

REGISTRAR

PX Limited

Report and Financial Statements

31 March 2013



Directors

T J Underdown
M R Green
I Clifford

Secretary

PX Appointments Limited

Auditor

Ernst & Young LLP
Citygate
St James' Boulevard
Newcastle upon Tyne
NE1 4JD

Registered Office

PX House
Westpoint Road
Stockton on Tees
TS176BF

Directors' report

The directors present their report and the audited financial statements of the company for the year ended 31 March 2013

Results and dividends

The profit for the year after taxation amounted to £407,901 (2012 – £753,477) The directors do not recommend a dividend (2012 – £nil)

Principal activities and review of the business

The principal activities of the company in the year under review were the provision of operation and management services and the provision of general services to other companies within the PX group The company also acted as a cost and recharge centre for companies within the PX group during the year

The results for the year and financial position of the company are as shown in the annexed financial statements

The directors are satisfied with the results for the year which show a profit being made This is in spite of one customer entering into a Company Voluntary Agreement with its creditors (including PX Limited) during the year

Future developments

An operating agreement has been signed since the year end for a new plant currently under construction The company is also in detailed discussions with potential clients over other operating agreements

Principal risks and uncertainties

There are no perceived risks from cost recoveries and management fees from companies within the px group Tight controls are in place in respect of cost recoveries from third parties to ensure they are received on a timely basis

The company now has several long term operations and management agreements which have spread the risk associated with this source of income

Key performance indicators

The company monitors the bonuses receivable from its customers these can be for safe operations, plant productivity or cost savings achieved on behalf of customers These are key to the business as they indicate customer satisfaction

As safety is considered paramount, the number of reportable incidents and lost time accidents for the company is monitored no such accidents or incidents occurred during the year

Staff turnover is monitored as the business is dependent on its skilled workforce During the year the target of turnover under 10% was achieved, with the actual figure being 8%

Political and charitable contributions

Total charitable contributions made during the year amounted to £23,377 (2012 – £19,283)

Directors

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

T J Underdown

M R Green

P A Hutchinson (resigned 26 July 2013)

I Clifford

Directors' report (continued)

Going concern

The directors have considered the company's current and future prospects and its availability of financing, and are satisfied that the company can continue to pay its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements. For this reason the directors continue to adopt the going concern basis of preparation for these financial statements.

Disclosure of information to the auditor

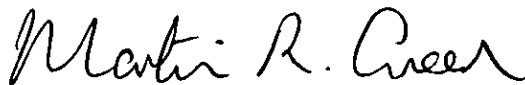
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

CP Waites resigned as auditor on 31 January 2013 and Ernst & Young LLP was appointed in their place.

A resolution to reappoint Ernst & Young LLP as auditor will be put to the members at the Annual General Meeting.

On behalf of the Board



MR Green

10 September 2013

Statement of 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 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



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Independent auditor's report

to the members of PX Limited

We have audited the financial statements of PX Limited for the year ended 31 March 2013 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 14. 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 members, 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 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 4, 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 and express an opinion on 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 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. In addition, we read all the financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the 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 March 2013 and of its profit 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.



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Independent auditor's report

to the members of PX 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

Darren Rutherford (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP (Statutory Auditor)
Newcastle upon Tyne
10 September 2013

Profit and loss account

for the year ended 31 March 2013

	Notes	2013 £	2012 £
Turnover		29,900,983	27,037,483
Cost of sales		(24,235,792)	(21,286,010)
Gross profit		5,665,191	5,751,473
Administrative expenses		(5,245,713)	(4,721,958)
Operating profit	2	419,478	1,029,515
Interest receivable and similar income	4	556	962
Profit on ordinary activities before taxation		420,034	1,030,477
Tax on profit on ordinary activities	5	(12,133)	(277,000)
Profit for the financial year	10	407,901	753,477

All of the company's activities are continuing

Statement of total recognised gains and losses

for the year ended 31 March 2013

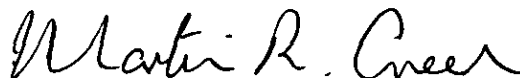
There are no recognised gains or losses other than the profit attributable to the shareholder of the company of £407,901 in the year ended 31 March 2013 (2012 – profit of £753,477)

