Financial statements
SPL Services Limited

For the Period Ended 31 July 2008

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Company No. 06321669

Contents

Report of the directors

The directors present their report together with the audited financial statements of the company and the group for the period ended 31 July 2008.

Principal activities

The principal activity of the group during the year was the provision of specialist courier services for the pharmaceutical industry.

The group is a global provider of courier services for the pharmaceutical industry. Most of the major pharmaceutical organisations use the group's services when trialling newly discovered drugs.

The principal activity of the company is that of a holding company.

The company was incorporated on 23 July 2007. On 31 July 2007 the company purchased the entire share capital of its subsidiary undertaking.

The directors use a number of measures, both financial and non-financial, to monitor and benchmark the performance of the group. They regard the following as the key financial indicators of performance:

- turnover - measuring market share achieved by the group
- operating profit - measuring the profits generated by the group's operations.

The group achieved a turnover of £4,091,875 in the period.

The directors continued to implement the buy out strategy and committed the necessary financial resources to strengthen the group's global footprint. The group made a significant investment in new people during the period.

Directors

The directors who served the company during the period were as follows:

P Balkwell (appointed 23 July 2007)
C Brooks (appointed 23 July 2007, resigned 31 August 2008)

A Thomson and C Bryant were appointed directors on 14 August 2008.

Directors' responsibilities

The directors are responsible for preparing the Report of the Directors and 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Small company provisions

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

Auditor

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

BY ORDER OF THE BOARD

A Thomson
Director

24 September 2009

Grant Thornton

Report of the independent auditor to the members of SPL Services Limited

We have audited the group and parent company financial statements, the 'financial statements' of SPL Services Limited for the period ended 31 July 2008 which comprise the principal accounting policies, the consolidated and company profit and loss accounts, the consolidated and company balance sheets and notes 1 to 22. 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 auditor

The directors' responsibilities for preparing the Report of the Directors and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities within the Report of the Directors.

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 Report of the Directors 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 Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of 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.

Grant Thornton

Report of the independent auditor to the members of SPL Services Limited (continued)

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.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and parent company's affairs as at 31 July 2008 and their losses for the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.

Grant Thornton UK LLP

GRANT THORNTON UK LLP
REGISTERED AUDITOR
CHARTERED ACCOUNTANTS
SLOUGH

30 September 2009

Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards. The directors have reviewed the principal accounting policies and consider them to be appropriate to the company. The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the parent company and all group undertakings. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over twenty years from the year of acquisition. The results of companies acquired or disposed of are included in the consolidated profit and loss account after or up to the date that control passes respectively. Intra group sales, profit and balances are eliminated on consolidation.

Going concern

The directors are confident that following a period of investment and restructuring, the group will return to a period of sustained profitable growth, which is underlined by the continued commitment of both lenders and investors. To underscore this, the trading subsidiary returned to profitability in the year ended 31 July 2009. On this basis, the directors have continued to adopt the going concern basis in preparing these financial statements.

Goodwill

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on consolidation in respect of acquisitions is capitalised.

Positive goodwill is amortised by equal annual instalments over its estimated useful life of twenty years.

Turnover

The turnover represents the total amount receivable by the company for goods supplied and services provided, excluding value added tax. Revenue is recognised when goods are shipped or when the service is provided.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Principal accounting policies (continued)

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold improvements	-	over the term of the lease
Fixtures & fittings	-	15% reducing balance
Motor vehicles	-	25% reducing balance

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The group operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the group. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the group an obligation to pay more tax in the future or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured on a non-discounted basis using rates of tax that have been enacted or substantively enacted by the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Principal accounting policies (continued)

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Consolidated profit and loss account

	Note	2008 £
Turnover	1	4,091,875
Cost of sales		(1,882,567)
Gross profit		2,209,308
Other operating charges	2	(3,206,043)
Operating loss	3	(996,735)
Interest payable and similar charges	6	(814,579)
Loss on ordinary activities before taxation		(1,811,314)
Tax on loss on ordinary activities	7	78,186
Loss for the financial period	19	(1,733,128)

All of the activities of the group are classed as continuing.

There were no other recognised gains other than the loss for the period.

Company profit and loss account

	Note	2008 £
Turnover		929,167
Other operating charges	2	(157,285)
Operating profit	3	771,282
Interest payable and similar charges	6	(777,041)
Loss on ordinary activities before taxation		(5,159)
Tax on loss on ordinary activities	7	-
Loss for the financial period	19	(5,159)

All of the activities of the company are classed as continuing.

