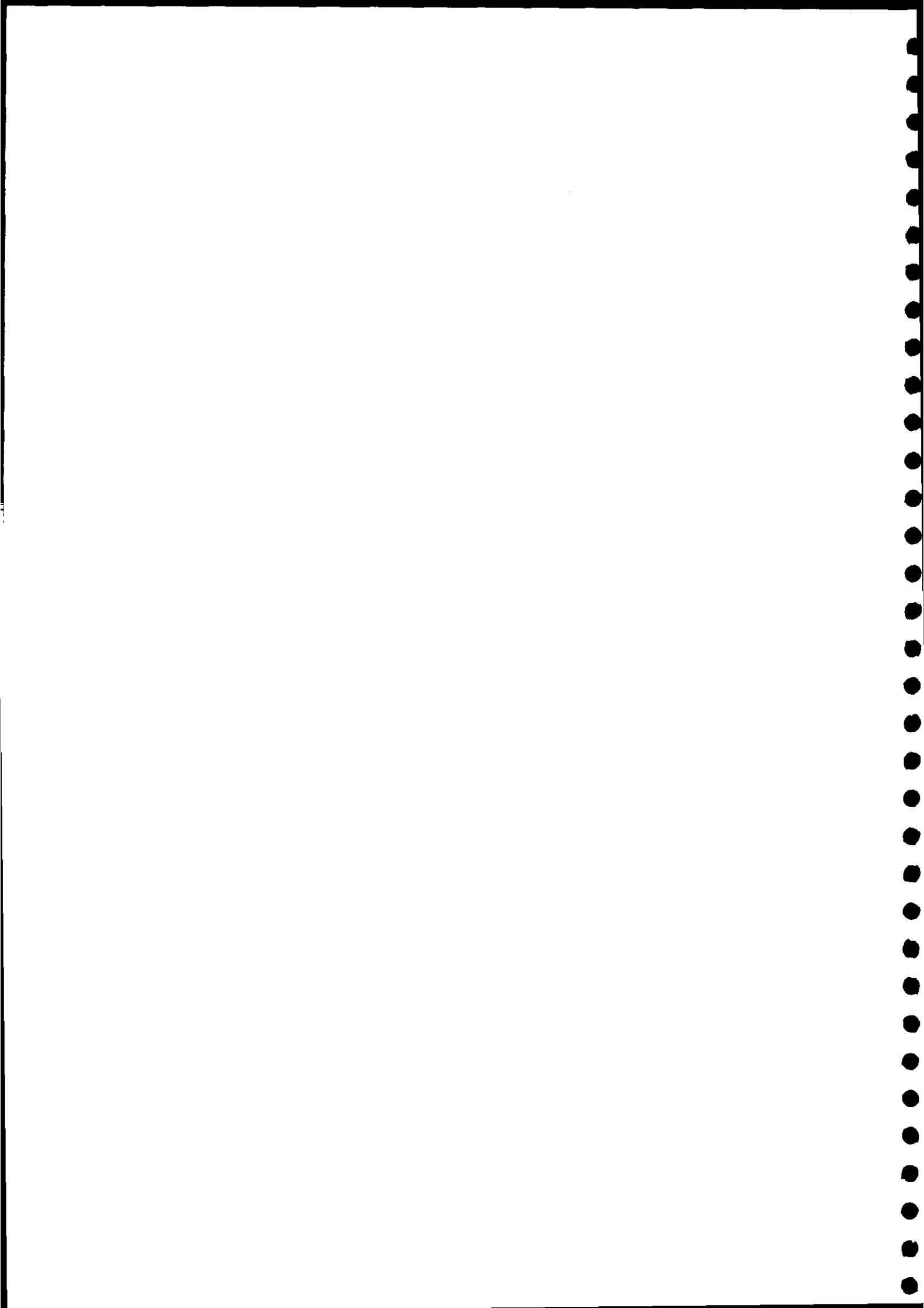
Other than this the business operates as one segment and so no further segmental analysis is presented.

