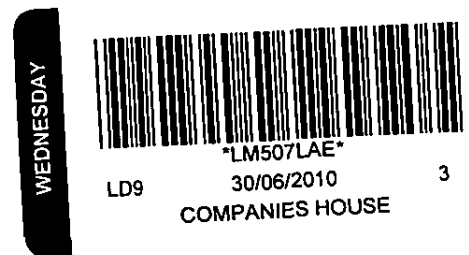


NAVFLEET LOGISTICS LIMITED



Directors' Report And Financial Statements

For the year ended 30 September 2009

Company Registration No 03639827 (England And Wales)

NAVFLEET LOGISTICS LIMITED

COMPANY INFORMATION

Directors

R C S Millard
P H Sykes
C C T Millard

Secretary

C C T Millard

Company number

03639827

Registered office

The Old Corn Store
Oakhanger Farm Business Park
Oakhanger
Hampshire
GU35 9JA

Auditors

Kingston Smith LLP
Devonshire House
60 Goswell Road
London
EC1M 7AD

Bankers

National Westminster Bank Plc
Headley Road
Grayshot Hindhead
Surrey
GU26 6AD

NAVFLEET LOGISTICS LIMITED

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NAVFLEET LOGISTICS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2009

The directors present their report and financial statements for the year ended 30 September 2009

Principal activities

The principal activities of the company throughout the year were that of suppliers of defence logistics services

Directors

The following directors have held office since 1 October 2008

R C S Millard

P H Sykes

C C T Millard

Auditors

Kingston Smith LLP acted as auditors to the company during the year and are deemed to be reappointed under section 487(2) of the Companies Act 2006

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 judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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

NAVFLEET LOGISTICS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2009

Statement of disclosure to auditors

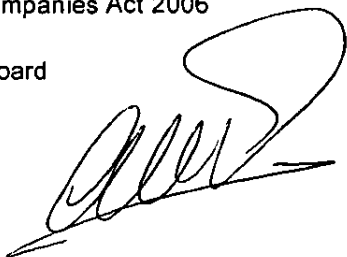
So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

Small company exemptions

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

By order of the board

C C T Millard
Secretary
30 June 2010



NAVFLEET LOGISTICS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NAVFLEET LOGISTICS LIMITED

We have audited the financial statements of Navfleet Logistics Limited for the year ended 30 September 2009 set out on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the 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.

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 September 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

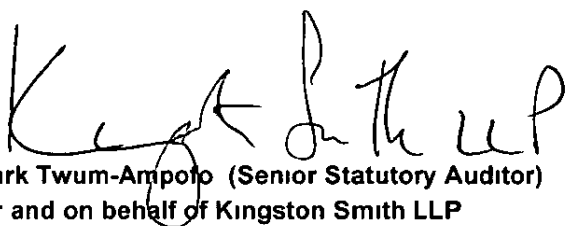
NAVFLEET LOGISTICS LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF NAVFLEET LOGISTICS LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, 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, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime



Mark Twum-Ampolo (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP

30 June 2010

Chartered Accountants
Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

NAVFLEET LOGISTICS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2009

		2009	2008
	Notes	£	£
Turnover		7,362,680	8,941,100
Cost of sales		(6,760,792)	(8,242,128)
Gross profit		601,888	698,972
Administrative expenses		(340,405)	(283,289)
Operating profit	2	261,483	415,683
Other interest receivable and similar income	3	2,755	9,036
Interest payable and similar charges		(200)	-
Profit on ordinary activities before taxation		264,038	424,719
Tax on profit on ordinary activities	4	(66,994)	(96,258)
Profit for the year	12	197,044	328,461

NAVFLEET LOGISTICS LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 30 SEPTEMBER 2009

	Notes	2009 £	2008 £
Profit for the financial year		197,044	328,461
Prior year adjustment	12	-	(24,377)
Total gains and losses recognised since last financial statements		197,044	304,084

NAVFLEET LOGISTICS LIMITED

BALANCE SHEET AS AT 30 SEPTEMBER 2009

	Notes	2009 £	£	2008 £	£
Current assets					
Debtors	7	1,734,690		1,327,650	
Cash at bank and in hand		284,180		190,926	
		<u>2,018,870</u>		<u>1,518,576</u>	
Creditors' amounts falling due within one year	8	<u>(1,260,002)</u>		<u>(820,548)</u>	
Total assets less current liabilities			758,868		698,028
Creditors' amounts falling due after more than one year	9		<u>(50,309)</u>		<u>(79,480)</u>
			<u>708,559</u>		<u>618,548</u>
Capital and reserves					
Called up share capital	11		100		100
Profit and loss account	12		708,459		618,448
Shareholders' funds			<u>708,559</u>		<u>618,548</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Approved by the Board for issue on 30 June 2010


