

Axial UK Limited
Annual Report
for the year ended 31 December 2008

Registered number: 1811524

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Axial UK Limited

Annual Report for the year ended 31 December 2008

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Axial UK Limited

Directors and advisers

Executive directors

A Palmer-Baunack

AF Somerville

JMH Light

TG Lampert

Independent Auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

31 Great George Street

Bristol

BS1 5QD

Company secretary and registered office

DF Harris

Boundary Way

Lufton

Yeovil

Somerset

BA22 8HZ

Axial UK Limited

Directors' report for the year ended 31 December 2008

The directors present their report and the financial statements of the company for the year ended 31 December 2008

Principal activities and review of business

The company acts as a holding company and does not trade in its own right.

Key performance indicators (KPIs)

Given the straightforward nature of the business, the directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Dividends

The directors do not recommend the payment of a dividend in respect of the year ended 31 December 2008 (2007: £nil).

Directors

The directors of the company during the year and up to the date of signing the financial statements, were :-

A Palmer-Baunack
AF Somerville
JMH Light
TG Lampert
RS Brown (resigned 16 April 2008)

Directors' indemnities

The company maintains liability insurance for its directors and officers. The company has also provided an indemnity for its directors and the secretary, which is a qualifying third party indemnity provision for the purpose of the Companies Act 1985.

Financial risk management

The company is part of the Autologic group banking arrangements and through the year maintained a positive bank balance within this group arrangement.

As the company no longer actively trades, its exposure to financial risks is limited. The company has no debt external to the Autologic group. The company therefore has only some limited exposure to credit risk on inter-company balances.

Axial UK Limited

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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). 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 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

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.

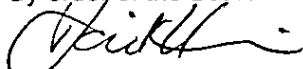
Independent Auditors

A resolution to reappoint PricewaterhouseCoopers LLP will be proposed at the Annual General Meeting.

Provision of information to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware and the directors have taken all the steps necessary to make themselves aware of any relevant audit information and to convey that information to the company's auditors.

By order of the Board



DF Harris

Company secretary

24 March 2009

Axial UK Limited

Independent Auditors' report to the members of Axial UK Limited

We have audited the financial statements of Axial UK Limited for the year ended 31 December 2008 which comprise the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

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

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 directors' report 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 other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the list of directors and advisers and the directors' report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit 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 judgments 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.

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 company's affairs as at 31 December 2008;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.


PricewaterhouseCoopers LLP

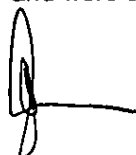
Chartered Accountants and Registered Auditors
Bristol
24 March 2009

Axial UK Limited

Balance sheet at 31 December 2008

	Notes	2008 £'000	2007 £'000
Fixed assets: Investments	3	1,048	1,048
Current assets			
Debtors	4	1,228	1,412
Cash at bank and in hand		7	-
		1,235	1,412
Creditors: amounts falling due within one year	5	-	(177)
Net current assets		1,235	1,235
Net assets		2,283	2,283
 Capital and reserves			
Called up share capital	6	32,052	32,052
Profit and loss account	7	(29,769)	(29,769)
Equity shareholders' funds	8	2,283	2,283

The financial statements on pages 5 to 8 were approved by the board of directors on 24 March 2009 and were signed on its behalf by:



AF Somerville
Director

Axial UK Limited

Notes to the financial statements for the year ended 31 December 2008

1 Accounting policies

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Going concern

The company is a subsidiary of Autologic Holdings plc ('Autologic'). The financing and cash position of the company is managed as part of the financing and cash position of the UK based Autologic group and therefore the company is reliant upon the continuance of the Autologic group. The financial position of the Autologic group is summarised within the Corporate Governance statement of Autologic's Annual Report and Accounts. Autologic's directors consider that the group and the company have adequate resources to remain in operation for at least the next 12 months.