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2005 £	2004 £
Research and development	141,817	208,365
Auditors' remuneration		
- audit services	46,000	40,000
- non-audit services	55,000	6,000
Depreciation		
- tangible fixed assets, owned	845,235	657,128
- tangible fixed assets, held under finance leases and hire purchase contracts	513,433	612,477
Loss on disposal of fixed assets	48,156	-
Grant income	(746,000)	-
Operating lease rentals		
- Land and buildings	606,983	237,973
- Other	340,425	236,179

The exceptional item noted on the face of the profit and loss account relates to a bonus of £1,222,819 (2004 - £nil) paid to employees during the year. The value of the bonus is such that it is considered to be exceptional by virtue of its size.



LBM DIRECT MARKETING LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 May 2005

4. NET INTEREST PAYABLE

	2005	2004
	£	£
On bank loans and overdrafts	34,811	68,625
Finance charges in respect of finance leases	344,884	155,107
Other interest payable	119,703	-
	<u>499,398</u>	<u>223,732</u>
Other interest receivable and similar income	(15,122)	-
	<u>484,276</u>	<u>223,732</u>

5. DIRECTORS AND EMPLOYEES

	2005	2004
	£	£
Staff costs during the year were as follows:		
Wages and salaries	23,347,000	14,105,243
Exceptional bonus (note 3)	1,222,819	-
Social security costs	1,961,503	1,115,371
Pension costs	-	9,380
	<u>26,531,322</u>	<u>15,229,994</u>

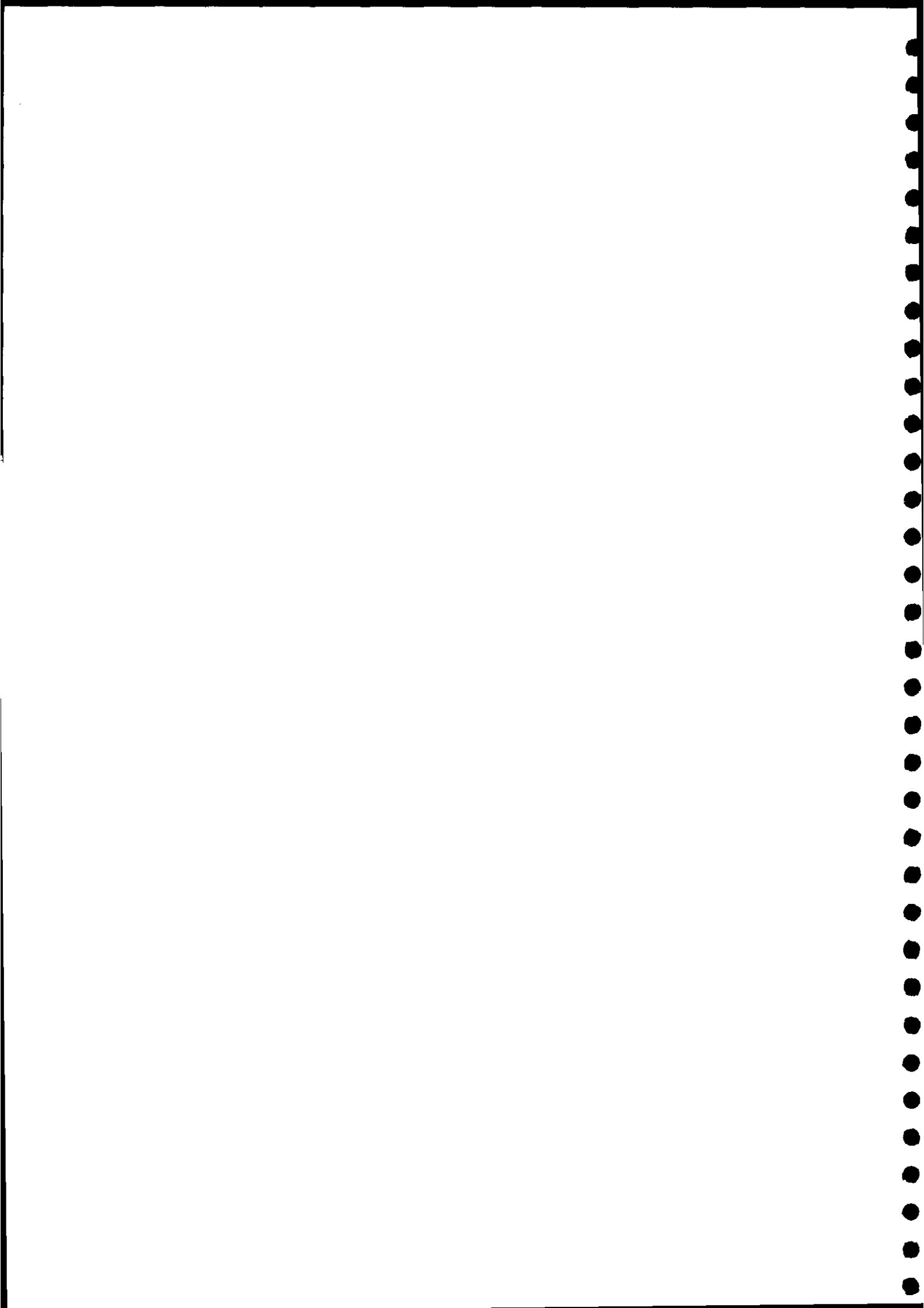
	2005	2004
	No.	No.
Average number of persons employed		
Selling	39	34
Administration	35	27
Operations and IT	1,203	904
	<u>1,277</u>	<u>965</u>

