

**BDM LOGISTICS AND MANAGEMENT  
LIMITED**  
**FINANCIAL STATEMENTS**  
**31 DECEMBER 2009**

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**BDM LOGISTICS AND MANAGEMENT LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2009**

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# **BDM LOGISTICS AND MANAGEMENT LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

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**The board of directors**

C J Kessler  
G B Kessler CBE  
J S Anderson  
R Glatter  
A McDonald

**Company secretary**

W A Cochrane

**Registered office**

International Business Park  
11 Rick Roberts Way  
London  
E15 2NF

**Auditor**

Blick Rothenberg  
Chartered Accountants  
12 York Gate  
Regent's Park  
London, NW1 4QS

# **BDM LOGISTICS AND MANAGEMENT LIMITED**

## **THE DIRECTORS' REPORT**

### **YEAR ENDED 31 DECEMBER 2009**

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The directors present their report and the audited financial statements of the company for the year ended 31 December 2009

#### **Principal activities**

The principal activities of the company during the year were the provision of warehousing, order processing and delivery services

#### **Review of business, future developments and operating and financial risk management**

The trading results for the year and the financial position at the year end are considered satisfactory by the directors. The tax liability provided in the current year relates to a profit on disposal of property in 2006. Whilst business remains challenging, the directors are confident that the present level of activity will be maintained.

The directors monitor the ongoing financial performance of the company's operations on a monthly basis by comparing these to detailed budgets and forecasts. Operating margins in this industry sector are extremely tight and achieving budgeted turnover and adherence to strict control over costs is essential.

Competition from existing and new suppliers is the principal risk faced by the company. The company mitigates this risk by providing a high level of customer service aimed at exceeding client expectation.

#### **Results and dividends**

The loss for the year, after taxation, amounted to £162,323. The directors have not recommended a dividend.

#### **Directors**

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

C J Kessler  
G B Kessler CBE  
J S Anderson  
R Glatter  
A McDonald

#### **Directors' responsibilities**

The directors are responsible for preparing the directors' report 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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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

# **BDM LOGISTICS AND MANAGEMENT LIMITED**

## **THE DIRECTORS' REPORT** *(continued)*

**YEAR ENDED 31 DECEMBER 2009**

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### **Directors' responsibilities** *(continued)*

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 adequate accounting records that are sufficient to show and explain the company's transactions and 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.

So far as each person serving as a director of the company at the date this report is approved is aware, there is no relevant audit information of which the company's auditors are unaware and each director hereby confirms that he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Signed on behalf of the directors



G B Kessler CBE  
Director

Approved by the directors on 23<sup>rd</sup> Sept 2010

# **BDM LOGISTICS AND MANAGEMENT LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF BDM LOGISTICS AND MANAGEMENT LIMITED**

**YEAR ENDED 31 DECEMBER 2009**

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We have audited the financial statements of BDM Logistics and Management Limited for the year ended 31 December 2009 set out on pages 6 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's member, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's member 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 member 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 pages 2 to 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**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

### **Opinion on financial statements**

In our opinion the financial statements

give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its loss 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 matters prescribed by the Companies Act 2006**

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# **BDM LOGISTICS AND MANAGEMENT LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF BDM LOGISTICS AND MANAGEMENT LIMITED (continued)**

**YEAR ENDED 31 DECEMBER 2009**

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### **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



**Christopher Shepherd** (Senior Statutory Auditor)

For and on behalf of

**BLICK ROTHENBERG**  
Chartered Accountants and  
Statutory Auditor

12 York Gate  
Regent's Park  
London, NW1 4QS

23 September 2010



# **BDM LOGISTICS AND MANAGEMENT LIMITED**

## **PROFIT AND LOSS ACCOUNT**

**YEAR ENDED 31 DECEMBER 2009**

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	Note	2009 £	2008 £
Turnover	2	5,129,774	4,784,764
Net operating expenses	3	(4,829,971)	(4,575,297)
Operating profit	4	<u>299,803</u>	<u>209,467</u>
Other income		41,500	11,500
Gain/(loss) on fixed asset revaluation	7	237,419	(1,908,642)
Interest payable and similar charges	8	(40,000)	—
Profit/(loss) on ordinary activities before taxation		<u>538,722</u>	<u>(1,687,675)</u>
Tax on profit/(loss) on ordinary activities	9	(701,045)	(180,988)
Loss for the financial year		<u>(162,323)</u>	<u>(1,868,663)</u>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

