

**PAN EUROPEAN LOGISTIC SERVICE
LTD**
UNAUDITED REPORT AND FINANCIAL
STATEMENTS
31 December 2008

Company No: 05292827



PAN EUROPEAN LOGISTIC SERVICE LTD
Company No 5292827

REPORT AND FINANCIAL STATEMENTS
31 December 2008

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PAN EUROPEAN LOGISTIC SERVICE LTD

Company No 5292827

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:

Park Limited
C.R. Needham

Company Secretary:

Stone Limited

Registered office:

39-40 St James's Place
London
SW1A 1NS

Company No

05292827

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors presents its report and unaudited financial statements of the Company for the year ended 31 December 2008.

Principal activity

The principal activity of the Company, which is unchanged from last year, is that of paying agent.

Review of current position, future developments and significant risks

The Company's development to date, financial results and position as presented in the financial statements are considered satisfactory.

Results and Dividends

The Company's results for the year are set out on page 3. The Board of Directors does not recommend the payment of a dividend and the net profit for the year is retained.

Share capital

There were no changes in the share capital of the Company during the year.

Board of Directors

Ms. J. L. Duncan acted as a director throughout the year.
C.M. Management (UK) Ltd resigned as a director on 30th September 2008.
Ms. J. L. Duncan resigned as a director on 19 March 2009.
Mr. C.R. Needham was appointed as a director on 19 March 2009.

In accordance with the Company's Articles of Association all directors presently members of the Board continue in office.

There were no significant changes in the assignment of responsibilities and remuneration of the Board of Directors.


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.

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.



C.R. Needham.
Director

8 January 2010

PAN EUROPEAN LOGISTIC SERVICE LTD
Company No 5292827

INCOME STATEMENT
Year ended 31 December 2008

	Note	2008 €	2007 €
Revenue	3	13 648	21 727
Other income	4	4 117	-
Administration expenses		(10 855)	(7 845)
Operating profit		6 910	13 882
Net finance costs	6	(1060)	(201)
Interest receivable and similar income	7	2 267	46
Profit before tax		8 117	13 725
Tax	9	(1 684)	(3 404)
Net profit for the year		6 433	10 323

The notes on pages 5 to 8 form an integral part of these financial statements.

PAN EUROPEAN LOGISTIC SERVICE LTD
Company No 5292827

BALANCE SHEET
31 December 2008

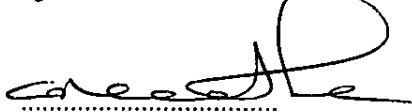
	Note	2008 €	2007 €
ASSETS			
Current assets			
Debtors	8	100	135 786
Cash at bank and in hand		<u>62 205</u>	<u>62 101</u>
		62 305	197 887
Current liabilities			
Creditors: amounts payable due within one year	11	12 695	154 709
		<u>12 695</u>	<u>154 709</u>
Net current assets			
Net Assets			
		<u>49 610</u>	<u>43 178</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	10	1	1
Profit and Loss Account	6	<u>49 609</u>	<u>43 177</u>
		49 610	43 178
Shareholders Funds			
		<u>49 610</u>	<u>43 178</u>

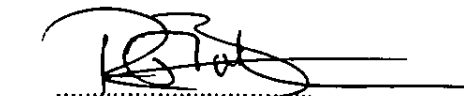
In preparing these financial statements:

- (a) The directors have taken advantage of the Companies Act 1985 in not having accounts audited under Section 249A(1) (total exemption);
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985; and
- (c) The directors acknowledge their responsibilities for:
 - (i) Ensuring that the company keeps accounting record which comply with Section 221 of the Companies Act 1985; and
 - (ii) 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 2007).

Signed on behalf of the board of directors:


 Director


 Director
 FOR PARK LIMITED

The notes on pages 5 to 8 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2008

1. Incorporation and principal activities

Principal activity

The principal activity of the Company, which is unchanged from last year, is that of paying agent.

2. Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

The company has taken exemption available under FRS8 from preparing a cash flow statement on the basis that the company is small.

Basis of accounting

The financial statements have been prepared under historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

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

Revenue recognition

Revenue comprises the invoiced amount for the sale of goods and services net of Value Added Tax, rebates and discounts. Revenues earned by the Company are recognised on the following bases:

- **Rendering of services**

Sales of services are recognised in the accounting period in which the services are rendered by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

- **Commission income**

Commission income is recognised when the right to receive payment is established.

- **Interest income**

Interest income is recognised on a time-proportion basis using the effective interest method.

Finance costs

Interest expense and other borrowing costs are charged to the income statement as incurred.

Foreign currency translation

(1) Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Euro (€), which is the Company's functional and presentation currency.

