

PALL-EX LOGISTICS LIMITED
ABBREVIATED FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2008

Company registration number: 3865865



Tenon Limited
The Poynt
45 Wollaton Street
Nottingham
NG1 5FW

PALL-EX LOGISTICS LIMITED

Annual report and abbreviated financial statements for the year ended 31 January 2008

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Directors

EC Devey (Resigned 27 March 2008)
AS Russell
MP Field (Appointed 27 March 2008)

Secretary, registered office and business address

MP Field, Pall-Ex House, Victoria Road, Ellistown, Leicestershire, LE67 1FH.

Company number

3865865

Auditor

Tenon Audit Limited, The Poynt, 45 Wollaton Street, Nottingham, NG7 6NX

PALL-EX LOGISTICS LIMITED

Report of the directors for the year ended 31 January 2008

The directors present their report together with the audited financial statements of the company for the year ended 31 January 2008.

Results and dividends

The profit and loss account is set out on page 5 and shows the profit for the year.

The directors do not recommend the payment of a final dividend (2007: Nil). During the year the company paid an interim dividend of £Nil (2007: £Nil).

Principal activity, trading review and future developments

The principal activity of the company is that of a distribution company.

Gross margin for the year is 12.3% compared to 12.3% in the prior period. Profit before taxation for the year is £441,212 compared to £291,774 for the prior 18 month period.

At the period end the company had shareholders funds of £810,852 including distributable reserves of £810,851. The directors therefore believe the company's position to be satisfactory and are optimistic for the future, especially as the company's net current assets exceed its current liabilities by £489,627.

The directors have assessed the main risk facing the company as being dependency on the performance of the UK economy, and interest rate risk. The company provides services to businesses primarily in the UK and is therefore heavily dependent on the performance of the UK economy. The principal credit risk arises from the company's trade debtors. In order to manage this risk credit terms are set for all new customers and regularly reviewed for existing customers.

Financial risk management objectives and policies

The company makes little use of financial instruments other than an operational bank account and hire purchase contracts, and so its exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of the assets, liabilities, financial position and profit or loss of the company.

Directors

The directors of the company during the year were:

AS Russell
EC Devey – Resigned 27 March 2008
MP Field – Appointed 27 March 2008

PALL-EX HOLDINGS LIMITED

Report of the directors for the year ended 31 January 2008 (*Continued*)

Directors' responsibilities

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

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). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether UK 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 that 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 1985. The directors 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

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.

PALL-EX LOGISTICS LIMITED

Report of the directors for the year ended 31 January 2008 (*Continued*)

Auditor

Tenon Audit Limited have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the annual general meeting.

By order of the Board

MP Field
Secretary

Tenon audit

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PALL-EX LOGISTICS LIMITED

YEAR ENDED 31 JANUARY 2008

We have examined the abbreviated accounts set out on pages 5 to 16, together with the financial statements of Pall-Ex Logistics Limited for the year ended 31 January 2008 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and the auditor

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision.

Tenon Audit Limited

Tenon Audit Limited
Registered Auditor
The Poynt
45 Wollaton Street
Nottingham
NG1 5FW

27 November 2008

PALL-EX LOGISTICS LIMITED

Abbreviated profit and loss account for the year ended 31 January 2008

	Note	Year ended 31 January 2008 £	18 months to 31 January 2007 £
Gross profit		1,385,806	1,092,270
Administrative expenses		(931,648)	(791,408)
Operating profit	5	454,158	300,862
Interest payable and similar charges	6	(12,946)	(9,088)
Profit on ordinary activities before taxation		441,212	291,774
Taxation on profit on ordinary activities	7	(128,125)	(83,627)
Profit on ordinary activities after taxation		313,087	208,147

All amounts relate to continuing activities.

The company has no recognised gains or losses other than the result for the year as set out above.

The notes on pages 8 to 16 form part of these financial statements.