There were no other recognised gains other than the loss for the period.

Consolidated balance sheet

	Note	2008 £
Fixed assets		
Intangible assets	8	6,198,006
Tangible assets	9	241,282
		6,439,288
Current assets		
Stocks	11	10,810
Debtors	12	701,661
Cash at bank and in hand		195,050
		907,521
Creditors: amounts falling due within one year	13	(1,516,291)
Net current liabilities		(608,770)
Total assets less current liabilities		5,830,518
Creditors: amounts falling due in greater than one year	14	(6,722,646)
		(892,128)
Capital and reserves		
Called-up share capital	17	12,415
Share premium account	18	828,585
Profit and loss account	19	(1,733,128)
Shareholders' deficit	20	(892,128)

These financial statements were approved by the directors and authorised for issue on 29/9/09 and are signed on their behalf by:

A Thomson
Director 29 September 2009

Company balance sheet

	Note	2008 £
Fixed assets		
Investments	10	7,660,058
Current assets		
Debtors	12	34,728
Cash at bank and in hand		34
		34,762
Creditors: amounts falling due within one year	13	(177,333)
Net current liabilities		(142,571)
Total assets less current liabilities		7,517,487
Creditors: amounts falling due in greater than one year	14	(6,681,646)
		835,841
Capital and reserves		
Called-up share capital	17	12,415
Share premium account	18	828,585
Profit and loss account	19	(5,159)
Shareholders' funds	20	835,841

These financial statements were approved by the directors and authorised for issue on 29/9/09, and are signed on their behalf by:

A Thomson
Director 29 September 2009

Notes to the financial statements

1 Turnover

The group turnover is attributable to the one principal activity of the group. The analysis of turnover by geographical market has not been disclosed, as in the opinion of the directors, this would be seriously prejudicial to the interests of the group. The company turnover represents management charges to its subsidiary undertaking.

2 Other operating charges

	Group £	Company £
Administrative expenses	3,206,043	157,285

3 Operating loss

The operating loss is stated after charging:

	Group £	Company £
Depreciation of owned fixed assets	44,484	–
Amortisation of goodwill	326,211	–
Auditor's remuneration:		
Audit fees	14,000	3,200
Operating lease costs:		
- Plant and equipment	13,008	–
- Other	189,756	–
Net loss on foreign currency translation	43,359	–

4 Directors and employees

The aggregate payroll costs of the above were:

	Group £	Company £
Wages and salaries	1,332,441	–
Social security costs	192,171	–
Other pension costs	23,198	–
	1,547,810	–

The average number of staff employed by the group during the financial period amounted to 44.

5 Directors

Remuneration in respect of directors was as follows:

	Group £	Company £
Emoluments receivable	261,782	–
Value of company pension contributions to money purchase schemes	4,350	–
	266,132	–

Emoluments of highest paid director:

	Group £	Company £
Total emoluments (excluding pension contributions)	89,499	–

During the period, 2 directors participated in money purchase schemes via the compulsory stakeholders scheme.

6 Interest payable and similar charges

	Group £	Company £
Interest payable on borrowings	777,651	777,041
Other similar charges payable	36,928	–
	814,579	777,041

7 Taxation on loss on ordinary activities

(a) Analysis of charge in the period

	Group £	Company £
Current tax:		
UK Corporation tax based on the results for the period at 28%	(42,215)	–
Total current tax	(42,215)	–
Deferred tax:		
Origination and reversal of timing differences	(35,971)	–
Tax on loss on ordinary activities	(78,186)	–

7 Taxation on loss on ordinary activities (continued)

(b) Factors affecting current tax charge

	Group £	Company £
Loss on ordinary activities before taxation	(1,811,314)	(5,159)
Loss on ordinary activities by rate of tax	(507,118)	1,445
Expenses not deductible for tax purposes	91,886	(1,445)
Capital allowances for period in excess of depreciation	(1,386)	–
Adjustments to tax charge in respect of previous periods	–	–
Marginal relief adjustment	–	–
Tax losses	354,038	–
Other differences	20,365	–
Total current tax (note 7(a))	(42,215)	–

There are tax losses of approximately £1.1m (2007: £nil) to carry forward and use against the profits of the same trade.