	2005	2004
	£	£
Remuneration in respect of directors was as follows:		
Emoluments	448,520	181,116
Contributions to money purchase pension schemes	-	9,380
	<u>448,520</u>	<u>190,496</u>

The amounts set out above include remuneration in respect of the highest paid director as follows:

	2005	2004
	£	£
Emoluments	<u>143,346</u>	<u>108,776</u>

During the year no directors (2004 – 4 directors) participated in money purchase pension schemes.



LBM DIRECT MARKETING LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 May 2005

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

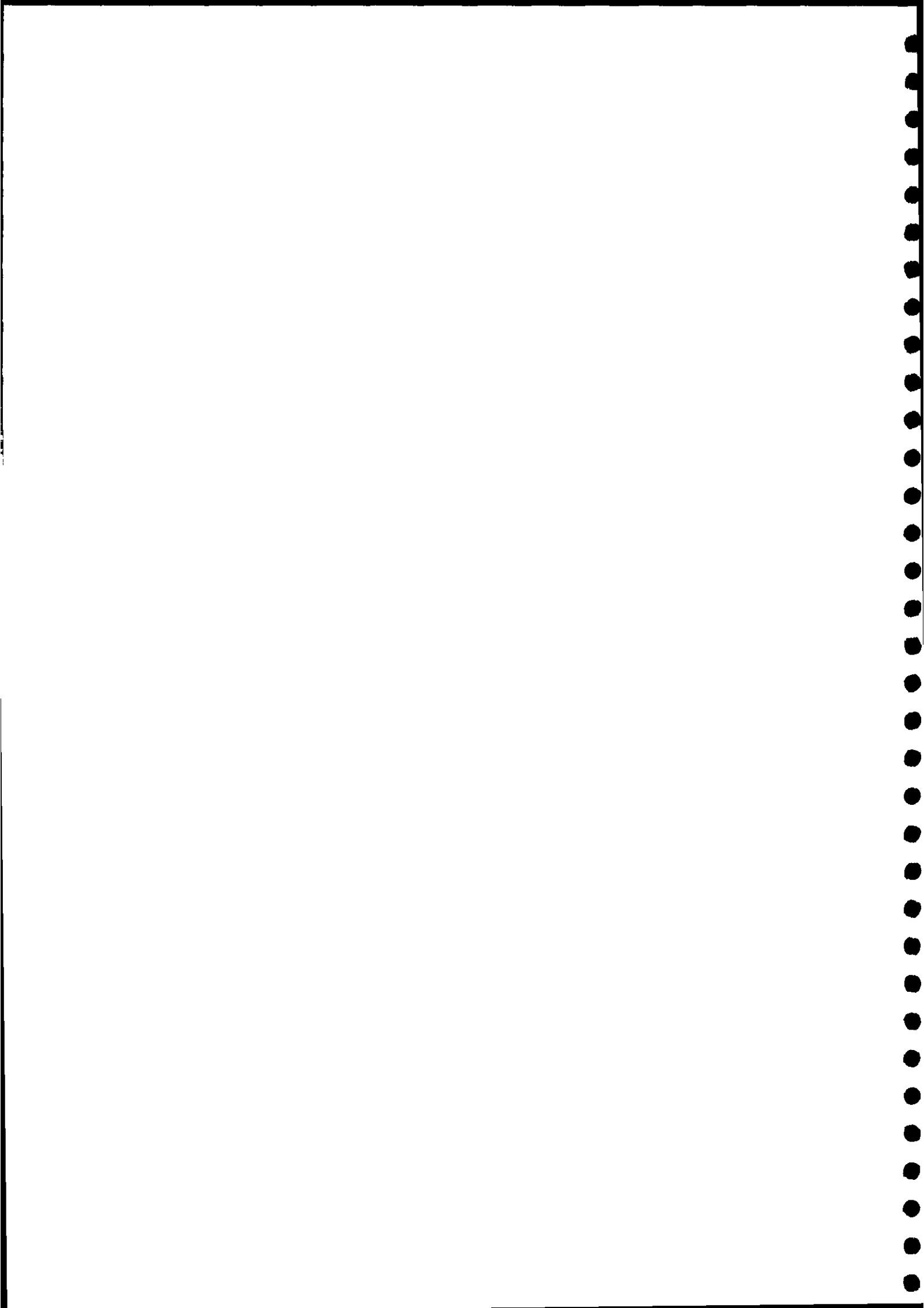
	2005 £	2004 £
The taxation charge represents:		
Corporation tax at 30% (2004 – 30%)	149,708	1,583,626
Adjustment in respect of prior period	296,341	619
Total current tax	446,049	1,584,245
Origination and reversal of timing differences	161,890	6,674
Adjustment in respect of prior period	(46,517)	(42,886)
Total deferred tax (note 14)	115,373	(36,212)
Tax on profit on ordinary activities	561,422	1,548,033