PALL-EX LOGISTICS LIMITED**Balance sheet at 31 January 2008**

	Note	2008	2007
		£	£
Fixed assets			
Tangible assets	8	597,444	264,188
Current assets			
Debtors	9	3,381,140	2,960,898
Cash at bank and in hand		113,354	4,367
		<u>3,494,494</u>	<u>2,965,265</u>
Creditors: amounts falling due within one year	10	<u>(3,004,867)</u>	<u>(2,685,817)</u>
Net current assets		<u>489,627</u>	<u>279,448</u>
Total assets less current liabilities		<u>1,087,071</u>	<u>543,636</u>
Creditors: Amounts falling due after more than one year	11	(222,919)	(30,271)
Provision for liabilities			
Deferred taxation	12	(53,300)	(15,600)
Net assets		<u>810,852</u>	<u>497,765</u>
Capital and reserves – equity			
Called up share capital	14	1	1
Profit and loss account	15	810,851	497,764
Shareholder's funds	16	<u>810,852</u>	<u>497,765</u>

The financial statements were approved by the Board and authorised for issue on 13/11/08. and are signed on their behalf by:



AS Russell
Director

The notes on pages 8 to 14 form part of these financial statements.

PALL-EX LOGISTICS LIMITED**Cashflow statement for the year ended 31 January 2008**

	Note	Year ended 31 January 2008 £	18 months to 31 January 2007 £
Net cash inflow from operating activities	20	344,434	136,237
Returns on investment and servicing of finance	21	(12,946)	(9,088)
Taxation		(81,070)	(46,076)
Capital expenditure	22	14,736	856
Acquisitions and disposals		-	(151,209)
Net cash inflow before financing		265,154	(69,280)
Financing	23	(156,171)	(50,677)
Increase/(reduction) in cash in the year/period		108,983	(119,957)
Reconciliation of net cash flow to movement in debt			
Increase/(reduction) in cash in the year/period		108,983	(119,957)
Cash outflow from decrease in debt		156,171	50,677
New hire purchase agreements		(458,609)	-
Movement in net debt in the year/period	24	193,455	(69,280)

The notes on pages 8 to 16 form part of these financial statements.

PALL-EX LOGISTICS LIMITED

Notes forming part of the abbreviated financial statements for the year ended 31 January 2008

1 Accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The following principal accounting policies have been applied:

Turnover

Turnover represents sales to outside customers at invoiced amounts less value added tax.

Tangible fixed assets and depreciation

All fixed assets are initially recorded at cost. The cost of tangible fixed assets is their purchase price, together with any incidental costs of acquisition.

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

Plant and machinery	- 10 - 25% per annum
Fixtures, fittings and equipment	- 33 1/3% per annum
Motor cars	- 25% per annum
Commercial vehicles	- 20% per annum

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more or a right to pay less tax in the future have occurred by the balance sheet date with certain limited exceptions.

Deferred tax is calculated on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

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.

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.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangements, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

PALL-EX LOGISTICS LIMITED

Notes forming part of the abbreviated financial statements for the year ended 31 January 2008
(continued)

1 Accounting policies (continued)

Pension Costs

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

2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

3 Employees

	Year ended 31 January 2008 £	18 months to 31 January 2007 £
Staff costs consist of:		
Wages and salaries	1,237,991	495,506
Social security costs	127,131	45,514
Other pension costs	7,879	2,912
	<u>1,373,001</u>	<u>543,932</u>

The average number of employees, including directors, during the year was 51 (2007: 17).

4 Directors

The directors did not receive any emoluments from the company during the year (2007: £nil)

5 Operating profit

	Year ended 31 January 2008 £	18 months to 31 January 2007 £
This has been arrived at after charging:		
Depreciation on owned assets	62,276	7,991
Depreciation on assets held under hire purchase agreements	54,967	32,017
Auditors' remuneration – audit services	1,500	-
Operating lease costs	<u>17,333</u>	<u>-</u>

PALL-EX LOGISTICS LIMITED

**Notes forming part of the abbreviated financial statements for the year ended 31 January 2008
(continued)**

6 Interest payable and similar charges

	Year ended 31 January 2008 £	18 months to 31 January 2007 £
Bank overdraft	651	1,425
Hire purchase contracts	12,295	7,663
	<u>12,946</u>	<u>9,088</u>

