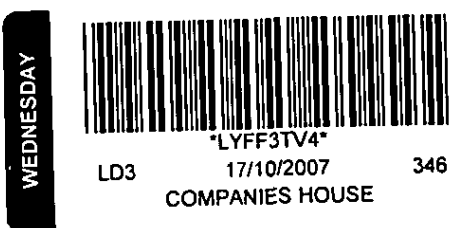


**INTERACTIVE RECORDS MANAGEMENT LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2006**



Company No 2672031

# **INTERACTIVE RECORDS MANAGEMENT LIMITED**

## **FINANCIAL STATEMENTS**

**For the year ended 31 December 2006**

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Company registration number	2672031
Registered office	Astbury House Bradford Road Winsford Cheshire CW6 2PA
Directors	D J Goadby I P Gordon S J Holmes
Secretary	I P Gordon
Bankers	The Royal Bank of Scotland 62-63 Threadneedle Street London EC2R 8LA
Auditors	Grant Thornton UK LLP Chartered Accountants The Explorer Building Fleming Way Manor Royal Crawley West Sussex RH10 9GT

# **INTERACTIVE RECORDS MANAGEMENT LIMITED**

## **FINANCIAL STATEMENTS**

For the year ended 31 December 2006

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# **INTERACTIVE RECORDS MANAGEMENT LIMITED**

## **REPORT OF THE DIRECTORS**

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The directors submit their report together with financial statements for the year ended 31 December 2006

### **Principal activity**

The principal activity of the company is archiving and associated services

### **Business review**

The company continued to perform well in 2006 with steady organic growth in the archive market despite the sale of the relocation side of the business in 2005

The directors consider that the key measures of the company's performance are the long term trends in the following

Turnover  
Gross profit margin  
Net current assets

Turnover was £2,706,596 which was an increase of 1% on previous archive storage figures and was consistent with the forecast. The gross profit and operating profit were lower than forecast at £1,859,467 and £238,616 respectively

Net current assets at the end of 2006 were £1,679,457 an increase of 28% on 2006 (£1,313,429)

The company has continued and developed its relationship with Deepstore, another archive company based in Cheshire who are leading providers in static and long term record storage, to enable us to offer our clients highly competitive long term storage rates on their non active archive boxes providing them with a material cost saving

On 12 January 2007 Deepstore Limited acquired the share capital of our holding company, Levetas Limited, of which Interactive is a wholly owned subsidiary. Deepstore Limited made an initial payment of £3.83 million for the business, with a further £1 million payable on the basis of future performance.

### **Financial risk management objectives and policies**

The company uses financial instruments, other than derivatives, comprising borrowings, cash and other liquid resources and various other items such as trade debtors and creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations. The main risks arising from the company's financial instruments are interest rate risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below.

#### **Interest rate risk**

The company finances its operations through a mixture of retained profits, inter-company accounts, venture capital and bank borrowings. The company's exposure to interest rate fluctuations on its borrowings is managed by the use of both fixed and floating facilities.

#### **Liquidity risk**

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest any cash assets safely and profitably. Primarily this is achieved through inter-company accounts or through loans. The company policy throughout the year has been to ensure continuity of funding. Short term flexibility is achieved by overdraft facilities.

# INTERACTIVE RECORDS MANAGEMENT LIMITED

## REPORT OF THE DIRECTORS

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### Directors and their interests

The directors of the company, who served during the year, are stated below

R T Kanter (resigned 12 January 2007)

T Robinson (resigned 12 January 2007)

D J Goadby, I P Gordon and S J Holmes were appointed as directors on 12 January 2007

No right to subscribe for shares in or debentures of the company were granted to or exercised by the directors during the year. None of the directors had any interest in any of the shares of the company. The directors' interests in the share capital of the ultimate parent undertaking, Levetas Limited, are shown in that company's financial statements.