The tax assessed for the year is higher (2004 – higher) than the standard rate of corporation tax in the United Kingdom of 30% (2004 – 30%). The differences are as follows:

	2005 £	2004 £
Profit on ordinary activities before taxation	1,308,096	5,024,327
Profit on ordinary activities before taxation multiplied by standard rate of corporation tax in the United Kingdom of 30% (2004 – 30%)	392,429	1,507,300
Effects of:		
Expenses not deductible for tax purposes	149,568	83,000
Capital allowances for the period in excess of depreciation	(168,261)	(6,674)
Other short term timing differences	6,371	-
Group relief not paid for	(230,399)	-
Adjustments to tax charge in respect of prior period	296,341	619
	446,049	1,584,245

7. DIVIDENDS - EQUITY

	2005 £	2004 £
Ordinary shares - interim dividend of 78.623 pence (2004 - 68.986 pence) per ordinary share	966,266	847,827
- Proposed dividend of 16.274 pence (2004 - 14.799 pence)	200,000	181,879
	1,166,266	1,029,706



NOTES TO THE ACCOUNTS
Year ended 31 May 2005

8. INTANGIBLE FIXED ASSETS

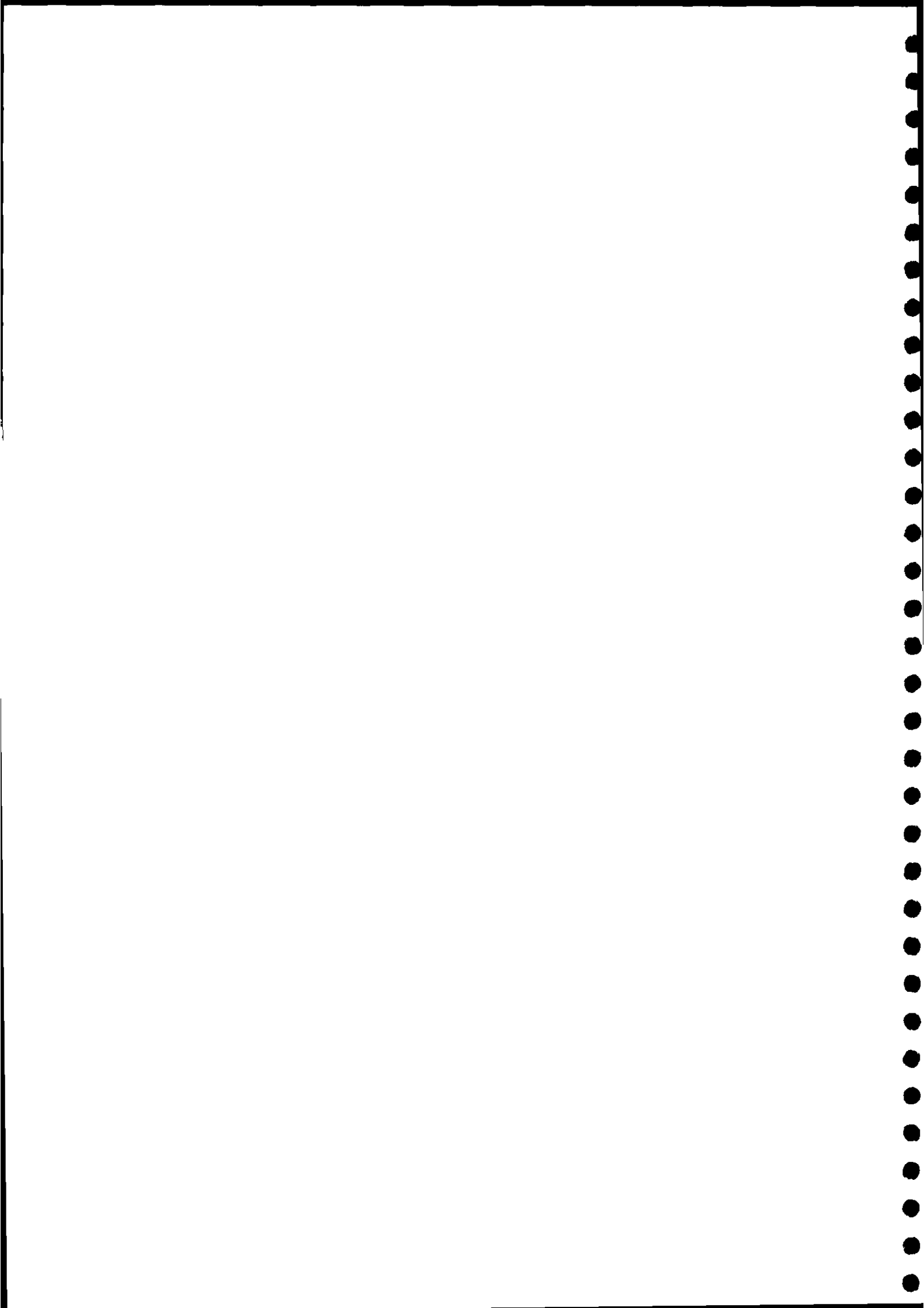
	Development costs £
Cost	
At 1 June 2004 and at 31 May 2005	1,081,712
Amortisation	
At 1 June 2004 and at 31 May 2005	1,081,712
Net book value	