# BDM LOGISTICS AND MANAGEMENT LIMITED

## BALANCE SHEET

31 DECEMBER 2009

	Note	£	2009 £	£	2008 £
<b>Fixed assets</b>					
Tangible assets	10		7,397,037		7,414,087
<b>Current assets</b>					
Debtors due within one year	11	1,090,681		1,087,091	
Debtors due after one year	11	6,588,536		14,062,934	
Cash at bank		2,729,193		1,259,039	
		10,408,410		16,409,064	
<b>Creditors: Amounts falling due within one year</b>	12	(1,400,272)		(3,157,716)	
<b>Net current assets</b>			9,008,138		13,251,348
<b>Total assets less current liabilities</b>			16,405,175		20,665,435
<b>Creditors: Amounts falling due after more than one year</b>	13		(10,458,060)		(14,623,425)
<b>Provisions for liabilities</b>					
Deferred taxation	15		(300,607)		(233,179)
			<u>5,646,508</u>		<u>5,808,831</u>
<b>Capital and reserves</b>					
Called-up equity share capital	18		100		100
Share premium account	19		3,209,910		3,209,910
Profit and loss account	20		2,436,498		2,598,821
<b>Shareholder's funds</b>	21		<u>5,646,508</u>		<u>5,808,831</u>

These financial statements were approved by the directors and authorised for issue on 23<sup>rd</sup> Sep 2010, and are signed on their behalf by



G B Kessler CBE  
Director

Company Registration Number 1563200

# **BDM LOGISTICS AND MANAGEMENT LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2009**

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### **1. Accounting policies**

#### **1.1 Basis of accounting**

The financial statements have been prepared on the going concern basis and under the historical cost convention, modified to include the revaluation of fixed assets, and in accordance with applicable accounting standards

#### **1.2 Cash flow statement**

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement

#### **1.3 Turnover**

Turnover represents amounts receivable for services, net of value added tax and trade discounts

#### **1.4 Fixed assets**

All fixed assets are initially recorded at cost

#### **1.5 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

Long leasehold property	- over the period of the lease
Fixtures & fittings	- 15-20% straight line
Motor vehicles	- 20% straight line

#### **1.6 Revaluation of leasehold land and buildings**

The company has adopted a policy whereby individual leasehold land and buildings are revalued every year with the surplus or deficit over book value being transferred to the revaluation reserve, except that a deficit which is in excess of previously recognised surplus over depreciated cost relating to the same property, or the reversal of such a surplus, is charged or credited to the profit and loss account. A deficit which represents a clear consumption of economic benefits is charged to the profit and loss account regardless of any such previous surplus

Where depreciation charges have increased following a revaluation, an amount equal to the increase is transferred annually from the revaluation reserve to the profit and loss account as a movement on reserves. On the disposal or recognition of an impairment of a revalued fixed asset, any related balance remaining in the revaluation reserve is also transferred to the profit and loss account as a movement on reserves

#### **1.7 Leases**

Operating lease rentals are charged to the profit and loss account in equal instalments over the lease term

# **BDM LOGISTICS AND MANAGEMENT LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2009**

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### **1. Accounting policies *(continued)***

#### **1.8 Pension costs**

Pension costs are recharged as part of an allocation from Kesslers International Limited, an affiliated company. The company is a participating employer in the related company's defined benefit funded pension scheme covering full time employees.