Balance sheet

at 31 March 2013

	Notes	2013 £	2012 £
Fixed assets			
Tangible assets	6	147,237	186,109
Current assets			
Debtors	7	5,814,648	3,958,129
Cash in hand		302,165	393,375
		6,116,813	4,351,504
Creditors amounts falling due within one year	8	5,904,481	4,585,945
Net current assets		212,332	(234,441)
Total assets less current liabilities		359,569	(48,332)
Capital and reserves			
Called up share capital	9	50	50
Capital redemption reserve	10	51	51
Profit and loss account	10	359,468	(48,433)
Shareholder's funds/(deficit)	11	359,569	(48,332)

The financial statements were approved and authorised for issue by the Board of Directors on 10 September 2013 and were signed on the Board's behalf by



M R Green

Notes to the financial statements

at 31 March 2013

1. Accounting policies

Fundamental accounting concept

The financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future and meet its liabilities as they fall due

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards

Turnover

Turnover represents net invoiced sales of services and recharges, excluding value added tax, derived from ordinary activities within the United Kingdom

Statement of cash flows

In accordance with Financial Reporting Standard No 1 (Revised 1996), no statement of cashflow has been prepared as the company's cashflows are included in the group financial statement of its ultimate UK parent undertaking which are made available to the public

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Leasehold Improvements	–	20% on cost
Fixtures, fittings and equipment	–	20% on cost
Motor vehicles	–	25% on cost
Computer equipment	–	25% on cost

A full year's depreciation is charged in the year of acquisition

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable

Deferred taxation

Deferred taxation 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 right to pay less or to receive more, tax, with the following exception

- 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

Operating leases

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease

Pensions

The company makes contributions on behalf of its employees to a defined contribution pension scheme. Contributions payable are charged to the profit and loss account in the period to which they relate

Notes to the financial statements

at 31 March 2013

2. Operating profit

This is stated after charging/(crediting)

	2013 £	2012 £
Auditor's remuneration for audit of pension scheme	10,700	5,825
Depreciation of owned fixed assets	128,145	124,850
Payments under operating leases	142,767	156,075
Management fees receivable from group companies	<u>(3,260,000)</u>	<u>(3,440,000)</u>

The auditor's remuneration for the audit of the financial statements will be borne by the company's immediate parent undertaking

3. Staff costs and directors' remuneration

	2013 £	2012 £
Wages and salaries	11,441,348	11,441,960
Social security costs	1,313,880	1,230,126
Pension costs	1,556,781	1,483,961
	<u>14,312,009</u>	<u>14,156,047</u>

The average monthly number of employees during the year was made up as follows

	No	No
Directors	4	4
Operational staff	236	241
	<u>240</u>	<u>245</u>
Directors' remuneration	725,541	705,482
Directors' pension contributions to money purchase schemes	<u>22,692</u>	<u>86,524</u>

The emoluments of the highest paid director were as follows

Remuneration	312,865	294,177
Pension contributions to money purchase schemes	<u>—</u>	<u>36,164</u>

4. Interest receivable and similar income

	2013 £	2012 £
Bank interest	<u>556</u>	<u>962</u>

Notes to the financial statements

at 31 March 2013

5. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows

	2013 £	2012 £
Current tax:		
UK corporation tax on the profit for the year	119,616	276,887
Adjustments in respect of previous periods	(83,165)	113
Total current tax (note 5(b))	<u>36,451</u>	<u>277,000</u>
Deferred tax:		
Origination and reversal of timing differences	(24,318)	–
Tax on profit on ordinary activities	<u>12,133</u>	<u>277,000</u>

(b) Factors affecting tax charge for the year

The tax assessed for the year is lower than (2012 – higher than) the standard rate of corporation tax in the UK of 24% (2012 – 26%) The differences are explained below

	2013 £	2012 £
Profit on ordinary activities before tax	<u>420,034</u>	<u>1,030,477</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24% (2012 – 26%)	100,808	267,924
<i>Effects of</i>		
Disallowable expenditure	4,357	3,619
Decelerated capital allowances and other timing differences	14,451	5,344
Adjustments in respect of previous periods	(83,165)	113
Current tax for the year (note 5(a))	<u>36,451</u>	<u>277,000</u>

(c) Deferred tax

	2013 £	2012 £
Deferred tax asset (note 7)	<u>24,318</u>	<u>–</u>
		<i>Deferred tax</i>
		£
At 1 April 2012		–
Credited during the year		24,318
At 31 March 2013		<u>24,318</u>

All of the deferred tax asset is in respect of decelerated capital allowances

Notes to the financial statements

at 31 March 2013

5. Tax (continued)

(d) Factors that may affect future tax charges

The UK government announced its intention to reduce the UK corporation tax rate to 20% by 1 April 2015. The reduction from 26% to 24% was substantively enacted on 26 March 2012 and came into effect on 1 April 2012. It was intended that the rate from 1 April 2013 would be 23%, and this was substantively enacted on 3 July 2012. The enacted reduction to 23% has been applied to the deferred tax assets/liabilities arising at the balance sheet date.