(2) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2008

Tax

Current tax liabilities and assets for the current and prior periods are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2008

2. Accounting policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Trade receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Cash and cash equivalents

Cash equivalents comprise cash at bank and in hand.

Trade payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the balance sheet.

Share capital

Ordinary shares are classified as equity.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2008

3. Revenue

	2008	2007
	€	€
Commissions receivable	<u>13 648</u>	<u>21 727</u>
	<u>13 648</u>	<u>21 727</u>

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

4. Other income

	2008	2007
	€	€
Sundry operating income	<u>4 117</u>	<u>-</u>
	<u>4 117</u>	<u>-</u>

5. Expenses by nature

	2008	2007
	€	€
Administrative Expenses	<u>10 855</u>	<u>7 845</u>
Total expenses	<u>10 855</u>	<u>7 845</u>

6. Finance costs

	2008	2007
	€	€
Net foreign exchange transaction losses	447	-
Other finance expenses	<u>613</u>	<u>201</u>
	<u>1 060</u>	<u>201</u>

7. Interest receivable and similar income

	2008	2007
	€	€
Interest income	2 062	46
Exchange profit	<u>205</u>	<u>-</u>
	<u>2 267</u>	<u>46</u>

8. Taxation

	2008	2007
	€	€
Current Tax	1 685	2 711
Under provision in respect of earlier year		693
Tax	<u>1 685</u>	<u>3 404</u>

9. Debtors

	2008	2007
	€	€
Trade debtors	99	135 785
Unpaid share capital	<u>1</u>	<u>1</u>
	<u>100</u>	<u>135 786</u>

The fair values of trade and other receivables due within one year approximate to their carrying amounts as presented above.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2008

10. Share capital

	2008	2008	2007	2007
	Number of	GBP	Number of	GBP
	shares		shares	
Authorised				
Ordinary shares of GBP 1 each	<u>1 000</u>	<u>1 000</u>	<u>1 000</u>	<u>1 000</u>
		£		£
Issued and fully paid				
On 1 January	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
At 31 December	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

11. Trade and other payables

	2008	2007
	€	€
Trade payables	11 010	143 302
Corporation tax	1 685	2 711
Accruals		836
Other creditors	<u>-</u>	<u>7 860</u>
	<u>12 695</u>	<u>154 709</u>

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

12. Profit and loss reserve

	2008	2007
	€	€
Opening profit and loss account at 1 January 2007	43 177	32 854
Profit for the financial year after taxation	<u>6 433</u>	<u>10 323</u>
Closing shareholder's funds as at 31 December 2007	<u>49 610</u>	<u>43 177</u>

13. 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.

14. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2008.

15. Commitments

The Company had no capital or other commitments as at 31 December 2008.

16. Post balance sheet events

There were no material post balance sheet events, which have a bearing on the understanding of the financial statements.

17. 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2008

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

During the year the company has entered into transactions totalling € 545,917 (2007: € 861,199) on behalf of the principal, and earned fees of € 13,648 (2007: 21,726) in respect of agency service supplied.

As at 31 December 2008 the balance due to the principal was € 11,009 (2006: € 129,282)

PAN EUROPEAN LOGISTIC SERVICE LTD

DETAILED INCOME STATEMENT

Year ended 31 December 2008

	Page	2008 €	2007 €
Revenue			
Commissions receivable		13 648	21 727
Gross profit		13 648	21 727
Other operating income			
Sundry operating income		4 117	-
		<u>17 765</u>	<u>21 727</u>
Operating expenses			
Administration expenses	11	(10 855)	(7 845)
Operating profit		6 910	13 882
Finance costs	12	(1 060)	(201)
Interest income		2 062	46
Exchange profit		205	-
Net profit for the year before tax		<u>8 117</u>	<u>13 727</u>

PAN EUROPEAN LOGISTIC SERVICE LTD

OPERATING EXPENSES

Year ended 31 December 2008

	2008 €	2007 €
Administration expenses		
Accounting fees	-	4 545
Other professional fees	<u>10 855</u>	<u>3 300</u>
	<u>10 855</u>	<u>7 845</u>

PAN EUROPEAN LOGISTIC SERVICE LTD

FINANCE INCOME / COST

Year ended 31 December 2008

	2008 €	2007 €
Finance income		
Bank interest	2 062	46
Realised exchange profit	<u>205</u>	<u>-</u>
	<u>2 267</u>	<u>46</u>
 Finance costs		
Other finance expenses		
Bank charges	613	201
Net foreign exchange transaction losses		
Unrealised exchange loss	<u>447</u>	<u>-</u>
	<u>1 060</u>	<u>201</u>