Grant Thornton

Financial statements
SPL Services Limited

For the Year Ended 31 July 2009

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 year ended 31 July 2009.

Company no: 06321669

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 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 £7,021,448 in the year (2008: £4,091,875) representing an increase of 71.6% from the prior year.

The directors are confident that the group will continue its fast growth as seen in the current year, supported by a continual investment programme. The directors continue to implement the buy out strategy and have committed the necessary financial resources to strengthen the group's global footprint.

Directors

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

P Balkwell
C Brooks (resigned 31 August 2008)
A. Thomson (appointed 14 August 2008)
C Bryant (appointed 14 August 2008)

Report of the directors (continued)

Directors' Responsibilities Statement

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 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 judgments 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 adequate 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 2006. 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 each of the directors is 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 15 of the Companies Act 2006.

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.

ON BEHALF OF THE BOARD

A Thomson
Director

15t October 2009

Grant Thornton

Independent auditor's report 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 year ended 31 July 2009 which comprise the principal accounting policies, the consolidated and company profit and loss accounts, the consolidated and company balance sheets and notes 1 to 21. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. 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

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/UKNP.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group and company's affairs as at 31 July 2009 and their losses for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of SPL Services Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements and the Report of the Directors in accordance with the small companies regime.

Robert Napper

Robert Napper
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Slough

6 October 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 the period of investment and restructuring has allowed the group to return to a period of sustained growth and profit which is underlined by the continued commitment of both lenders and investors. The directors are also confident that the business will continue to grow at a significant rate and will produce ongoing improvements in profitability.

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 property	-	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	2009 £	2008 £
Turnover	1	**7,021,448**	4,091,875
Cost of sales	2	**(2,754,456)**	(1,882,567)
Gross profit	3	**4,266,992**	2,209,308
Other operating charges	2	**(3,941,043)**	(3,206,043)
Operating profit/(loss)	3	**325,949**	(996,735)
Interest payable and similar charges	6	**(579,648)**	(814,579)
Loss on ordinary activities before taxation		**(253,699)**	(1,811,314)
Tax on loss on ordinary activities	7	**210,108**	78,186
Loss for the financial year	18	**(43,591)**	(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 year.

Company profit and loss account

	Note	2009 £	2008 £
Turnover	1	**577,152**	929,167
Other operating charges	2	**(178,045)**	(157,285)
Operating profit	3	**399,107**	771,282
Interest payable and similar charges	6	**(577,108)**	(777,041)
Loss on ordinary activities before taxation		**(178,001)**	(5,159)
Tax on loss on ordinary activities	7	**–**	–
Loss for the financial year	18	**(178,001)**	(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 year.

Consolidated balance sheet

	Note	2009 £	2008 £
Fixed assets			
Intangible assets	8	**5,871,795**	6,198,006
Tangible assets	9	**385,275**	241,282
		6,257,070	6,439,288
Current assets			
Stocks	11	**27,713**	10,810
Debtors	12	**2,313,440**	701,661
Cash at bank and in hand		**403,350**	195,050
		2,744,503	907,521
Creditors: amounts falling due within one year	13	**(2,106,289)**	(1,516,291)
Net current assets/(liabilities)		**638,214**	(608,770)
Total assets less current liabilities		**6,895,284**	5,830,518
Creditors: amounts falling due in greater than one year	14	**(4,774,840)**	(6,722,646)
		2,120,444	(892,128)
Capital and reserves			
Called-up share capital	16	**47,008**	12,415
Share premium account	17	**3,850,155**	828,585
Profit and loss account	18	**(1,776,719)**	(1,733,128)
Shareholders' surplus/(deficit)	19	**2,120,444**	(892,128)

These financial statements were approved by the directors and authorised for issue on 1/10/09, and are signed on their behalf by:

A Thomson
Director

The accompanying accounting policies and notes form part of these financial statements.

Company balance sheet

	Note	2009	2008 £
Fixed assets			
Investments	10	7,660,058	7,660,058
Current assets			
Debtors	12	842,131	34,728
Cash at bank and in hand		9,787	34
		851,918	34,762
Creditors: amounts falling due within one year	13	(53,133)	(177,333)
Net current assets/(liabilities)		798,785	(142,571)
Total assets less current liabilities		8,458,843	7,517,487
Creditors: amounts falling due in greater than one year	14	(4,744,840)	(6,681,646)
		3,714,003	835,841
Capital and reserves			
Called-up share capital	16	47,008	12,415
Share premium account	17	3,850,155	828,585
Profit and loss account	18	(183,160)	(5,159)
Shareholders' funds	19	3,714,003	835,841

These financial statements were approved by the directors and authorised for issue on 1/10/09, and are signed on their behalf by:

A Thomson
Director

Notes to the financial statements

1 Turnover

The group turnover is attributable to the one principal activity. 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. Company turnover relates to management charges charged to subsidiary undertakings.