This scheme is considered to be a multi-employer scheme as permitted by FRS17 Retirement Benefits paragraph 9(b). Consequently the amounts charged in the statement of financial activities in respect of staff pension costs are the contributions payable in the year.

The company makes contributions to a personal pension scheme on behalf of the employees. The pension costs are charged to the profit and loss account as they are payable. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

#### **1.9 Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### **1.10 Financial instruments**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

#### **1.11 Grant income**

Grant income received in respect of land and building development is recognised in the profit and loss account over the useful economic life of the related asset.

# **BDM LOGISTICS AND MANAGEMENT LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2009**

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### **2. Turnover**

The turnover and profit before tax are attributable to the principal activities of the company  
An analysis of turnover is given below

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
United Kingdom	<b><u>5,129,774</u></b>	<b><u>4,784,764</u></b>

### **3. Net operating expenses**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Staff costs	<b>2,016,767</b>	<b>1,491,178</b>
Depreciation and disposal of fixed assets	<b>346,854</b>	<b>370,273</b>
Other operating charges	<b><u>2,466,350</u></b>	<b><u>2,713,846</u></b>
	<b><u>4,829,971</u></b>	<b><u>4,575,297</u></b>

### **4. Operating profit**

Operating profit is stated after charging

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Depreciation of owned fixed assets	<b>346,854</b>	<b>370,273</b>
Operating lease costs		
- land and buildings	<b>401,625</b>	<b>401,625</b>
- plant and equipment	<b>396</b>	<b>1,020</b>
Auditor's remuneration	<b><u>7,000</u></b>	<b><u>7,000</u></b>

# BDM LOGISTICS AND MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

### 5. Particulars of employees

The average number of staff employed by the company during the financial year amounted to

	2009 No	2008 No
Number of distribution staff	57	53
Number of administrative staff	11	10
	<u>68</u>	<u>63</u>

The aggregate payroll costs of the above were

	2009 £	2008 £
Wages and salaries	1,871,899	1,360,193
Social security costs	121,535	110,985
Other pension costs	23,333	20,000
	<u>2,016,767</u>	<u>1,491,178</u>

### 6. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were

	2009 £	2008 £
Remuneration receivable	<u>533,177</u>	<u>264,922</u>

#### Remuneration of highest paid director:

	2009 £	2008 £
Total remuneration (excluding pension contributions)	<u>182,624</u>	<u>99,582</u>

### 7. Gain/(loss) on fixed asset revaluation

	2009 £	2008 £
Gain/(loss) on fixed asset revaluation	<u>237,419</u>	<u>(1,908,642)</u>

### 8. Interest payable and similar charges

	2009 £	2008 £
Other similar charges payable	<u>40,000</u>	<u>—</u>

# BDM LOGISTICS AND MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

### 9. Taxation on ordinary activities

#### (a) Analysis of charge in the year

	2009 £	2008 £
Current tax		
Corporation tax	-	-
Adjustment in respect of prior years	633,617	-
Total current tax	633,617	-
Deferred tax		
Origination and reversal of timing differences (note 15)		
Capital allowances	59,028	189,388
Short term timing differences	8,400	(8,400)
Total deferred tax (note 15)	67,428	180,988
Tax on profit/(loss) on ordinary activities	701,045	180,988

#### (b) Factors affecting current tax charge

The tax assessed on the profit/(loss) on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 28% (2008 28.50%)

	2009 £	2008 £
Profit/(loss) on ordinary activities before taxation	538,722	(1,687,675)
Profit/(loss) on ordinary activities by rate of tax	150,842	(480,987)
Disallowable expenditure	350	6,879
Capital allowances in excess of depreciation	(26,091)	(50,692)
Group relief surrendered for nil consideration	26,231	179,924
Transfer pricing adjustment	(40,342)	(135,014)
Amortisation of capital grants	(3,220)	(3,288)
(Gain)/loss on fixed asset revaluation	(66,478)	543,963
Industrial building allowances	(41,292)	(60,785)
Adjustment in respect of prior years	633,617	-
Total current tax (note 9(a))	633,617	-