7 Taxation on profit on ordinary activities

	Year ended 31 January 2008 £	18 months to 31 January 2007 £
(a) Analysis of charge in year/period:		
<i>In respect of the year/period:</i>		
UK Corporation tax	84,038	77,827
Under provision in prior years	6,387	2,200
	<u>90,425</u>	<u>80,027</u>
Deferred tax:		
Origination and reversal of timing differences	37,700	3,600
Tax on profit on ordinary activities	<u>128,125</u>	<u>83,627</u>

(b) Factors affecting tax charge in the year/period:

The tax assessed for the year/period is different from the expected rate of corporation tax. The differences are explained below:

	Year ended 31 January 2008 £	18 months to 31 January 2007 £
Profit on ordinary activities before taxation	<u>441,212</u>	<u>291,774</u>
Profit on ordinary activities multiplied by expected rate of corporation tax of 30% (2007: 30%)	132,364	87,532
Effects of:		
Expenses not deductible for tax purposes	154	512
Capital allowances in excess of depreciation	(46,257)	(5,486)
Roundings/marginal relief	(2,223)	(4,731)
Under provision in prior years	6,387	2,200
	<u>90,425</u>	<u>80,027</u>

PALL-EX LOGISTICS LIMITED

Notes forming part of the abbreviated financial statements for the year ended 31 January 2008
(continued)

7 Taxation on profit on ordinary activities (continued)

(c) Factors that may affect future tax charges

The rate of corporation tax suffered by the company will decrease to 28% with effect from 1 April 2008.

8 Tangible fixed assets

	Motor vehicles £	Plant and machinery £	Total £
<i>Cost or valuation:</i>			
At 1 February 2007	182,993	140,275	323,268
Additions	462,109	364	462,473
Disposals	(66,987)	-	(66,987)
At 31 January 2008	578,115	140,639	718,754
<i>Depreciation:</i>			
At 1 February 2007	19,009	40,071	59,080
Provided for in the year	99,527	17,716	117,243
Eliminated on disposals	(55,013)	-	(55,013)
At 31 January 2008	63,523	57,787	121,310
<i>Net book value:</i>			
At 31 January 2008	514,592	82,852	597,444
At 31 January 2007	163,984	100,204	264,188

The net book value of tangible fixed assets includes an amount of £504,737 (2007: £103,472) in respect of assets held under hire purchase agreement. The related depreciation charge for the year/period was £54,967 (2007: £32,017).

9 Debtors

	2008 £	2007 £
Trade debtors	3,303,801	2,919,316
Prepayments and accrued income	77,339	41,582
	3,381,140	2,960,898

All amounts shown under debtors fall due for payment within one year.

PALL-EX LOGISTICS LIMITED

Notes forming part of the abbreviated financial statements for the year ended 31 January 2008
(continued)

10 Creditors: amounts falling due within one year

	2008 £	2007 £
Bank overdraft	4	-
Trade creditors	1,639,587	1,279,782
Taxation and social security	40,435	11,271
Corporation tax	87,182	77,827
Obligations under hire purchase contracts	140,032	30,242
Other creditors	72,717	38,073
Amounts owed to related companies	1,024,910	1,248,622
	<u>3,004,867</u>	<u>2,685,817</u>

11 Creditors: amounts falling due after more than one year

	2008 £	2007 £
Obligations under hire purchase contracts	<u>222,919</u>	<u>30,271</u>

Obligations under hire purchase contracts are due as follows

	2008 £	2007 £
In less than one year	140,032	30,242
In more than one year but less than two years	130,933	19,685
In more than two years but less than five years	<u>91,986</u>	<u>10,586</u>
Obligations under hire purchase contracts	<u>362,951</u>	<u>60,513</u>

Amounts due under hire purchase contracts are secured over the assets to which they relate.

12 Provisions for liabilities

	2008 £	2007 £
<i>Deferred taxation:</i>		
At 1 February 2007	15,600	12,000
Profit and loss account movement arising during the year/period	<u>37,700</u>	<u>3,600</u>
At 31 January 2008	<u>53,300</u>	<u>15,600</u>

The provision for deferred taxation consists of timing difference in respect of accelerated capital allowances.

PALL-EX LOGISTICS LIMITED

Notes forming part of the abbreviated financial statements for the year ended 31 January 2008
(continued)

13 Derivatives

The company has no financial instruments that fall to be classified as derivatives.