At 31 May 2005 and at 31 May 2004	-

9. TANGIBLE FIXED ASSETS

	Leasehold improvements £	Plant and machinery £	Fixtures and fittings £	Computer equipment	Motor vehicles £	Total £
Cost						
At 1 June 2004	1,703,116	134,703	702,166	4,386,156	497,399	7,423,540
Additions	1,234,405	-	317,426	2,545,259	101,417	4,198,507
Disposals	-	-	-	-	(453,142)	(453,142)
At 31 May 2005	2,937,521	134,703	1,019,592	6,931,415	145,674	11,168,905
Depreciation						
At 1 June 2004	278,492	130,313	463,245	2,280,952	92,819	3,245,821
Charge for the year	219,379	3,082	138,505	924,343	73,359	1,358,668
Disposals	-	-	-	-	(151,483)	(151,483)
At 31 May 2005	497,871	133,395	601,750	3,205,295	14,695	4,453,006
Net book value						
At 31 May 2005	2,439,650	1,308	417,842	3,726,120	130,979	6,715,899
At 31 May 2004	1,424,624	4,390	238,921	2,105,204	404,580	4,177,719

The figures stated above include assets held under finance leases and similar hire purchase contracts as follows:

	Leasehold improvements £	Plant and machinery £	Fixtures and fittings £	Computer equipment	Motor vehicles £	Total £
Net book value						
At 31 May 2005	358,195	-	247,356	2,557,798	114,301	3,277,650



LBM DIRECT MARKETING LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 May 2005

