

PAX SNACKS LTD
(Formerly Pax Snacks Plc)

DIRECTORS REPORT AND FINANCIAL STATEMENTS

For the Year Ended 31 MAY 2007

REGISTERED NUMBER 3669797

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PAX SNACKS LIMITED

COMPANY INFORMATION

Directors

Martin Diviney

Jacques Delport (Resigned 19 September 2007)

Andrew Langdale (Appointed 19 September 2007)

Guy DuBols (Appointed 19 September 2007, resigned 2 October 2008)

Andrew Gibson (Appointed 19 September 2007)

Secretary

Charles Boundy (Resigned 15 June 2007)

Andrew Langdale (Appointed 15 June 2007, resigned 19 September 2007)

Tania Vigouroux (nee Micki) (Appointed 19 September 2007)

Auditors

Morley and Scott

Winterton House

Nixey Close

Slough

Berkshire

SL1 1ND

Bankers

Lloyds TSB plc

73-75 High Street

Staines

Middlesex

TW18 4PP

Registered office

The Lodge, Harmondsworth

West Drayton

Greater London, UK

UB7 0AB

Registered number

3669797

(England and Wales)

PAX SNACKS LIMITED

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Directors' Report

The directors present their report and audited financial statements for the year ended 31 May 2007.

On 20 November 2008 the company changed its status from Plc to Limited. The decision was based on the view of the directors and shareholders alike that Limited status was more appropriate for the size of the company and the lack of trading.

PRINCIPAL ACTIVITIES

The principal activity of the company was the supply of auxiliary products and bespoke services to the airline industry.

SALE OF BUSINESS AND REVIEW FOR THE YEAR

As stated in the previous annual report the strategy was to sell the business. On 3 November 2006 the company was sold in an asset sale to Plane Catering Ltd, and the company ceased trading. The directors consider that the financial statements fully disclose all relevant information.

DIRECTORS AND DIRECTORS' INTERESTS

The directors who held office during and after the period were:

Martin Diviney
Andrew Langdale (Appointed 19 September 2007)
Jacques Delport (Resigned 19 September 2007)
Guy DuBois (Appointed 19 September 2007, resigned 2 October 2008)
Andrew Gibson (Appointed 19 September 2007)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the company and of the profit or loss 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 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 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and to detect fraud and other irregularities.

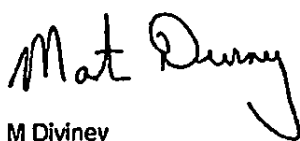
DISCLOSURE OF INFORMATION TO AUDITORS

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; and each director has taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of the information.

AUDITORS

In accordance with Section 384 of the Companies Act 1985, a resolution for the appointment of Morley and Scott as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

On behalf of the board



M Diviney
Director

26 January 2009.

Independent auditors' report to the shareholders of Pax Snacks Limited (Formerly Pax Snacks Plc)

We have audited the financial statements of Pax Snacks Limited for the year ended 31 May 2007 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. 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 auditors

The directors' responsibilities for preparing the Directors' Report and the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 1.

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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and 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.

Independent auditors' report to the members of Pax Snacks Limited *(continued)*

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 May 2007 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.

Morley and Scott
Morley and Scott
Chartered Accountants
Registered Auditor

27 January 2009
Winterton House
Nixey Close
Slough
Berkshire
SL1 1ND

Profit and Loss Account
For the year ended 31 May 2007

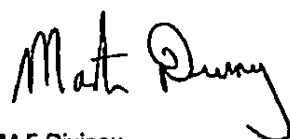
		31 May 2007	31 May 2006
	Notes	£	£
Turnover		-	1,053,866
Continuing operations		179,197	742,600
Discontinued activities			
		<u>179,197</u>	<u>1,796,566</u>
Cost of sales		(72,764)	(1,443,222)
Gross Profit		<u>106,433</u>	<u>353,344</u>
Distribution costs		-	(277,640)
Administrative expenses		17,800	(242,441)
Other operating income		-	16,500
Profit on sale of business		288,576	-
		<u>412,809</u>	<u>(150,237)</u>
Operating Profit / (Loss)	3	-	(60,787)
Continuing operations		412,809	(89,450)
Discontinued activities			
Other interest receivable and similar income	5	-	1,857
Interest payable and similar charges	5	-	(14,335)
		<u>412,809</u>	<u>(162,715)</u>
Profit / (Loss) on ordinary activities before taxation		412,809	(162,715)
Tax on profit/loss on ordinary activities	6	-	-
Profit / (Loss) for the year		<u>412,809</u>	<u>(162,715)</u>

There are no recognised gains and losses other than those passing through the profit and loss account.