14 Share capital

	Authorised		Allotted, called up and fully paid	
	2008 £	2007 £	2008 £	2007 £
Ordinary shares of £1 each	1,000	1,000	1	1

15 Profit and loss account

	2008 £	2007 £
At 1 February 2007	497,764	289,617
Profit for the year/period	313,087	208,147
At 31 January 2008	810,851	497,764

16 Reconciliation of movement on shareholders funds

	2008 £	2007 £
Profit for the financial year/period	313,087	208,147
Opening shareholders funds at 1 February 2007	497,765	289,618
Closing shareholders funds at 31 January 2008	810,852	497,765

PALL-EX LOGISTICS LIMITED

Notes forming part of the abbreviated financial statements for the year ended 31 January 2008
(continued)

17 Related party transactions

During the year/period the company made purchases from the following group companies:

	2008 Purchases £	2007 Purchases £
Pall-Ex Holdings Limited	185,880	201,800
Pall-Ex (UK) Limited	1,067,731	914,678
Pall-Ex Nottingham Limited	-	242,294
Pall-IT Limited	-	201,800

At the year end the following amounts were owed to group companies:

	2008 £	2007 £
Pall-Ex Holdings Limited	1,024,910	1,248,622

Companies are related via a common parent company.

18 Controlling parties

The company is controlled by Hilary Devey, by way of her 100% interest in the share capital of the company's ultimate parent company, Pall-Ex Group Limited. Pall-Ex Group Limited is incorporated in Great Britain and the financial statements for that company can be obtained from Companies House.

19 Commitments under operating leases

As at 31 January 2008, the company had annual commitments under non-cancellable operating leases as set out below:

	2008 Other items £	2007 Other items £
Operating leases which expire:		
Within one year	-	5,127
In two to five years	41,599	-
	<u>41,599</u>	<u>5,127</u>

PALL-EX LOGISTICS LIMITED

Notes forming part of the abbreviated financial statements for the year ended 31 January 2008
(continued)

20 Reconciliation of operating profit to net cash inflow from operating activities

	2008	2007
	£	£
Operating profit	454,158	300,862
Depreciation charge	117,243	40,008
Profit on disposal of fixed assets	(6,626)	(1,133)
Increase in debtors	(420,242)	(1,227,369)
Increase/(decrease) in creditors	199,901	1,023,869
Net cash inflow from operating activities	<u>344,434</u>	<u>136,237</u>

21 Returns on investment and servicing of finance

	2008	2007
	£	£
Interest paid	(651)	(1,425)
Hire purchase interest	<u>(12,295)</u>	<u>(7,663)</u>
	<u>(12,946)</u>	<u>(9,088)</u>

22 Capital expenditure

	2008	2007
	£	£
Receipts on sale of fixed assets	18,600	2,000
Payments to acquire fixed assets	<u>(3,864)</u>	<u>(1,144)</u>
	<u>14,736</u>	<u>856</u>

23 Financing

	2008	2007
	£	£
Repayment of principal under hire purchase agreements	<u>(156,171)</u>	<u>(50,677)</u>

PALL-EX LOGISTICS LIMITED

Notes forming part of the abbreviated financial statements for the year ended 31 January 2008
(continued)

24 Analysis of changes in net debt

	At 1 February 2007 £	Cashflow £	Other non- cash changes £	At 31 January 2008 £
<i>Cash:</i>				
Cash at bank and in hand	4,367	108,987	-	113,354
Bank overdrafts	-	(4)	-	(4)
	<u>4,367</u>	<u>108,983</u>	<u>-</u>	<u>113,350</u>
<i>Debts:</i>				
Hire purchase agreements	<u>(60,513)</u>	<u>156,171</u>	<u>(458,609)</u>	<u>(362,951)</u>
Net debt	<u>(56,146)</u>	<u>265,154</u>	<u>(458,609)</u>	<u>(249,601)</u>

25 Contingencies

The company has cross guarantees with Pall-Ex Holdings Limited, Pall-Ex Nottingham Limited, Pall-IT Limited and Pall-Ex UK Limited. At the year end these group companies had borrowings of £1,114,048 (2007: £6,783,112).