

## NAVFLEET LOGISTICS LIMITED

### Directors' Report And Financial Statements

For the year ended 30 September 2008

Company Registration No. 03639827 (England And Wales)

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# NAVFLEET LOGISTICS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	R.C.S. Millard P.H. Sykes C.C.T. Millard
<b>Secretary</b>	C.C.T. Millard
<b>Company number</b>	03639827
<b>Registered office</b>	The Old Corn Store Oakhanger Farm Business Park Oakhanger Hampshire GU35 9JA
<b>Auditors</b>	Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD
<b>Bankers</b>	National Westminster Bank Plc Headley Road Grayshot Hindhead Surrey GU26 6AD

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# NAVFLEET LOGISTICS LIMITED

## CONTENTS

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	<b>Page</b>
Directors' report	1 - 2
Independent auditors' report	3 - 4
Profit and loss account	5
Statement of total recognised gains and losses	6
Balance sheet	7
Notes to the financial statements	8 - 12

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# NAVFLEET LOGISTICS LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2008

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The directors present their report and financial statements for the year ended 30 September 2008.

### Principal activities

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

### Directors

The following directors have held office since 1 October 2007:

R.C.S. Millard

P.H. Sykes

C.C.T. Millard

Charitable donations	2008 £	2007 £
During the year the company made the following payments:		
Charitable donations	550	1,605

### Auditors

Kingston Smith LLP were appointed auditors to the company 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 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). 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;
- 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 enable them to ensure that the financial statements comply with the Companies Act 1985. 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 2008

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### 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 of Part VII of the Companies Act 1985 relating to small companies.

By order of the board

.....  
C.C.T. Millard  
Secretary  
.....

 30/9/09

# NAVFLEET LOGISTICS LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF NAVFLEET LOGISTICS LIMITED

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We have audited the financial statements of Navfleet Logistics Limited for the year ended 30 September 2008 set out on pages 5 to 12. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

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**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom 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 whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit 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.

# NAVFLEET LOGISTICS LIMITED

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

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### Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 30 September 2008 and of its profit 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 Directors' Report is consistent with the financial statements.

*Kingston Smith LLP*

Kingston Smith LLP

Chartered Accountants  
Registered Auditors

*30 September 2009*

Devonshire House  
60 Goswell Road  
London  
EC1M 7AD

# NAVFLEET LOGISTICS LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2008

		<b>2008</b>	<b>2007</b>
		<b>£</b>	<b>as restated £</b>
	<b>Notes</b>		
<b>Turnover</b>		8,941,100	4,575,307
<b>Cost of sales</b>		(8,242,128)	(4,185,711)
<b>Gross profit</b>		698,972	389,596
<b>Administrative expenses</b>		(283,289)	(281,424)
<b>Operating profit</b>	<b>2</b>	415,683	108,172
Other interest receivable and similar income	<b>3</b>	9,036	12,208
Interest payable and similar charges		-	(565)
<b>Profit on ordinary activities before taxation</b>		424,719	119,815
<b>Tax on profit on ordinary activities</b>	<b>4</b>	(96,258)	(28,835)
<b>Profit for the year</b>	<b>12</b>	328,461	90,980



# NAVFLEET LOGISTICS LIMITED

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 30 SEPTEMBER 2008

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		2008	2007
	Notes	£	as restated £
Profit for the financial year		328,461	90,980
Prior year adjustment	12	(24,377)	-
Total gains and losses recognised since last financial statements		<u>304,084</u>	<u>90,980</u>

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# NAVFLEET LOGISTICS LIMITED

## BALANCE SHEET AS AT 30 SEPTEMBER 2008

		2008		2007 as restated	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	6		-		1,524
<b>Current assets</b>					
Debtors	7	1,327,650		1,474,445	
Cash at bank and in hand		190,926		30,125	
		<u>1,518,576</u>		<u>1,504,570</u>	
<b>Creditors: amounts falling due within one year</b>	8	<u>(820,548)</u>		<u>(1,100,139)</u>	
<b>Net current assets</b>			<u>698,028</u>		<u>404,431</u>
<b>Total assets less current liabilities</b>			<u>698,028</u>		<u>405,955</u>
<b>Creditors: amounts falling due after more than one year</b>	9		<u>(79,480)</u>		<u>22,765</u>
			<u>618,548</u>		<u>428,720</u>
<b>Capital and reserves</b>					
Called up share capital	11		100		100
Profit and loss account	12		618,448		428,620
<b>Shareholders' funds</b>			<u>618,548</u>		<u>428,720</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

Approved by the Board for issue on 30/9/08

  
C.C.T. Millard  
Director

# NAVFLEET LOGISTICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2008

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### 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 January 2007).