**Balance sheet
As at 31 May 2007**

	Notes	31 May 2007		31 May 2006	
		£	£	£	£
Fixed assets					
Tangible assets	7		-		12,174
			<u>-</u>		<u>12,174</u>
			-		12,174
Current assets					
Debtors falling due in less than one year	8	29,954		273,516	
Debtors falling due in more than one year	8	-		360,000	
Cash at bank and in hand		-		111	
		<u>29,954</u>		<u>633,627</u>	
Creditors: amounts falling due within one year	9	<u>(248,871)</u>		<u>(1,277,527)</u>	
Net current liabilities			(218,917)		(643,900)
Total assets less current liabilities			<u>(218,917)</u>		<u>(631,726)</u>
Capital and reserves					
Called up share capital	10		50,000		50,000
Profit and loss account	11		<u>(268,917)</u>		<u>(681,726)</u>
Shareholders' funds	12		<u>(218,917)</u>		<u>(631,726)</u>

These financial statements were approved by the Board of Directors on 26-01-09 and were signed on behalf of the board by:



M F Diviney
Director

Cash flow statement For the year ended 31 May 2007

	2007 £	2006 £
Net cash inflow/(outflow) from Operating activities	529,121	(139,083)
Returns on Investments and Servicing of finance		
Interest received	-	1,857
Interest paid	-	(14,335)
Net cash outflow for returns on investments and servicing of finance	-	(12,478)
Taxation		(5,016)
Capital expenditure		
Payments to acquire tangible fixed assets	-	(6,568)
Receipts from sales of intangible assets	-	25,212
Net cash outflow for capital expenditure	-	18,644
Acquisitions and disposals		
Sale of business assets	300,750	600,000
Net cash inflow/(outflow) for acquisitions and disposals	300,750	600,000
Net cash inflow before management of liquid resources and financing	829,871	462,067
Financing		
Repayment of other short term loans	-	(70,000)
Part repayment of inter-company loan	(812,782)	(45,271)
Net cash outflow from financing	812,782	(115,271)
Increase / (decrease) in cash in the year	17,089	346,796

Notes
(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

As all the trading operations of the business have been sold, the financial statements have been prepared on a break up basis.

Turnover

Turnover, all of which is from within the UK, represents amounts receivable for goods and services net of VAT and trade discounts.

Fixed assets and depreciation

Tangible fixed assets are stated at their cost less depreciation. Depreciation is provided to write off the cost of tangible fixed assets on a straight-line basis over their expected useful economic lives at the following annual rates:

Land and buildings - Leasehold	-	20% straight line
Office equipment, fixture and fittings	-	25% straight line

Leases and hire purchase contracts

Operating lease rentals are charged to the profit and loss account on a straight-line basis over the period of the lease.

Taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for tax purposes and accounting purposes where these differences are expected to reverse.

2 Cost of sales and net operating expenses

	2007 Continuing £	Discontinued £	Total £
Cost of sales	-	72,764	72,764
Administrative expenses	-	(17,800)	(17,800)
	<hr/>	<hr/>	<hr/>
	-	54,964	54,964
	<hr/>	<hr/>	<hr/>

	2006 Continuing £	Discontinued £	Total £
Cost of sales	969,004	474,218	1,443,222
Distribution costs	17,675	259,965	277,640
Administrative expenses	144,574	97,867	242,441
Other operating income	(16,500)	-	(16,500)
	<u>1,114,753</u>	<u>832,050</u>	<u>1,946,803</u>

3 Operating profit / (loss)

	2007 £	2006 £
Operating profit / (loss) is stated after charging		
Auditor's remuneration	-	7,000
Auditor's remuneration for non-audit work	-	2,212
Depreciation of tangible assets	-	5,750
And after crediting		
Profit on disposal of intangible assets	<u>288,576</u>	<u>(5,153)</u>

Auditors remuneration is disclosed in the group accounts.

4 Staff numbers and costs

The average number of persons employed (including directors) during the year was 14 (2006: 13)

The aggregate payroll costs of these persons were as follows:

	2007 £	2006 £
Wages and salaries	97,386	388,027
Social security costs	<u>4,944</u>	<u>16,809</u>

5 Interest receivable and payable

	2007 £	2006 £
Interest receivable		
Other interest receivable	-	1,857
Interest payable and similar charges		
On bank loans and overdrafts	<u>-</u>	<u>14,335</u>

6 Tax on profit on ordinary activities

	2007 £	2006 £
Factors affecting the tax charge for the current period:		
Profit / (Loss) on ordinary activities before taxation	412,809	(162,715)
Loss on ordinary activities before taxation multiplied by Standard rate of UK tax of 19% (2006: 19%)	70,177	(30,916)
Effects of:		
Depreciation add back	-	1,093
Tax losses utilised	(70,177)	(3,488)
Other tax adjustments	-	33,311
	(70,177)	30,916
Total current tax charge (see above)	-	-

The company has estimated unrelieved trading losses available of £351,115 (2006 £407,057) and capital losses of £97,941 (2006 £361,058).