The adjustment in respect of prior years relates to chargeable gains not rolled over into the acquisition costs of replacement assets

# BDM LOGISTICS AND MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

### 10. Tangible fixed assets

	Leasehold Property £	Fixtures & Fittings £	Motor Vehicles £	Total £
<b>Cost</b>				
At 1 January 2009	6,350,000	1,636,623	43,855	8,030,478
Additions	–	92,385	–	92,385
Disposals	–	–	(18,881)	(18,881)
Revaluation	135,000	–	–	135,000
<b>At 31 December 2009</b>	<b>6,485,000</b>	<b>1,729,008</b>	<b>24,974</b>	<b>8,238,982</b>
<b>Depreciation</b>				
At 1 January 2009	–	572,536	43,855	616,391
Charge for the year	102,419	244,435	–	346,854
On disposals	–	–	(18,881)	(18,881)
Revaluation	(102,419)	–	–	(102,419)
<b>At 31 December 2009</b>	<b>–</b>	<b>816,971</b>	<b>24,974</b>	<b>841,945</b>
<b>Net book value</b>				
<b>At 31 December 2009</b>	<b>6,485,000</b>	<b>912,037</b>	<b>–</b>	<b>7,397,037</b>
At 31 December 2008	6,350,000	1,064,087	–	7,414,087

The historical cost of leasehold property is £9,626,190 (2008 £9,626,190). Leasehold property was revalued at 1 January 2010 on the basis of an open market valuation for existing use by King Sturge LLP in accordance with the valuation standards issued by the Royal Institute of Chartered Surveyors. The surplus arising on revaluation has been taken to the profit and loss account.

### 11. Debtors

	2009 £	2008 £
Trade debtors	876,478	847,535
Other debtors	6,588,536	14,062,934
Prepayments and accrued income	214,203	239,556
	<b>7,679,217</b>	<b>15,150,025</b>

The debtors above include the following amounts falling due after more than one year

	2009 £	2008 £
Other debtors	<b>6,588,536</b>	<b>14,062,934</b>

Other debtors represent amounts owed by a related company which are unsecured, interest free and repayable after more than one year.



# **BDM LOGISTICS AND MANAGEMENT LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2009**

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### **12. Creditors: Amounts falling due within one year**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Amounts owed to group undertakings	<b>256,000</b>	2,500,000
Corporation tax	<b>673,617</b>	—
Other taxation and social security	<b>275,089</b>	428,877
Other creditors	<b>26,489</b>	13,214
Accruals and deferred income	<b>169,077</b>	215,625
	<b><u>1,400,272</u></b>	<b><u>3,157,716</u></b>

### **13. Creditors: Amounts falling due after more than one year**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Amounts owed to group undertakings	<b>9,750,626</b>	13,907,925
Other creditors	<b>3,434</b>	—
Accruals and deferred income	<b>704,000</b>	715,500
	<b><u>10,458,060</u></b>	<b><u>14,623,425</u></b>

Amounts owed to group undertakings are unsecured, interest free and have no fixed repayment date

Deferred income relates to a receipt in respect of leasehold property development

# **BDM LOGISTICS AND MANAGEMENT LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2009**

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### **14. Pensions**

BDM Logistics and Management Limited and Kesslers International Limited, an affiliated company, operate a defined benefit funded pension scheme of which some of the company's full time employees are members. It is not possible to ascertain the company's share of the assets and liabilities of the scheme. This is considered to be a multi-employers scheme as permitted by FRS17 'Retirement Benefits'.

Consequently the company accounts for contributions to the scheme as if it were a defined contribution scheme and amounts charged to the profit and loss account are the contributions payable in the year. The charge to the profit and loss account for the year was £23,333 (2008 £20,000), being the amount allocated to the company from Kesslers International Limited.

The following disclosures are made regarding the group scheme as a whole.