8 Intangible fixed assets - group

	Goodwill £
Cost	
At 23 July 2007	-
Additions	6,524,217
At 31 July 2008	6,524,217
Amortisation and amounts written off	
At 23 July 2007	-
Charge for the period	326,211
At 31 July 2008	326,211
Net book value	
At 31 July 2008	6,198,006

9 Tangible fixed assets - group

	Leasehold Improvements £	Fixtures & Fittings £	Motor Vehicles £	Total £
Cost				
At 23 July 2007	–	–	–	–
Acquired during the period	53,893	476,564	57,508	587,965
Additions	–	40,372	–	40,372
At 31 July 2008	53,893	516,936	57,508	628,337
Depreciation				
At 23 July 2007	–	–	–	–
Acquired during the period	53,893	247,363	41,315	342,571
Charge for the period	–	40,436	4,048	44,484
At 31 July 2008	53,893	287,799	45,363	387,055
Net book value				
At 31 July 2008	–	229,137	12,145	241,282

10 Investments - company

Company

	Shares in subsidiary undertakings £
Cost	
At 23 July 2007	–
Additions	7,660,058
At 31 July 2008	7,660,058
Amounts written off	
At 23 July 2007 and 31 July 2008	–
Net book value	
At 31 July 2008	7,660,058

11 Stocks

	Group £	Company £
Finished goods	10,810	–

12 Debtors

	Group £	Company £
Trade debtors	565,660	–
Amounts owed by group undertakings	–	15,281
Other debtors	37,373	19,447
Prepayments and accrued income	98,628	–
	701,661	34,728

13 Creditors: amounts falling due within one year

	Group £	Company £
Bank loans and overdrafts	558,494	53,422
Trade creditors	674,948	123,911
Other taxation and social security	217,296	–
Other creditors	8,720	–
Accruals and deferred income	56,833	–
	1,516,291	177,333

14 Creditors: amounts falling due after more than one year

	Group £	Company £
Bank loans	6,681,646	6,681,646
Provision for dilapidations	41,000	–
	6,722,646	6,681,646

15 Acquisitions

On 31 July 2007 the company purchased the entire share capital of a subsidiary undertaking. The net assets of the subsidiary and the consideration paid are detailed below. No fair value adjustments were made to the assets or liabilities acquired.

	£
Fixed assets	
Tangible assets	245,394
Current assets	
Stocks	15,015
Debtors	1,096,889
Cash at bank and in hand	530,931
Creditors: amounts falling due within one year	(716,417)
Provisions for liabilities	(35,971)
Net assets	1,135,841
Consideration	
Cash	6,725,000
Costs	935,058
	7,660,058
Goodwill	6,524,217

16 Commitments under operating leases

At 31 July 2008 the group had aggregate annual commitments under non-cancellable operating leases as set out below:

	2008	
	Land & Buildings	Other Items
	£	£
Operating leases which expire:		
Within 1 year	-	23,100
Within 2 to 5 years	-	23,700
After more than 5 years	26,500	26,400
	26,500	73,200

17 Share capital

Authorised share capital:

	£
293,854 Ordinary shares of £0.01 each	2,939
647,354 Ordinary Class A shares of £0.01 each	6,474
369,927 Ordinary Class B shares of £0.01 each	3,699
	13,112

Allotted, called up and fully paid:

	No	£
Ordinary shares of £0.01 each	224,219	2,242
Ordinary Class A shares of £0.01 each	647,354	6,474
Ordinary Class B shares of £0.01 each	369,927	3,699
	1,241,500	12,415

All shares rank pari passu.

18 Share premium account

	2008 £
Premium on shares issued in the period	828,585
Balance carried forward	828,585

19 Profit and loss account

	Group £	Company £
Balance brought forward	-	-
Loss for the financial period	(1,733,128)	(5,159)
Balance carried forward	(1,733,128)	(5,159)

20 Reconciliation of movements in shareholders' funds

	Group £	Company £
Loss for the financial period	(1,733,128)	(5,159)
New equity share capital subscribed	12,415	12,415
Premium on new share capital subscribed	828,585	828,585
Net (reduction)/addition to shareholders' funds	(892,128)	835,841
Closing shareholders' (deficit)/funds	(892,128)	835,841

21 Contingent liabilities

There were no contingent liabilities at 31 July 2008.

22 Capital commitments

There were no capital commitments at 31 July 2008.