

**Pan European
Logistic Service
Limited**

**Annual Report and
Unaudited Accounts**

31 December 2005

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COMPANIES HOUSE

5292827

Company Registration Number
5292827 (England and Wales)

Director	CM Management (UK) Limited
Secretary	CM Group Services Limited
Registered office	39-40 St James's Place London SW1A 1NS
Registered number	5292827 (England and Wales)
Accountants	Buzzacott 12 New Fetter Lane London EC4A 1AG

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Director's report 31 December 2005

The director presents his report and financial statements for the period ended 31 December 2005

Principal activity

The principal activity of the company in the period under review was that of paying agent

The company was incorporated on 22 November 2004

Directors' interests

The directors in office during the period and their beneficial interests in the issued ordinary share capital were as follows

	Appointed/Resigned	31 December 2005
Glassmill Limited	Appointed 22 November 2004 Resigned 10 February 2005	—
Park Limited	Appointed 10 February 2005 Resigned 9 August 2005	—
C M Group Services Limited	Appointed 9 August 2005 Resigned 12 December 2006	—
CM Management (UK) Limited	Appointed 12 December 2006	—

Director's responsibilities

Company law requires the director to prepare accounts for each financial period which 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 those accounts, the director is required to

- ♦ select suitable accounting policies and then apply them consistently,
- ♦ make judgements and estimates that are reasonable and prudent,
- ♦ prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business

Director's report 31 December 2005

Director's responsibilities (continued)

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the accounts comply with the Companies Act 1985. He is 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.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Signed by the director



CM Management (UK) Limited
Director

Approved by the director on

12/06/07

Chartered Accountants' report 31 December 2005

**Chartered Accountants' report to the Director on the unaudited accounts of
Pan European Logistic Service Limited**

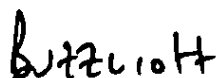
In accordance with the engagement letter dated 28 July 2006 and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the accounts of the company on pages 4 to 8 which comprise the Profit and Loss Account, the Balance Sheet and the related notes from the accounting records and information and explanations you have given to us

This report is made to the Director in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the accounts that we have been engaged to compile, report to the director that we have done so and state those matters that we have agreed to state to them in this 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 Director for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with ethical guidance laid down by the Institute relating to members undertaking the compilation of accounts.

You have acknowledged on the balance sheet for the period ended 31 December 2005 your duty to ensure that the company has kept proper accounting records and to prepare accounts that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the period.

We have not been instructed to carry out an audit of the accounts. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the accounts.



Buzzacott
Chartered Accountants
12 New Fetter Lane
London
EC4A 1AG

15 June 2007

Profit and loss account Period to 31 December 2005

	Notes	Period ended 31 December 2005 €
Turnover	1	33,287
Administrative expenses		(8,265)
Other interest receivable		678
Profit on ordinary activities before taxation		25,700
Taxation	2	(2,653)
Profit on ordinary activities after taxation		23,047

Balance sheet 31 December 2005

	Notes	2005 €	2005 €
Current assets			
Debtors	3	192,220	
Cash at bank and in hand		28,900	
		<u>221,120</u>	
Creditors amounts falling due within one year	4	198,072	
Net current assets			<u>23,048</u>
Total assets less current liabilities			<u>23,048</u>
Net assets			<u>23,048</u>
Capital and reserves			
Equity interests			
Called up share capital	5		1
Profit and loss account			<u>23,047</u>
Shareholders' funds	6		<u>23,048</u>

In preparing these accounts

- (a) The director is of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985,
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The director acknowledges his responsibilities for
 - (i) Ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - (ii) Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its profit or loss for the financial period in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company

The accounts 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 2005)

Signed by the director,



CM Management (UK) Limited - Director

Approved on

12/06/07

Principal accounting policies 31 December 2005

Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

The accounts have been prepared on a going concern basis which assumes the company will continue in operational existence for the foreseeable future

Turnover

Turnover relates solely to the company's principle activity and is stated excluding VAT

Deferred tax

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the accounts

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted

Monetary unit

The accounts are presented in Euro €. This is the underlying currency in which the transactions of the company are undertaken

Notes to the accounts 31 December 2005

1 Turnover

The percentage of turnover that is attributable to geographical markets outside the UK is 100%

2 Taxation

	2005 €
Tax at 23.75%	2,653

3 Debtors

	2005 €
Due within one year	
Trade debtors	192,219
Called up share capital not paid	1
	192,220

4 Creditors amounts falling due within one year

	2005 €
Trade creditors	192,513
Taxation & Social Security	2,653
Other creditors	2,906
	198,072

5 Called up share capital

	Authorised 2005 £	Allotted and called up 2005 £
1 Ordinary share of £1 each	1,000	1

One ordinary share was issued at par on incorporation

Notes to the accounts 31 December 2005

6 Reconciliation of movements in shareholders' funds

	2005 €
Equity Funds	
Profit for the financial period after taxation	23,047
Shares issued in period	1
Closing shareholders' funds at 31 December 2005	<u>23,048</u>

7 Ultimate holding company and control

Harbour Limited, a company registered on the Isle of Man holds 100% of the ordinary issued share capital of Pan European Logistic Service Ltd in a nominee capacity. Harbour Limited acquired the shares on 10 February 2005, from Eden Nominees Ltd.

The ultimate controlling party is considered to be Ms A Frackowiak.

8 Related party transactions

The company acts as an agent for Discovery Systems LLC, a company which the directors consider to be connected to Ms A Frackowiak.

The directors are not aware of the precise nature of the relationship and therefore they have decided to disclose the transactions.

During the period the company has entered into transactions totalling £1,347,820 on behalf of the principle, earned fees of £33,287 in respect of agency services supplies.

At 31 December 2005 the balance due to the principle was £187,413.