### Directors' responsibilities for the financial statements

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 group and the company and of the profit or loss of the group 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, subject to any material departures disclosed and explained in the financial statements
- 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, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

### Auditors

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD



Secretary

12 October 2007

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF INTERACTIVE RECORDS MANAGEMENT LIMITED**

We have audited the financial statements of Interactive Records Management Limited for the year ended 31 December 2006 which comprise the principal accounting policies, profit and loss account, balance sheet and notes 1 to 19. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

The directors' responsibilities for preparing the report of the directors and the financial statements in accordance with United Kingdom law and accounting standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 to you if, in our opinion, the report of the directors 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 other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it. We read other information contained in the chairman's statement and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### **Basis of opinion**

We conducted our audit in accordance with international standards on auditing (UK and Ireland) 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
INTERACTIVE RECORDS MANAGEMENT LIMITED**

**Opinion**

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company's affairs as at 31 December 2006 and of its result for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Directors is consistent with the financial statements for the year ended 31 December 2006

  
GRANT THORNTON UK LLP  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS  
GATWICK  
16 October 2007

## **INTERACTIVE RECORDS MANAGEMENT LIMITED**

### **PRINCIPAL ACCOUNTING POLICIES**

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#### **Basis of preparation**

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards and under the historical cost convention. The principal accounting policies have remained unchanged from the previous year and are set out below.

#### **Cash flow statement**

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

#### **Turnover**

Turnover is the revenue arising from the sales of goods and services. It is stated at the fair value of the consideration receivable, net of value added tax, rebates and discounts.

Revenue from services provided by the company is recognised when the company has performed its obligations and in exchange obtained the right to consideration.

#### **Depreciation**

Depreciation is provided so as to write off the cost or valuation of assets over their expected useful lives, and has been calculated at the following annual rates:

Leasehold property	25% on cost
Plant and machinery	25% on cost
Fixtures and fittings	15% reducing balance
Motor vehicles	25% on cost

#### **Hire purchase agreements**

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

#### **Finance lease agreements**

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

#### **Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

#### **Pension costs**

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.



## **INTERACTIVE RECORDS MANAGEMENT LIMITED**

### **PRINCIPAL ACCOUNTING POLICIES**

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#### **Deferred taxation**

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred at the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantially enacted by the balance sheet date.

#### **Financial instruments**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability, then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

# INTERACTIVE RECORDS MANAGEMENT LIMITED

## PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2006

	Note	2006 £	2005 Continuing £	2005 Discontinued £	2005 Total £
<b>Turnover</b>	1	<b>2,706,596</b>	2,684,452	5,182,346	7,866,798
Cost of sales		<u>(847,129)</u>	<u>(587,779)</u>	<u>(4,352,927)</u>	<u>(4,940,706)</u>
<b>Gross profit</b>		<b>1,859,467</b>	2,096,673	829,419	2,926,092
Distribution costs		<u>(14,795)</u>	<u>(12,606)</u>	<u>(62,375)</u>	<u>(74,981)</u>
Administrative expenses		<u>(1,606,056)</u>	<u>(1,440,021)</u>	<u>(1,300,320)</u>	<u>(2,740,341)</u>
<b>Operating profit</b>		<b>238,616</b>	<u>644,046</u>	<u>(533,276)</u>	110,770
(Loss) / profit on disposal of fixed assets		<u>(19,792)</u>			450,672
Net interest	2	<u>(20,859)</u>			<u>(27,838)</u>
<b>Profit on ordinary activities before taxation</b>	1	<b>197,965</b>			533,604
Tax on profit on ordinary activities	4	<u>10,000</u>			<u>(16,000)</u>
<b>Profit on ordinary activities after taxation</b>	12,13	<b><u>207,965</u></b>			<u>517,604</u>

There were no recognised gains or losses other than the profit for the financial year

All operations are continuing

The accompanying accounting policies and notes form an integral part of these financial statements

# INTERACTIVE RECORDS MANAGEMENT LIMITED

## BALANCE SHEET AT 31 DECEMBER 2006

	Note	2006 £	2006 £	2005 £	2005 £
<b>Fixed assets</b>					
Tangible assets	6		792,936		965,712
<b>Current assets</b>					
Stocks - goods for resale		7,901		-	
Debtors	7	2,469,101		2,222,787	
Cash at bank and in hand		100		339,821	
		<u>2,477,102</u>		<u>2,562,608</u>	
<b>Creditors: amounts falling due within one year</b>	8	<u>(797,645)</u>		<u>(1,249,179)</u>	
<b>Net current assets</b>			<u>1,679,457</u>		<u>1,313,429</u>
<b>Total assets less current liabilities</b>			<u>2,472,393</u>		<u>2,279,141</u>
<b>Creditors: amounts falling due after more than one year</b>	9		(3,524)		(8,237)
<b>Provisions for liabilities and charges</b>					
Deferred taxation	10		<u>(48,000)</u>		<u>(58,000)</u>
			<u>2,420,869</u>		<u>2,212,904</u>
<b>Capital and reserves</b>					
Called up share capital	11		10,000		10,000
Profit and loss account	12		<u>2,410,869</u>		<u>2,202,904</u>
<b>Shareholders' funds</b>	13		<u>2,420,869</u>		<u>2,212,904</u>