2 Other operating charges

	2009		2008	
	Group	Company	Group	Company
	£	£	£	£
Administrative expenses	**3,941,043**	178,045	**3,206,043**	157,285

3 Operating profit

The operating profit is stated after charging/(crediting):

	2009		2008	
	Group	Company	Group	Company
	£	£	£	£
Depreciation of owned fixed assets	**45,087**	–	44,484	–
Amortisation of goodwill	**326,211**	–	326,211	–
Auditor's remuneration:				
Audit fees	**17,000**	–	14,000	–
Operating lease costs:				
- Plant and equipment	**17,833**	–	13,008	–
- Other	**85,378**	–	189,756	–
Net (gain)/loss on foreign currency translation	**(107,637)**	–	43,359	–

4 Directors and employees

The aggregate payroll costs of the above were:

	2009		2008	
	Group	Company	Group	Company
	£	£	£	£
Wages and salaries	**1,643,875**	–	1,332,441	–
Social security costs	**145,642**	–	192,171	–
Other pension costs	**41,040**	–	23,198	–
	1,830,557	–	1,547,810	–

The average number of staff employed by the group during the financial year amounted to 49 (2008: 44). This number does not include the extensive network partner employees which the group works with around the world.

5 Directors

Remuneration in respect of directors was as follows:

	2009		2008	
	Group	Company	Group	Company
	£	£	£	£
Emoluments receivable	448,105	–	261,782	–
Value of company pension contributions to money purchase schemes	12,792	–	4,350	–
	460,897	–	266,132	–

Emoluments of highest paid director:

	2009		2008	
	Group	Company	Group	Company
	£	£	£	£
Total emoluments (excluding pension contributions)	124,667	–	89,499	–

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

6 Interest payable and similar charges

	2009		2008	
	Group	Company	Group	Company
	£	£	£	£
Interest payable on borrowings	579,648	577,108	777,651	771,041
Other similar charges payable	–	–	36,928	–
	579,648	577,108	814,579	771,041

7 Taxation on loss on ordinary activities

(a) Analysis of charge in the year

	2009		2008	
	Group	Company	Group	Company
	£	£	£	£
Current tax:				
UK Corporation tax based on the results for the year at 28% (2008: 28%)	–	–	(42,215)	–
Total current tax	–	–	(42,215)	–
Deferred tax:				
Origination and reversal of timing differences	210,108	–	(35,971)	–
Tax on loss on ordinary activities	210,108	–	(78,186)	–

7 Taxation on loss on ordinary activities (continued)

(b) Factors affecting current tax charge

	2009		2008	
	Group	Company	Group	Company
	£	£	£	£
Loss on ordinary activities before taxation	(253,699)	(178,001)	1,811,314	5,159
Loss on ordinary activities by rate of tax	(71,036)	(49,840)	(507,118)	1,445
Expenses not deductible for tax purposes	137,317	602	91,886	(1,445)
Capital allowances for period in excess of depreciation	(549)	–	(1,386)	–
Tax losses	(72,348)	49,238	354,038	–
Other differences	6,616	–	20,365	–
Total current tax (note 7(a))	–	–	(42,215)	–

There are tax losses of approximately £919,000 to carry forward and use against the profits of the same trade.

8 Intangible fixed assets - group

	Goodwill
	£
Cost	
At 1 August 2008 and 31 July 2009	6,524,217
Amortisation	
At 1 August 2008	326,211
Charge for the year	326,211
At 31 July 2009	652,422
Net book value	
At 31 July 2009	**5,871,795**
At 31 July 2008	6,198,006

9 Tangible fixed assets - group

	Leasehold Improvements £	Fixtures & Fittings £	Motor Vehicles £	Total £
Cost				
At 1 August 2008	53,893	516,936	57,508	628,337
Additions	43,971	145,109	–	189,080
At 31 July 2009	97,864	662,045	57,508	817,417
Depreciation				
At 1 August 2008	53,893	287,799	45,363	387,055
Charge for the year	2,668	39,739	2,680	45,087
At 31 July 2009	56,561	327,538	48,043	432,142
Net book value				
At 31 July 2009	**41,303**	**334,507**	**9,465**	**385,275**
At 31 July 2008	–	229,137	12,145	241,282