6. Tangible fixed assets

	<i>Leasehold improve- ments</i>	<i>Fixtures, fittings and equipment</i>	<i>Motor vehicles</i>	<i>Computer equipment</i>	<i>Total</i>
	£	£	£	£	£
Cost					
At 1 April 2012	352,907	114,765	32,556	560,985	1,061,213
Additions	–	6,936	–	82,337	89,273
Disposals	–	(8,730)	–	(33,893)	(42,623)
At 31 March 2013	352,907	112,971	32,556	609,429	1,107,863
Depreciation					
At 1 April 2012	352,907	113,034	15,828	393,335	875,104
Charge for the year	–	2,296	5,576	120,273	128,145
On disposals	–	(8,730)	–	(33,893)	(42,623)
At 31 March 2013	352,907	106,600	21,404	479,715	960,626
Net book value					
At 31 March 2013	–	6,371	11,152	129,714	147,237
At 1 April 2012	–	1,731	16,728	167,650	186,109

7. Debtors

	2013	2012
	£	£
Trade debtors	2,256,551	2,504,160
Amounts owed by group undertakings	2,830,121	769,443
Corporation tax	33,297	–
Deferred tax asset (note 5(c))	24,318	–
Prepayments and accrued income	670,361	684,526
	<u>5,814,648</u>	<u>3,958,129</u>

Notes to the financial statements

at 31 March 2013

8. Creditors: amounts falling due within one year

	2013 £	2012 £
Trade creditors	371,657	1,252,962
Amounts owed to group undertakings	220,152	–
Corporation tax	–	276,887
Social security and other taxes	1,024,125	1,055,808
Accruals and deferred income	4,288,547	1,988,438
Amount owed to PX Pension Scheme	–	11,850
	<u>5,904,481</u>	<u>4,585,945</u>

9. Issued share capital

	2013		2012	
<i>Allotted, called up and fully paid</i>	<i>No</i>	<i>£</i>	<i>No</i>	<i>£</i>
B Ordinary share capital of £1 each	49	49	49	49
Preference share capital of £1 each	1	<u>1</u>	1	<u>1</u>

The preference share has a right to a dividend entitlement under certain conditions and the right to a return of capital on liquidation after the return for the ordinary shares. The preference share however has no voting rights unless there are breaches in respect of certain agreements.

10. Movements on reserves

	<i>Profit and loss account</i> £	<i>Capital redemption reserve</i> £	<i>Totals</i> £
At 1 April 2012	(48,433)	51	(48,382)
Profit for the year	407,901	–	407,901
At 31 March 2013	<u>359,468</u>	<u>51</u>	<u>359,519</u>

11. Reconciliation of shareholder's funds

	2013 £	2012 £
Profit for the financial year	407,901	753,477
Net addition to shareholder's funds	407,901	753,477
Opening shareholder's funds	(48,332)	(801,809)
Closing shareholder's funds	<u>359,569</u>	<u>(48,332)</u>

Notes to the financial statements

at 31 March 2013

12. Other financial commitments

At 31 March 2013 the company had annual commitments under non-cancellable operating leases as set out below

	2013		2012	
	<i>Land and buildings</i>	<i>Other</i>	<i>Land and buildings</i>	<i>Other</i>
	£	£	£	£
Operating leases which expire				
Within one year	125,000	1,260	18,153	490
In two to five years	14,851	1,656	125,000	1,560
	<u>139,851</u>	<u>2,916</u>	<u>143,153</u>	<u>2,050</u>

13. Related party transactions

The company has taken advantage of the exemption in FRS 8 not to disclose transactions with directly or indirectly wholly owned subsidiaries of PX Group Limited. There are no other related party transactions to disclose.

14. Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is PX Holdings Limited. The ultimate parent undertaking and controlling party is PX Group Limited. PX Group Limited is the parent of the only group of undertakings for which group financial statements are drawn up. Financial statements for PX Holdings Limited and PX Group Limited are available from PX House, Westpoint Road, Stockton on Tees, TS17 6BF.