7 Tangible fixed assets

	Leasehold Land & Buildings £	Fixtures, fittings and equipment £	Total £
Cost			
At the beginning of the period	-	44,832	44,832
Additions	-	-	-
Disposals	-	(44,832)	(44,832)
At the end of the period	-	-	-
Depreciation			
At the beginning of the period	-	32,658	32,658
Disposals for the period	-	(32,658)	(32,658)
At the end of the year	-	-	-
Net book value			
At 31 May 2007	-	-	-
At 31 May 2006	-	12,174	12,174

8 Debtors

	2007	2006
	£	£
Trade debtors	-	83,879
Other debtors	7,454	489,571
Called up share capital not paid	22,500	22,500
Prepayments and accrued income	-	37,566
	<u>29,954</u>	<u>633,516</u>

Other debtors falling due after more than one year and included in the above total Nil (2006: £ 350,000).

9 Creditors: amounts falling due within one year

	2007	2006
	£	£
Bank loans and overdrafts	-	17,200
Trade creditors	-	54,353
Other taxes and social security	12,443	30,497
Other creditors	236,428	1,100,070
Accruals and deferred income	-	75,407
	<u>248,871</u>	<u>1,277,527</u>

10 Share capital

	2007	2006
	£	£
Authorised:		
500 ordinary shares of £ 100 each	<u>50,000</u>	<u>50,000</u>
 Allotted, called up and part paid		
500 ordinary shares of £ 100 each	<u>50,000</u>	<u>50,000</u>

11 Statement of movements on profit and loss account

	£
Balance at 1 June 2006	(681,726)
Profit during the year	<u>412,809</u>
Balance at 31 May 2007	<u>(268,917)</u>

12 Reconciliation of movements in shareholder's funds

	2007 £	2006 £
Profit/(Loss) for the year	412,809	(162,715)
Opening shareholders funds	(631,726)	(469,011)
	<hr/>	<hr/>
Closing shareholders funds	(218,917)	(631,726)
	<hr/>	<hr/>

13 Commitments under operating leases

At 31 May 2007, the company's annual commitments under operating leases were as follows:

	2007 £	2006 £
Operating leases which expire		
Within one year	-	-
In the second to fifth years inclusive	-	181
Over five years	-	50
	<hr/>	<hr/>
	-	231
	<hr/>	<hr/>

14 Reconciliation of operating profit/loss to net cash inflow/(outflow) from operating activities

	2007 £	2006 £
Operating profit / (loss)	412,809	(150,237)
Disposal of assets	(288,576)	(5,153)
Depreciation charges	-	5,750
Decrease in stocks	-	172,624
Decrease in debtors	603,562	74,538
Increase / (decrease) in creditors	(198,674)	(236,605)
	<hr/>	<hr/>
Net cash (outflow)/inflow from operating activities	529,121	(139,083)
	<hr/>	<hr/>

15 Analysis of net cash/debt

	1 June 2006 £	cashflow £	31 May 2007 £
Net cash/debt	111	(111)	-
Cash at bank and in hand	(17,200)	17,200	-
Bank overdraft			
	<hr/>	<hr/>	<hr/>
	(17,089)	17,089	-
	<hr/>	<hr/>	<hr/>

16 Reconciliation of net cash flow movement to net cash

	2007 £	2006 £
Increase in cash in the year	17,089	346,796
Cash outflow from decrease in debt	-	115,500
	<u>17,089</u>	<u>462,296</u>
Opening net debt	(17,089)	(479,385)
	<u>-</u>	<u>(17,089)</u>
Closing net debt	-	(17,089)

17 Related party disclosures

During the year the following transactions took place with the ultimate parent company, Pourshins Ltd (formerly Pourshins Plc):

	2007 £	2006 £
Sales to	179,197	1,010,859
Purchases from	29,565	58,319

At year end the intercompany creditor due to Pourshins Ltd was £234,845 (2006 £1,047,627)

After the sale of the business all contingent assets and liabilities were assigned to the parent company Pourshins Limited

18 Control

During the year (and the previous year) the company was wholly owned by Pourshins Ltd (formerly Pourshins Plc), the ultimate parent company. The ultimate controlling party was the legal trustees of the Legis trust until 19 September 2007, when it became Gate Gourmet Inc.

Pourshins Ltd is a UK registered company (1576522). The registered office is at The Lodge, Harmondsworth Lane, Harmondsworth, Middlesex, England, UB7 0AB, from where a copy of the accounts can be obtained.