#### **Kesslers Group Pensions Plan**

BDM Logistics and Management Limited and Kesslers International Limited operate a pension scheme providing benefits based on earnings near retirement or early leaving. The assets of the scheme are held separately from those of the company, being invested with professional investment managers.

The pension scheme was closed to future pension accrual on 6 April 2001 and at that date all active members of the scheme were provided with a preserved entitlement, which increases before retirement broadly in line with price inflation.

The most recent full actuarial valuation of the scheme was carried out at 6 April 2008. The liabilities of the scheme were valued using the assumptions that underlie the Minimum Funding Requirement. The assets of the scheme were taken at market value. The following were the principal actuarial assumptions applied:

Investment returns	- 6.5% per annum
Inflation	- 3.5% per annum
Pension increases	- 3.3% per annum

The valuation as at 6 April 2008 showed that the market value of the scheme's assets was £10,363,000 and that the actuarial value of those assets represented 76% of the benefits that had accrued to members. Since the members do not accrue any further benefits in the scheme, the required contribution to secure such benefits was nil.

# BDM LOGISTICS AND MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 31 DECEMBER 2009

#### 14. Pensions (continued)

The contributions paid by Kesslers International Limited and employees before 1 April 2001 were 27% and 5% of scheme salary respectively. Company contributions have been £480,000 in the year (2008 £240,000).

The actuarial valuation was updated to 31 December 2009 in accordance with the provision of FRS17.

	2009	2008	2007
Inflation	3.80%	2.70%	3.30%
Rate of discount	5.70%	6.40%	5.80%
Pension payment increases	3.60%	2.70%	3.20%
Life expectancies on retirement at age 65 are			
Retiring today - males	19.7 years	19.6 years	19.4 years
Retiring today - females	22.0 years	21.9 years	22.8 years
Retiring in 20 years time - males	20.9 years	20.9 years	19.4 years
Retiring in 20 years time - females	23.1 years	23.0 years	22.8 years

As the scheme is closed, it is not applicable to have a "rate of increase in salaries" as no more contributions are payable to the scheme.

The agreed contribution rate for future years is £480,000 (2008 £300,000) per annum.

#### Fair value of assets and expected rates of return

	Value at 31 Dec 09 £	Value at 31 Dec 08 £	Value at 31 Dec 07 £
Equities	5,137,000	4,557,000	5,872,000
Gilts	1,007,000	894,000	2,216,000
Corporate bonds	2,014,000	1,787,000	1,108,000
Index linked bonds	504,000	447,000	554,000
Other assets	1,410,000	1,250,000	1,330,000
Total fair value of assets	<u>10,072,000</u>	<u>8,935,000</u>	<u>11,080,000</u>

	Long-term rate of return expected at 31 Dec 09	Long-term rate of return expected at 31 Dec 08	Long-term rate of return expected at 31 Dec 07
Equities	7.10%	7.20%	8.00%
Gilts	4.50%	3.90%	4.50%
Corporate bonds	5.70%	6.40%	5.80%
Index linked bonds	4.50%	3.90%	4.50%
Other assets	7.10%	7.20%	7.40%

# BDM LOGISTICS AND MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

### 14. Pensions *(continued)*

#### Reconciliation of scheme assets and liabilities

	Value at 31 Dec 09 £	Value at 31 Dec 08 £	Value at 31 Dec 07 £
Fair value of scheme assets	10,072,000	8,935,000	11,080,000
Present value of scheme liabilities	(13,819,000)	(11,023,000)	(12,946,000)
Deficit in scheme and net pension liability	<u>(3,747,000)</u>	<u>(2,088,000)</u>	<u>(1,866,000)</u>

#### Movement in scheme assets

	2009 £	2008 £
Opening balance	8,935,000	11,080,000
Expected return	568,000	744,000
Employer's contributions	480,000	240,000
Actuarial gain/(loss)	680,000	(2,610,000)
Benefits paid	(591,000)	(519,000)
Closing balance	<u>10,072,000</u>	<u>8,935,000</u>