10 Investments - company

	Share in subsidiary undertakings £
Cost	
At 1 August 2008 and 31 July 2009	**7,660,058**
Amounts written off	
At 1 August 2008 and 31 July 2009	–
Net book value	
At 31 July 2009 and 31 July 2008	**7,660,058**

11 Stocks

	2009		2008	
	Group	Company	Group	Company
	£	£	£	£
Finished goods	27,713	–	10,810	–

12 Debtors

	2009		2008	
	Group	Company	Group	Company
	£	£	£	£
Trade debtors	1,733,906	–	565,660	–
Amounts owed by group undertakings	–	790,846	–	15,281
Corporation tax recoverable	42,215	–	–	–
Deferred tax asset	210,108	–	–	–
Other debtors	197,637	51,285	37,373	19,447
Prepayments and accrued income	129,574	–	98,628	–
	2,313,440	842,131	701,661	34,728

13 Creditors: amounts falling due within one year

	2009		2008	
	Group	Company	Group	Company
	£	£	£	£
Bank loans and overdrafts	371,522	12,250	558,494	53,422
Trade creditors	942,914	40,883	674,948	123,911
Other taxation and social security	67,148	–	217,296	–
Other creditors	20,539	–	8,720	–
Accruals and deferred income	704,166	–	56,833	–
	2,106,289	53,133	1,516,291	177,333

14 Creditors: amounts falling due after more than one year

	2009		2008	
	Group	Company	Group	Company
	£	£	£	£
Bank loans	2,567,982	2,567,982	2,500,000	2,500,000
Other loans	2,176,858	2,176,858	4,181,646	4,181,646
Provision for dilapidation	30,000	–	41,000	–
	4,774,840	4,744,840	6,722,646	6,681,646

The bank and other loans are secured by a fixed and floating charge over the assets of the group.

15 Commitments under operating leases

At 31 July 2009 the group had aggregate annual commitments under non-cancellable operating leases as set out below

	2009		2008	
	Land & Buildings	Other	Land & Buildings	Other
	£	£	£	£
Operating leases which expire:				
Less than one year	–	–	–	23,100
Within 2 - 5 years	84,500	23,700	–	23,700
After more than 5 years	–	26,400	26,500	26,400
	84,500	50,100	26,500	73,200

16 Share capital

Authorised share capital:

	2009	2008
	£	£
293,854 Ordinary shares of £0.01 each	2,939	2,939
647,354 Ordinary Class A shares of £0.01 each	6,474	6,474
411,029 Ordinary Class B shares of £0.01 each	4,110	3,699
3,315,429 Ordinary Class C shares of £0.01 each	33,154	–
102,755 Ordinary Class W shares of £0.01 each	1,028	–
	47,705	13,112

Allotted, called up and fully paid:

	2009		2008	
	No	£	No	£
Ordinary shares of £0.01 each	224,219	2,242	224,219	2,242
Ordinary Class A shares of £0.01 each	647,354	6,474	647,354	6,474
Ordinary Class B shares of £0.01 each	411,029	4,110	369,927	3,699
Ordinary Class C shares of £0.01 each	3,315,429	33,154	–	–
Ordinary Class W shares of £0.01 each	102,755	1,028	–	–
	4,700,786	47,008	1,241,500	12,415

During the year certain loan notes were converted to ordinary shares.

All shares rank parri passu.

17 Share premium account

	2009 £	2008 £
Balance brought forward	828,585	–
Premium on shares issued in the year	3,021,570	828,585
Balance carried forward	3,850,155	828,585

18 Profit and loss account

	2009 Group £	2009 Company £	2008 Group £	2008 Company £
Balance brought forward	(1,733,128)	(5,159)	–	–
Loss for the financial year	(43,591)	(178,001)	(1,733,128)	(5,159)
Balance carried forward	(1,776,719)	(183,160)	(1,733,128)	(5,159)

19 Reconciliation of movements in shareholders' funds

	2009 Group £	2009 Company £	2008 Group £	2008 Company £
Loss for the financial year	(43,591)	(178,001)	(1,733,128)	(5,159)
Share capital subscribed	34,593	34,593	12,415	12,415
Premium on share capital subscribed	3,021,570	3,021,570	828,585	828,585
Opening shareholders' deficit	(892,128)	835,841	–	–
Closing shareholders' funds	2,120,444	3,714,003	(892,128)	835,841

20 Contingent liabilities

There were no contingent liabilities at 31 July 2008 and 31 July 2009.

21 Capital commitments

There were no capital commitments at 31 July 2008 and 31 July 2009.