10. DEBTORS

	2005 £	2004 £
Trade debtors	7,816,153	6,854,449
Amounts owed by group undertakings	-	196,798
Other debtors	-	15,666
Pension contributions	-	5,165
Prepayments and accrued income	654,317	606,342
Deferred tax (note 14)	-	44,212
	<u>8,470,470</u>	<u>7,722,632</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 £	2004 £
Bank overdraft (note 13)	162,826	961,901
Trade creditors	1,900,261	1,585,506
Corporation tax	2,149,378	1,830,245
Social security and other taxes	2,089,747	1,732,784
Amounts due to other group companies	2,369,947	-
Accruals and deferred income	1,394,164	135,490
Amounts due under finance leases and hire purchase contracts	1,321,171	929,799
Dividend creditor	200,000	181,879
	<u>11,587,494</u>	<u>7,357,604</u>

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

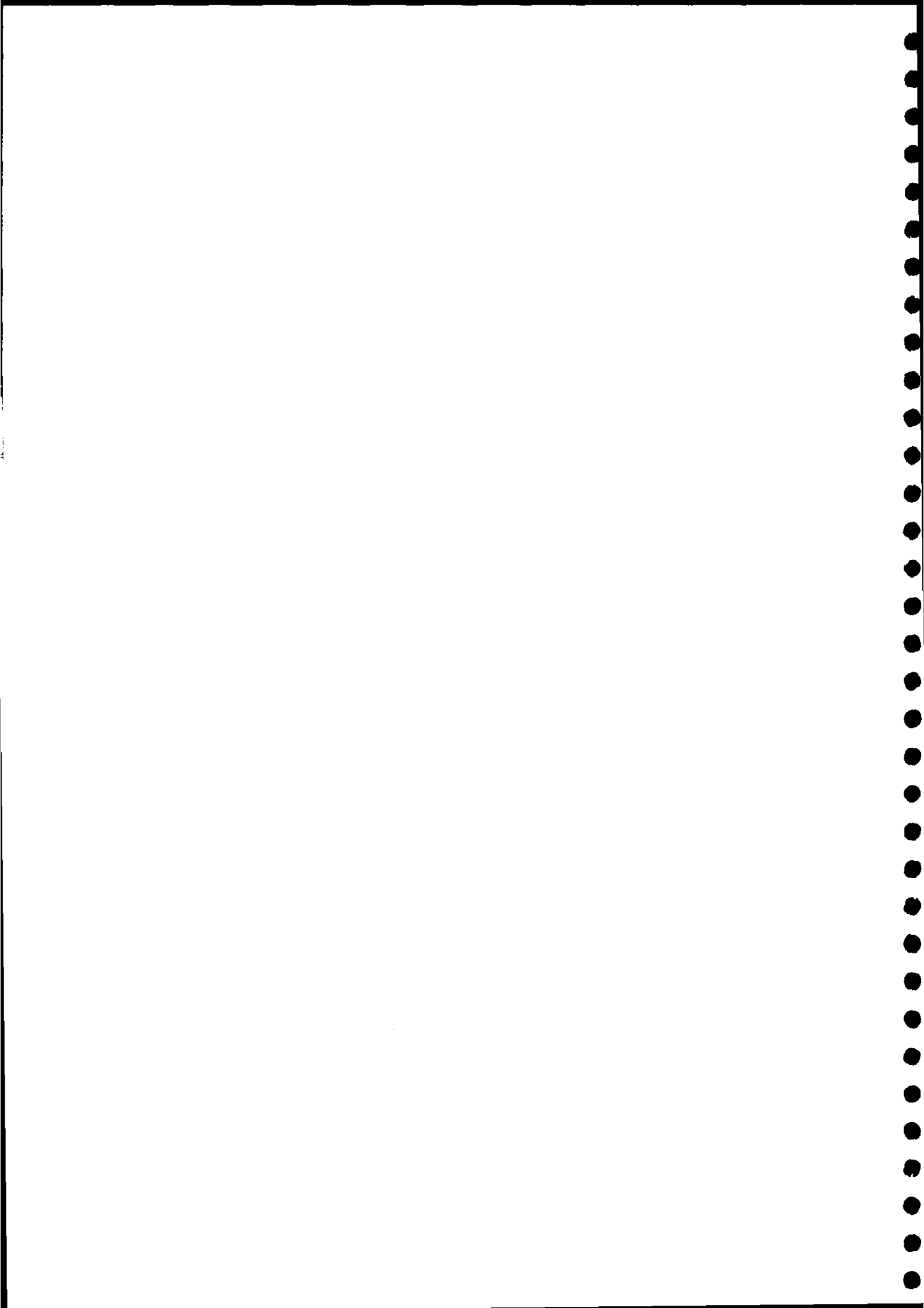
	2005 £	2004 £
Net obligations under finance leases and hire purchase contracts	<u>2,158,757</u>	<u>734,853</u>