The financial statements were approved by the Board of Directors

Directors



12/10/07

The accompanying accounting policies and notes form an integral part of these financial statements

# INTERACTIVE RECORDS MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2006

### 1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The turnover and profit on ordinary activities before taxation is attributable to commercial office relocation, removals, warehousing, archiving and associated services and arose wholly in the United Kingdom. The commercial office relocation, removals and warehousing activity was discontinued in the year.

The profit on ordinary activities before taxation is stated after

	Total 2006 £	Continuing 2005 £	Discontinued 2005 £	Total 2005 £
Operating lease rentals				
- land and buildings	860,798	860,150	-	860,150
Hire of plant and machinery	24,295	-	63,738	63,738
Depreciation				
- tangible fixed assets, owned	126,220	146,400	31,869	178,269
- tangible fixed assets, held under finance leases	37,624	43,235	13,814	57,049
Auditors' remuneration				
- audit services	17,500	17,750	-	17,750
- non audit services	10,250	3,600	-	3,600

### 2 NET INTEREST

	2006 £	2005 £
Hire purchase interest	10,216	30,324
Interest payable	13,402	3,996
Interest receivable	(2,759)	(6,482)
	<u>20,859</u>	<u>27,838</u>

# INTERACTIVE RECORDS MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2006

### 3 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows

	2006 £	2005 £
Wages and salaries	631,539	3,220,432
Social security costs	55,510	338,240
Pension costs	189	25,709
	<u>687,238</u>	<u>3,584,381</u>

The average number of employees of the company during the year was

	2006 Number	2005 Number
Relocation and related services	13	64
Administration	6	21
	<u>19</u>	<u>85</u>

Remuneration in respect of directors was as follows

	2006 £	2005 £
Emoluments	76,794	71,388
Fees	26,250	26,250
	<u>103,044</u>	<u>97,638</u>

### 4 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax credit/(charge) is based on the profit for the year and represents

	2006 £	2005 £
Deferred tax	<u>10,000</u>	<u>(16,000)</u>

The tax assessed for the period is higher than the small companies rate of corporation tax in the UK of 19%

The differences are explained as follows

	2006 £	2005 £
Profit on ordinary activities before tax	<u>197,965</u>	<u>533,604</u>
Profit on ordinary activities multiplied by the small companies rate of corporation tax in the UK of 19%	37,613	101,385
Effect of		
Expenses not deductible for tax purposes	6,236	8,955
Capital allowances in advance of depreciation	3,923	(17,641)
Movement in provisions	1,495	760
Utilisation of tax losses	<u>(49,267)</u>	<u>(93,459)</u>
Current year tax charge	<u>-</u>	<u>-</u>

# INTERACTIVE RECORDS MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2006

### 5 DIVIDENDS

	2006 £	2005 £
Equity dividends paid in the year on ordinary shares	-	1,200,000

### 6 TANGIBLE FIXED ASSETS

	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 January 2006	18,420	460,757	1,770,971	149,501	2,399,649
Additions	-	10,860	-	-	10,860
Disposals	-	(273,508)	(44,499)	-	(318,007)
At 31 December 2006	18,420	198,109	1,726,472	149,501	2,092,502
Depreciation					
At 1 January 2006	18,419	416,511	850,414	148,593	1,433,937
Charge for the year	-	24,855	138,083	906	163,844
On disposals	-	(272,409)	(25,806)	-	(298,215)
At 31 December 2006	18,419	168,957	962,691	149,499	1,299,566
Net book amount at 31 December 2006	1	29,152	763,781	2	792,936
Net book amount at 31 December 2005	1	44,246	920,557	908	965,712

The net book value of assets held under finance leases and hire purchase contracts is as follows:

	Plant and machinery £
Net book amount at 31 December 2006	4,909
Net book amount at 31 December 2005	10,800
Depreciation charge for the year	5,891

# INTERACTIVE RECORDS MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2006

### 7 DEBTORS

	2006 £	2005 £
Trade debtors	601,415	821,972
Amount due from parent undertaking	1,604,304	1,106,792
Other debtors	869	5,886
Prepayments and accrued income	262,513	288,137
	<u>2,469,101</u>	<u>2,222,787</u>

### 8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006 £	2005 £
Bank overdraft	206,310	25,402
Trade creditors	214,024	421,464
Social security and other taxes	90,079	164,407
Other creditors	15,548	21,428
Accruals and deferred income	266,971	571,735
Obligations under finance leases	4,713	44,743
	<u>797,645</u>	<u>1,249,179</u>

### 9 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2006 £	2005 £
Amounts due under finance leases		
- after one and within two years	3,524	4,713
- after two and within five years	-	3,524
	<u>3,524</u>	<u>8,237</u>

Obligations under finance leases are secured on the assets to which they relate

### 10 DEFERRED TAXATION

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

	2006 £	2005 £
Accelerated capital allowances	58,000	61,000
Short term timing differences	(10,000)	(3,000)
	<u>48,000</u>	<u>58,000</u>
At 1 January	58,000	42,000
Transfer from profit and loss account	(10,000)	16,000
At 31 December	<u>48,000</u>	<u>58,000</u>

# INTERACTIVE RECORDS MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2006

### 11 SHARE CAPITAL

	2006 £	2005 £
Authorised 50,000 ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>
Allotted, called up and fully paid 10,000 ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

### 12 PROFIT AND LOSS ACCOUNT

	2006 £	2005 £
Balance brought forward	2,202,904	2,885,300
Profit for the financial year	207,965	517,604
Equity dividends	-	(1,200,000)
Balance carried forward	<u>2,410,869</u>	<u>2,202,904</u>

### 13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2006 £	2005 £
Profit on ordinary activities after tax	207,965	517,604
Dividends	-	(1,200,000)
Loss for the financial year	207,965	(682,396)
Shareholder's funds at 1 January	<u>2,212,904</u>	<u>2,895,300</u>
Shareholder's funds at 31 December	<u>2,420,869</u>	<u>2,212,904</u>

### 14 CAPITAL COMMITMENTS

The company had no capital commitments at 31 December 2006 or 31 December 2005

### 15 CONTINGENT LIABILITIES

The company has guaranteed the bank and other borrowings of its parent undertaking Levetas Limited. The amount outstanding at the year end was £5,032,997 (2005 £5,103,767)



## INTERACTIVE RECORDS MANAGEMENT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2006

#### 16 PENSIONS

The company contributed to a group personal pension plan on behalf of some of its employees. The scheme was called the Deutedes Retirement Plan. During the year contributions of £189 (2005 £25,708) were paid to the scheme. The company also has a money purchase pension scheme available for all employees to participate in. During the year no contributions were made to this scheme.

#### 17 LEASING COMMITMENTS

Operating lease payments for rent of land and buildings amounting to £797,350 (2005 £780,748) are due within one year. The leases to which these amounts relate expire as follows:

	2006 £	2005 £
Within one year	-	63,248
In five years or more	797,350	717,500
	<u>797,350</u>	<u>780,748</u>

#### 18 TRANSACTIONS WITH OTHER RELATED PARTIES

As a wholly owned subsidiary of Levetas Limited, the company is exempt from the requirements of FRS8 to disclose transactions with other members of the group.

Related party transactions were as follows:

Related party	Relationship	2006 Year end balance due £	2005 Year end balance due £	2006 Net amount invoiced during year £	2005 Net amount invoiced during year £
Dunedin Capital Partners Limited	Shareholder and loans advanced to ultimate parent undertaking	11,750	11,750	20,000	20,000

#### 19 ULTIMATE PARENT UNDERTAKING

Until 12 January 2007, the company was a wholly owned subsidiary of Levetas Limited, a company registered in England and Wales. On the 12 January 2007 the company's parent, Levetas Limited was acquired by Deepstore Limited. The ultimate parent undertaking of Deepstore Limited is Company Minerals Inc, a US listed entity.