The group meets its day to day working capital requirements through its flexible asset backed facilities which are due for renewal on 27 March 2010. Management has started discussions with GE Commercial Finance Ltd relating to the possible extension or renewal of these facilities and no matters have been drawn to its attention to suggest that either may not be forthcoming on acceptable terms.

In light of the above, the directors consider that the company has adequate resources to remain in operation for at least the next 12 months and have therefore adopted the going concern basis in preparing these financial statements.

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised only, when on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and/or from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non – discounted basis.

Investment in subsidiary undertakings

Investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

Consolidation, cash flow statement and related party disclosures

The company is a wholly owned subsidiary of Axial Holdings Limited which in turn is a wholly owned subsidiary of the Autologic Holdings plc group. The accounts of the company are included in the consolidated financial statements of Autologic Holdings plc, which are publicly available.

Consequently, the company has not prepared consolidated financial statements. The company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 "Cash flow statements" (Revised 1996). The company is also exempt under the terms of Financial Reporting Standard 8 "Related party transactions" from disclosing related party transactions with entities that are part of the Autologic Holdings plc group.

Axial UK Limited

2 Directors' emoluments and employee information

The company has no employees. All of the directors of the company are employed by other Autologic group Companies and they are remunerated by their respective company in respect of their services to the group. The directors receive no emoluments from the company, nor is any charge levied on the company by the other Autologic group Companies in respect of directors' emoluments.

3 Investments

	Investment in subsidiary undertakings £'000
Cost at 1 January 2008 and 31 December 2008	3,458
Impairment at 1 January 2008 and 31 December 2008	(2,410)
Net book value at 1 January 2008 and 31 December 2008	1,048

During 2006 the investment in Axial Technical Services Limited was impaired by £2,410,000 to reflect the value of that company.

The directors believe that the carrying value of the investments is supported by their underlying net assets.

Interests in group undertakings

Name of undertakings	Country of incorporation	Description of shares held	Proportion of nominal value of shares issued by the company
Axial Technical Services Limited	Great Britain	3,010,000 Ordinary shares of £1 each	100%
Axial Logistics	Great Britain	448,000 Ordinary shares of £1 each	100%

- i) Axial Technical Services Limited – non trading
- ii) Axial Logistics Limited – non trading

4 Debtors

	2008 £'000	2007 £'000
Amounts falling due within one year		
Amounts owed by group undertakings	1,225	1,376
Prepayments	3	36
	1,228	1,412

Axial UK Limited

5 Creditors: amounts falling due within one year

	2008 £'000	2007 £'000
Bank overdraft	-	29
Corporation tax	-	148
	-	177

6 Called up share capital

	2008 £'000	2007 £'000
Authorised		
32,052,000 ordinary shares of £1 each	32,052	32,052
Allotted and fully paid		
32,052,000 ordinary shares of £1 each	32,052	32,052

7 Profit and loss account

	£'000
At 1 January 2008 and 31 December 2008	(29,769)

8 Reconciliation of movements in shareholders' funds

	2008 £000	2007 £000
Opening and closing shareholders' funds	2,283	2,283

9 Contingent liabilities

The company has given an unlimited multilateral cross company guarantee to its bankers in respect of other Autologic Holdings plc group companies and fellow subsidiary companies.

The company is a participant in a group banking arrangement under which all surplus cash balances are held as collateral for bank facilities advanced to group members. In addition the company has issued an unlimited guarantee to the bank to support these group facilities.

10 Ultimate and immediate parent companies

The directors regard Axial Holdings Limited, a company incorporated in Great Britain, as the immediate parent company by virtue of its 100% interest in the share capital of the company. Autologic Holdings plc, a company incorporated in Great Britain, is the ultimate parent company and the only undertaking to consolidate these financial statements. Copies of the consolidated financial statements of Autologic Holdings plc can be obtained from the company secretary at Autologic House, 5 Grange Park Court, Roman Way, Northampton, NN4 5EA.