13. BORROWINGS

	2005 £	2004 £
Borrowings are repayable as follows:		
Within one year		
Bank overdraft	162,826	961,901
Finance leases	1,321,171	929,799
After one and within two years		
Finance leases	1,272,296	453,956
After two and within five years		
Finance leases	886,461	280,897
	<u>3,642,754</u>	<u>2,626,553</u>

Obligations under finance leases are secured on the assets concerned.

The bank overdraft is secured by a fixed and floating charge over the assets of the group.



LBM DIRECT MARKETING LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 May 2005

14. DEFERRED TAXATION

	2005 £	2004 £
Deferred taxation liability/(asset)		
At 1 June 2004	(44,212)	(8,000)
Charge/(credit) to profit and loss	115,373	(36,212)
At 31 May 2005	71,161	(44,212)

Deferred taxation provided for in the financial statements is set out below:

	2005 £	2004 £
Capital allowances in excess of/(less than) depreciation	123,929	(44,212)
Short term timing differences	(52,768)	-
	71,161	(44,212)

15. CALLED UP SHARE CAPITAL

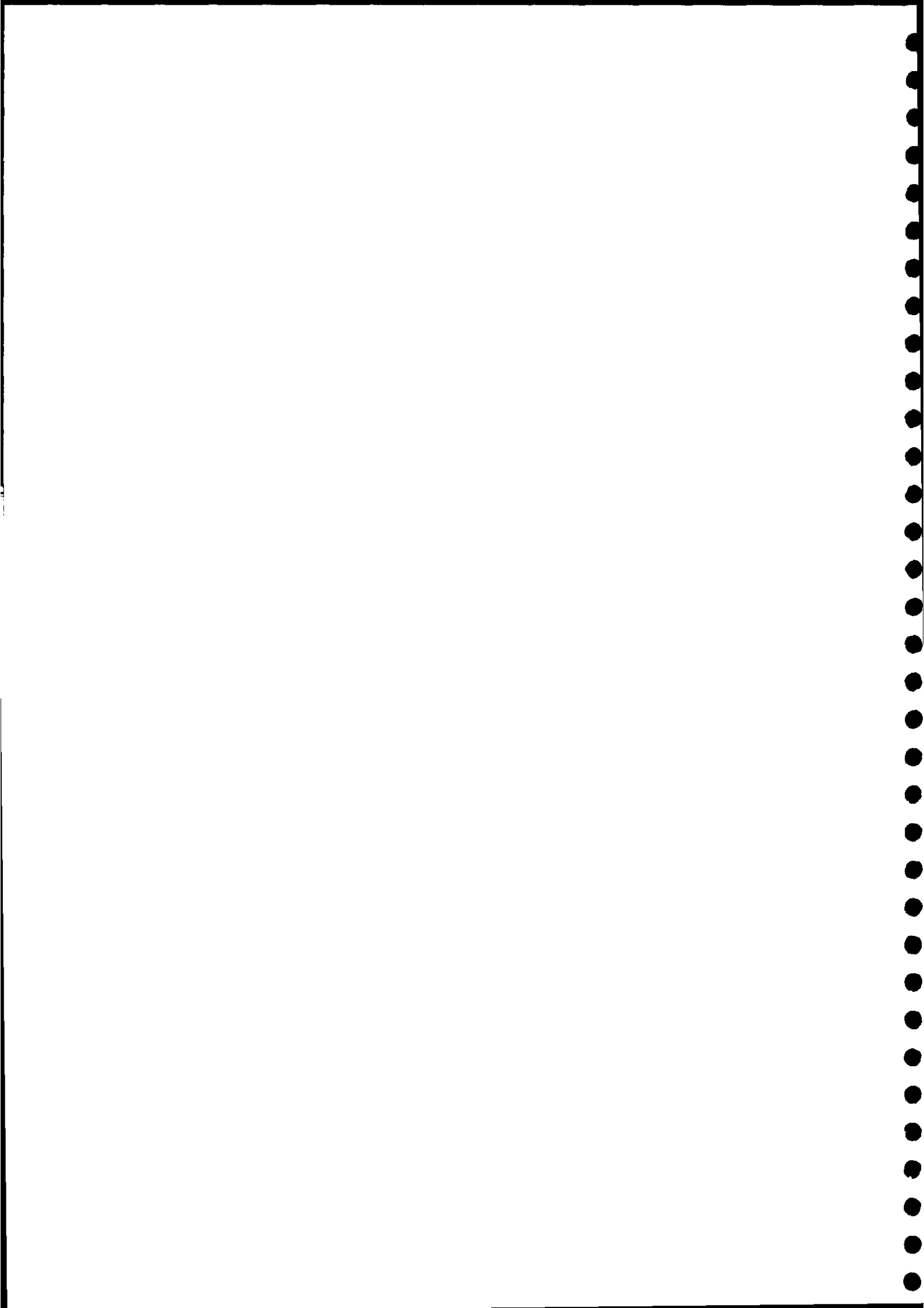
	2005 £	2004 £
Authorised		
1,228,987 (2004 - 1,228,987) ordinary shares of £1 each	1,228,987	1,228,987
Called up, allotted and fully paid		
1,228,987 (2004 - 1,228,987) ordinary shares of £1 each	1,228,987	1,228,987