#### Movement in scheme liabilities

	2009 £	2008 £
Opening balance	(11,023,000)	(12,946,000)
Interest cost	(687,000)	(736,000)
Actuarial (gain)/loss	(2,700,000)	2,031,000
Experience gain	–	109,000
Benefits paid	591,000	519,000
Closing balance	<u>(13,819,000)</u>	<u>(11,023,000)</u>

# BDM LOGISTICS AND MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

### 14. Pensions *(continued)*

	2009 £	2008 £	2007 £	2006 £	2005 £
Present value of scheme liabilities	(13,819,000)	(11,023,000)	(12,946,000)	(12,997,000)	(13,190,000)
Fair value of scheme assets	10,072,000	8,935,000	11,080,000	10,887,000	10,339,000
Deficit	<u>(3,747,000)</u>	<u>(2,088,000)</u>	<u>(1,866,000)</u>	<u>(2,110,000)</u>	<u>(2,851,000)</u>
Experience adjustment on liabilities	-	109,000	-	-	(65,000)
Experience adjustment on assets	680,000	(2,160,000)	(269,000)	264,000	1,029,000

BDM Logistics and Management Limited is a participant in the scheme and as such the deficit has not been reconciled to the profit and loss reserve, and amounts that would have been included within operating profit as other finance costs and within the statement of total recognised gains and losses have not been shown

### 15. Deferred taxation

The movement in the deferred taxation provision during the year was

	2009 £	2008 £
Provision brought forward	233,179	52,191
Profit and loss account movement arising during the year	67,428	180,988
Provision carried forward	<u>300,607</u>	<u>233,179</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	2009 £	2008 £
Capital allowances in excess of depreciation	300,607	241,579
Short term timing differences	-	(8,400)
	<u>300,607</u>	<u>233,179</u>

# BDM LOGISTICS AND MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

### 16. Commitments under operating leases

At 31 December 2009 the company had annual commitments under non-cancellable operating leases as set out below

	<b>Land &amp; buildings</b>	
	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Operating leases which expire		
After more than five years	<b>401,625</b>	<b>401,625</b>

### 17. Related party transactions and controlling party

The immediate controlling party is Kesslers Investment Limited

The ultimate controlling party is the Kessler family

The company has taken advantage of the exemption contained in FRS8 "Related Party Disclosures" from disclosing transactions with entities which are a wholly owned part of the group

Transactions with other related parties are as follows

<b>Name (Relationship) Transaction</b>		<b>Amount</b>		<b>Amount due (to)/from related parties</b>	
		<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Kesslers International Limited (common ownership)	Directors' fees, management charges and other recharges	<b>1,175,907</b>	730,397	<b>6,588,536</b>	12,107,934
Kesslers International Group Limited (common ownership)	Loan	—	—	—	1,955,000

### 18. Share capital

	<b>2009</b>		<b>2008</b>	
	<b>No</b>	<b>£</b>	<b>No</b>	<b>£</b>
<b>Called up, allotted and fully paid:</b>				
Ordinary shares of £1 each	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

### 19. Share premium account

There was no movement on the share premium account during the financial year

# **BDM LOGISTICS AND MANAGEMENT LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2009**

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### **20. Profit and loss account**

	2009 £	2008 £
Balance brought forward	2,598,821	4,467,484
Loss for the financial year	<u>(162,323)</u>	<u>(1,868,663)</u>
Balance carried forward	<u>2,436,498</u>	<u>2,598,821</u>

### **21. Reconciliation of movements in shareholder's funds**

	2009 £	2008 £
Loss for the financial year	(162,323)	(1,868,663)
Opening shareholder's funds	<u>5,808,831</u>	<u>7,677,494</u>
Closing shareholder's funds	<u>5,646,508</u>	<u>5,808,831</u>

### **22. Parent company**

The immediate and ultimate parent undertaking is Kesslers Investment Limited, a company incorporated in England. Copies of the group financial statements are available to the public from Companies House, Crown Way, Cardiff, CF14 3UZ.