#### 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	2008	2007
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	1,524	1,524
Auditors' remuneration	6,500	-
Directors' emoluments	57,786	51,835

# NAVFLEET LOGISTICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2008

<b>3</b>	<b>Investment income</b>	<b>2008</b>	<b>2007</b>
		<b>£</b>	<b>£</b>
	Bank interest	9,036	12,208
		<u>9,036</u>	<u>12,208</u>
<b>4</b>	<b>Taxation</b>	<b>2008</b>	<b>2007</b>
		<b>£</b>	<b>£</b>
	<b>Domestic current year tax</b>		
	U.K. corporation tax	101,012	28,835
	Adjustment for prior years	(4,754)	-
	<b>Current tax charge</b>	<u>96,258</u>	<u>28,835</u>
<b>5</b>	<b>Dividends</b>	<b>2008</b>	<b>2007</b>
		<b>£</b>	<b>£</b>
	Ordinary interim dividends paid	<u>138,633</u>	<u>-</u>
<b>6</b>	<b>Tangible fixed assets</b>		
			<b>Plant and machinery etc</b>
			<b>£</b>
	<b>Cost</b>		
	At 1 October 2007 & at 30 September 2008		<u>28,246</u>
	<b>Depreciation</b>		
	At 1 October 2007		26,722
	Charge for the year		1,524
	At 30 September 2008		<u>28,246</u>
	<b>Net book value</b>		
	At 30 September 2008		<u>-</u>
	At 30 September 2007		<u>1,524</u>

# NAVFLEET LOGISTICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2008

<b>7 Debtors</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>as restated £</b>
Trade debtors	1,178,465	782,353
Other debtors	149,185	692,092
	<u>1,327,650</u>	<u>1,474,445</u>

<b>8 Creditors: amounts falling due within one year</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>as restated £</b>
Trade creditors	670,816	1,025,849
Taxation and social security	101,319	35,555
Other creditors	48,413	38,735
	<u>820,548</u>	<u>1,100,139</u>

<b>9 Creditors: amounts falling due after more than one year</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Other creditors	<u>79,480</u>	<u>(22,765)</u>
<b>Analysis of loans</b>		
Wholly repayable within five years	<u>79,480</u>	<u>(22,765)</u>

Other creditors relate to amounts of £32,701 (2007 - (£33,277)) and £46,779 (2007 - £10,512) 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.

## **10 Pension costs**

### **Defined contribution**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Contributions payable by the company for the year	<u>2,524</u>	<u>2,127</u>

# NAVFLEET LOGISTICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2008

<b>11 Share capital</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
100 Ordinary Shares of £1 each	100	100
	<u>          </u>	<u>          </u>
<b>Allotted, called up and fully paid</b>		
100 Ordinary Shares of £1 each	100	100
	<u>          </u>	<u>          </u>

## 12 Statement of movements on profit and loss account

	<b>Profit and loss account £</b>
Balance at 1 October 2007 as previously reported	452,997
Prior year adjustment	(24,377)
	<u>          </u>
Balance at 1 October 2007 as restated	428,620
Profit for the year	328,461
Dividends paid	(138,633)
	<u>          </u>
Balance at 30 September 2008	618,448
	<u>          </u>

The results reflect the correction of two fundamental errors; to include costs which relate to the prior year but had not been included in that period and to account for VAT recoverable which had been included on a cash basis rather than the accruals basis in the prior period. These corrections have been recognised in the accounts but as a prior year adjustment and comparative figures for 2007 have been restated. The effect of correcting these errors is to increase cost of sales by £24,377, reduce cash at bank and in hand by £111,053, reduce the VAT liability by £86,676, and to reduce the value of the company's reserves at 1 October 2007 by £24,377.

## 13 Financial commitments

At 30 September 2008 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 September 2009:

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Operating leases which expire:		
Within one year	2,305	-
Between two and five years	-	2,305
	<u>          </u>	<u>          </u>
	2,305	2,305
	<u>          </u>	<u>          </u>

# NAVFLEET LOGISTICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2008

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### **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 £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 £40,186 (2007 - £10,000) 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.