16. PROFIT AND LOSS ACCOUNT

	2005 £
At 1 June 2004	2,579,089
Loss for the year	(419,592)
At 31 May 2005	2,159,497

17. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2005 £	2004 £
Profit for the financial year	746,674	3,476,294
Dividends	(1,166,266)	(1,029,706)
	(419,592)	2,446,588
Opening shareholders' funds	3,808,076	1,361,488
Closing shareholders' funds	3,388,484	3,808,076



LBM DIRECT MARKETING LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 May 2005

18. CAPITAL COMMITMENTS

	2005 £	2004 £
Contracted for but not provided in these financial statements	-	350,000

19. PENSION COSTS

The pension cost charge represents contributions payable by the company to defined contribution pension schemes and amounted to £nil (2004 - £9,380).

20. LEASING COMMITMENTS

Operating leases amounting to £1,377,456 (2004 - £591,881) are due within one year. The leases to which these amounts relate expire as follows:

	2005		2004	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire:				
- in one year or less	242,640	14,851	-	177,742
- between one and five years	-	328,322	-	106,106
- in five years or more	791,643	-	308,033	-
	<u>1,034,283</u>	<u>343,173</u>	<u>308,033</u>	<u>283,848</u>

21. OTHER COMMITMENTS

Other financial commitments not provided for of £500,000 (2004 - £500,000) in respect of data supply contracts are due within one year. The contract expires between one and five years.

22. TRANSACTIONS WITH RELATED PARTIES

As a wholly owned subsidiary of LBM Holdings Limited, the company is exempt from the requirements of FRS 8 to disclose transactions with its parent undertakings.

In October 2004 the company disposed of a motor vehicle to Verran Townsend, a director, for £23,000. The net book value of the vehicle was £24,865, giving a loss on disposal of £1,865.

In October 2004 the company also disposed of a motor vehicle to Paul Beck, a director, for £109,583. The net book value of the vehicle was £115,375 and there was an outstanding hire purchase balance of £11,852, thereby giving a net loss on disposal of £17,645.

In March 2005 the company disposed of a motor vehicle to Ben Dixon, a director, for £35,000. The net book value of the vehicle was £39,852, giving a loss on disposal of £4,852.

In each of the above cases the directors believe that the sale proceeds equated to open market value.

23. ULTIMATE CONTROLLING PARTY

The ultimate parent undertaking of this company is LBM Holdings Limited. The accounts of that company are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ. LBM Holdings Limited is the parent of the smallest and largest group into which the results of LBM Direct Marketing Limited are consolidated.

In the prior year the ultimate controlling party was LBM Holdings (UK) Limited. On 20 October 2004 the entire share capital of LBM Holdings (UK) Limited was acquired by LBM Holdings Limited.

