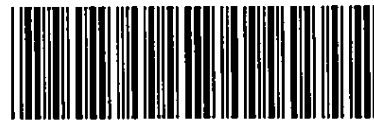


**Pan European
Logistic Service
Limited**

**Annual Report and
Unaudited Financial Statements**

31 December 2006

MONDAY



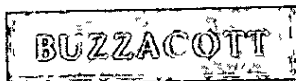
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COMPANIES HOUSE



Company Registration Number
5292827 (England and Wales)

Directors	C M Management (UK) Limited J L Duncan
Secretary	C M Group Services Limited
Registered office	39-40 St James's Place London SW1A 1NS
Registered number	5292827 (England and Wales)
Accountants	Buzzacott LLP 12 New Fetter Lane London EC4A 1AG

Pan European Logistic Service Limited

Contents

Reports

Directors' report	2
Chartered Accountants' report	2

Financial Statements

Profit and loss account	2
Balance sheet	2
Principal accounting policies	2
Notes to the financial statements	2

Directors' report 31 December 2006

The directors present their report and financial statements for the year ended 31 December 2006

Principal activity

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

Directors' Interests

The directors in office during the year were as follows

	Appointed/Resigned
C M Management (UK) Limited	Appointed 12 December 2006
C M Group Services Limited	Appointed 9 August 2005
	Resigned 12 December 2006

Additionally J L Duncan was appointed as a director on 10 August 2007

Directors' responsibilities

Company law requires the directors to prepare financial statements 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 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 accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business

Directors' report 31 December 2006

Directors' responsibilities (continued)

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 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.

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

Signed on behalf of the board of directors



CM Management (UK) Limited
Director

Approved by the board on 31 January 2008

Chartered Accountants' report 31 December 2006

**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 financial statements of the company on pages 2 to 2 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 Directors in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the directors 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 Directors 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 year ended 31 December 2006 your duty to ensure that the company has kept proper accounting records and to prepare financial statements 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 year.

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 financial statements.



Buzzacott LLP
Chartered Accountants
12 New Fetter Lane
London
EC4A 1AG

28 March 2008

Profit and loss account Year to 31 December 2006

		Year ended 31 December 2006 €	Period ended 31 December 2005 €
	Notes		
Turnover	1	25,365	33,287
Administrative expenses		(9,990)	(8,265)
Other interest receivable		-	678
Profit on ordinary activities before taxation		15,375	25,700
Taxation	2	(5,568)	(2,653)
Profit on ordinary activities after taxation		9,807	23,047

Balance sheet 31 December 2006

	Notes	2006 €	2006 €	2005 €	2005 €
Current assets					
Debtors	3	163,203		192,220	
Cash at bank and in hand		47,308		28,900	
		<u>210,511</u>		<u>221,120</u>	
Creditors amounts falling due within one year	4	<u>177,656</u>		<u>198,072</u>	
Net current assets			<u>32,855</u>		<u>23,048</u>
Total assets less current liabilities			<u>32,855</u>		<u>23,048</u>
Net assets			<u>32,855</u>		<u>23,048</u>
Capital and reserves					
Equity interests					
Called up share capital	5		1		1
Profit and loss account	6		<u>32,854</u>		<u>23,047</u>
Shareholders' funds	7		<u>32,655</u>		<u>23,048</u>

In preparing these financial statements

- The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985,
- No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- The directors acknowledge his responsibilities for
 - Ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - Preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year 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 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 2005)

Signed on behalf of the board of directors



CM Management (UK) Limited - Director

Approved on 31 January 2008

Principal accounting policies 31 December 2006

Basis of accounting

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

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

Notes to the accounts 31 December 2006

1 Turnover

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

2 Taxation

	2006 €	2005 €
Current tax	2,921	2,653
Underprovision in respect of earlier year	2,647	-
Tax at 19%	5,568	2,653

3 Debtors

	2006 €	2005 €
Due within one year		
Trade debtors	163,000	192,219
Other debtors	202	-
Called up share capital not paid	1	1
	163,203	192,220

4 Creditors amounts falling due within one year

	2006 €	2005 €
Trade creditors	167,309	192,513
Taxation & Social Security	2,921	2,653
Other creditors	7,426	2,906
	177,656	198,072

5 Called up share capital

	Authorised 2006 £	Allotted and called up 2006 £	Authorised 2005 £	Allotted and called up 2005 £
1 Ordinary share of £1 each	1,000	1	1,000	1

Notes to the accounts 31 December 2006

6 Profit and loss reserve

	2006€
Equity Funds	
Opening profit and loss account at 1 January 2006	23,047
Profit for the financial year after taxation	9,807
Closing shareholders' funds at 31 December 2006	32,854

7 Reconciliation of movements in shareholders' funds

	2006 €
Equity Funds	
Opening shareholders' funds at 1 January 2006	23,048
Profit for the financial year after taxation	9,807
Closing shareholders' funds at 31 December 2006	32,855

8 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

The ultimate controlling party is considered to be Ms A Frackowiak

9 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 year the company has entered into transactions totalling £1,012,855 (2005 £1,347,820) on behalf of the principal, and earned fees of £25,365 (2005 £33,287) in respect of agency services supplied

At 31 December 2006 the balance due to the principal was £156,589 (2005 £187,413)