C C T Millard
Director

Company Registration No. 03639827

NAVFLEET LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2009

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Turnover

Turnover represents amounts receivable for goods net of VAT and trade discounts and is recognised as title of the good passes to the customer. This will generally be the delivery date.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Computer equipment	25% straight line
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1.5 Leasing

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

1.6 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.7 Deferred taxation

In accordance with the Financial Reporting Standard for Smaller Entities, deferred tax is recognised as a liability or asset if transactions or events that give the company the obligation to pay more tax in future or a right to pay less tax in future have occurred by the balance sheet date.

1.8 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2 Operating profit	2009	2008
	£	£
Operating profit is stated after charging		
Depreciation of tangible assets	-	1,524
Auditors' remuneration	12,680	6,500
Directors' emoluments	58,299	57,786

NAVFLEET LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2009

3	Investment income	2009	2008
		£	£
	Bank interest	2,755	9,036
		<u>2,755</u>	<u>9,036</u>
4	Taxation	2009	2008
		£	£
	Domestic current year tax		
	U K corporation tax	66,994	101,012
	Adjustment for prior years	-	(4,754)
	Current tax charge	<u>66,994</u>	<u>96,258</u>
5	Dividends	2009	2008
		£	£
	Ordinary interim dividends paid	<u>107,033</u>	<u>138,633</u>
6	Tangible fixed assets		
			Plant and machinery etc
			£
	Cost		
	At 1 October 2008 & at 30 September 2009		<u>28,246</u>
	Depreciation		
	At 1 October 2008 & at 30 September 2009		<u>28,246</u>
	Net book value		
	At 30 September 2009		<u>-</u>
	At 30 September 2008		<u>-</u>

NAVFLEET LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2009

7 Debtors	2009	2008
	£	£
Trade debtors	1,387,613	1,178,465
Other debtors	347,077	149,185
	<u>1,734,690</u>	<u>1,327,650</u>

8 Creditors' amounts falling due within one year	2009	2008
	£	£
Trade creditors	970,286	670,816
Taxation and social security	132,345	101,319
Other creditors	157,371	48,413
	<u>1,260,002</u>	<u>820,548</u>

9 Creditors: amounts falling due after more than one year	2009	2008
	£	£
Other creditors	<u>50,309</u>	<u>79,480</u>
Analysis of loans		
Wholly repayable within five years	<u>50,309</u>	<u>79,480</u>
	<u>50,309</u>	<u>79,480</u>

Other creditors relate to amounts of £47,566 (2008 - (£32,701)) and £2,743 (2008 - of £46,779) owed to directors R C S Millard and C C T Millard respectively. These were the maximum amounts owed during the period. The loans are unsecured and interest free.

NAVFLEET LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2009

10 Pension costs

Defined contribution

The total cost below for Pension cost are for the benefit of one Director

	2009 £	2008 £
Contributions payable by the company for the year	2,351	2,524

11 Share capital

	2009 £	2008 £
Authorised		
100 Ordinary Shares of £1 each	100	100
Allotted, called up and fully paid		
100 Ordinary Shares of £1 each	100	100

12 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 October 2008	618,448
Profit for the year	197,044
Dividends paid	(107,033)
Balance at 30 September 2009	708,459

13 Financial commitments

At 30 September 2009 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 September 2010

	2009 £	2008 £
Operating leases which expire		
Within one year	-	2,305

NAVFLEET LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2009

14 Control

The controlling party is R C S Millard by virtue of his majority interest in the share capital of the company

15 Related party transactions

At the balance date the company was owed an amount of £79,018 (2008 - £6,609) by The Chocolate Frog Company Limited, registered in England and Wales, a company controlled by directors, R C S Millard and C C T Millard

The company is also owed an amount of £20,648 (2008 - £40,168) by Inter-Technologies Private Limited, registered in England and Wales, a company in which R C S Millard and C C T Millard are directors

R C S Millard and C C T Millard have given a joint guarantee limited to £100,000, in favour of the company's bankers, to secure the company's overdraft facility

The company has declared interim dividends totalling £107,033 (2008 - £138,633) payable to its shareholders' which are two of the Directors. A dividend of £80,275 (2008 - £103,975) was paid to R C S Millard and a dividend of £26,758 (2008 - £34,658) was paid to C C T Millard in respect of the year ended 30 September 2009