

COMPANY REGISTRATION NUMBER 2598501

APEX CYLINDERS LIMITED
ACCOUNTS

30 SEPTEMBER 2008

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APEX CYLINDERS LIMITED

ACCOUNTS

PERIOD FROM 1 JANUARY 2008 TO 30 SEPTEMBER 2008

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APEX CYLINDERS LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

Board of directors	J W Gilmour K Saueressig A S Bendall
Company secretary	Velocity Company Secretarial Services Limited
Registered office	405 Central Park Petherton Road Hengrove Bristol BS14 9BZ
Auditor	Nexia Smith & Williamson LLP Chartered Accountants & Registered Auditors Portwall Place Portwall Lane Bristol BS1 6NA
Solicitors	Veale Wasbrough Orchard Court Orchard Lane Bristol BS1 5DS

APEX CYLINDERS LIMITED

DIRECTORS' REPORT

PERIOD FROM 1 JANUARY 2008 TO 30 SEPTEMBER 2008

The directors have pleasure in presenting their report and the accounts of the company for the period from 1 January 2008 to 30 September 2008.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the period was that of suppliers of gravure engraved cylinders for the packaging industry.

The results for the period to 30 September 2008 are very positive for Apex Cylinders Limited which has benefitted from circumstances in our market. A solid and stable base has been created in advance of a likely period of recession-led slow down in activity.

RESULTS AND DIVIDENDS

The profit for the period amounted to £178,889. The directors have not recommended a dividend.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company's accounts comprise cash at bank, bank overdraft, bank loans and invoice financing. The main purpose of these financial instruments is to raise finance for the company's operations.

The main risks arising from the company's financial instruments are interest rate fluctuations and liquidity risk. It is the company's policy to finance its operations through a mixture of cash and borrowings and to periodically review the mix of these instruments with regard to the projected cash flow requirements of the company and an acceptable level of risk exposure.

DIRECTORS

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

J W Gilmour
K Saueressig
A S Bendall

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The accounts 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 accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

APEX CYLINDERS LIMITED

DIRECTORS' REPORT *(continued)*

PERIOD FROM 1 JANUARY 2008 TO 30 SEPTEMBER 2008

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 accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

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

AUDITORS

The current auditors, Nexia Smith & Williamson LLP, are deemed to be reappointed as auditors.

Signed on behalf of the directors



J W Gilmour
Director

Approved by the directors on 15 October 2008

APEX CYLINDERS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF APEX CYLINDERS LIMITED

PERIOD FROM 1 JANUARY 2008 TO 30 SEPTEMBER 2008

We have audited the accounts of Apex Cylinders Limited for the period from 1 January 2008 to 30 September 2008 on pages 6 to 19, which have been prepared on the basis of the accounting policies set out on pages 10 to 11.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

The directors' responsibilities for preparing the accounts 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 accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts 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 accounts.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

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

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

APEX CYLINDERS LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
APEX CYLINDERS LIMITED *(continued)***

PERIOD FROM 1 JANUARY 2008 TO 30 SEPTEMBER 2008

OPINION

In our opinion:

- the accounts 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 30 September 2008 and of its profit for the period then ended;
- the accounts have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the accounts.



NEXIA SMITH & WILLIAMSON LLP
Chartered Accountants
& Registered Auditors
Bristol

15 October 2008

APEX CYLINDERS LIMITED
PROFIT AND LOSS ACCOUNT
PERIOD FROM 1 JANUARY 2008 TO 30 SEPTEMBER 2008

		Period from 1 Jan 08 to 30 Sep 08 £	Year to 31 Dec 07 £
	Note		
TURNOVER	2	2,478,904	2,265,587
Cost of sales		(1,479,515)	(1,423,236)
GROSS PROFIT		999,389	842,351
Administrative expenses		(732,391)	(880,592)
Other operating income		15,799	7,279
OPERATING PROFIT/(LOSS)	3	282,797	(30,962)
Interest receivable		—	3,474
Interest payable and similar charges	6	(103,908)	(132,643)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		178,889	(160,131)
Tax on profit/(loss) on ordinary activities	7	—	12,383
PROFIT/(LOSS) FOR THE FINANCIAL PERIOD		<u>178,889</u>	<u>(147,748)</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 period as set out above.

The notes on pages 10 to 19 form part of these accounts.

APEX CYLINDERS LIMITED**BALANCE SHEET****30 SEPTEMBER 2008**

	Note	30 Sep 08 £	£	31 Dec 07 £	£
FIXED ASSETS					
Tangible assets	8		1,576,000		1,462,892
CURRENT ASSETS					
Stocks	9	156,746		141,801	
Debtors	10	1,004,842		581,915	
Cash at bank and in hand		1,231		54,299	
		<u>1,162,819</u>		<u>778,015</u>	
CREDITORS: Amounts falling due within one year	11	<u>(673,948)</u>		<u>(312,435)</u>	
NET CURRENT ASSETS			<u>488,871</u>		<u>465,580</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,064,871</u>		<u>1,928,472</u>
CREDITORS: Amounts falling due after more than one year	12		<u>(2,024,840)</u>		<u>(2,067,330)</u>
NET ASSETS/(LIABILITIES)			<u>40,031</u>		<u>(138,858)</u>
CAPITAL AND RESERVES					
Called-up equity share capital	17		100		100
Other reserves	18		32		32
Profit and loss account	18		<u>39,899</u>		<u>(138,990)</u>
EQUITY SHAREHOLDERS' FUNDS/(DEFICIT)	19		<u>40,031</u>		<u>(138,858)</u>

These accounts were approved by the directors on 15 October 2008 and are signed on their behalf by:


J W Gilmour
Director

The notes on pages 10 to 19 form part of these accounts.

APEX CYLINDERS LIMITED**CASH FLOW STATEMENT****PERIOD FROM 1 JANUARY 2008 TO 30 SEPTEMBER 2008**

	Period from 1 Jan 08 to 30 Sep 08 £	£	Year to 31 Dec 07 £	£
NET CASH INFLOW FROM OPERATING ACTIVITIES		316,562		230,523
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest received	—		3,474	
Interest paid	(103,908)		(132,643)	
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(103,908)		(129,169)
TAXATION		—		(710)
CAPITAL EXPENDITURE				
Payments to acquire tangible fixed assets	(297,177)		(172,206)	
Receipts from sale of fixed assets	25,627		14,663	
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE		(271,550)		(157,543)
CASH OUTFLOW BEFORE FINANCING		(58,896)		(56,899)
FINANCING				
Repayment of bank loans	(37,524)		(43,899)	
Capital element of finance leases	(9,327)		(3,471)	
NET CASH OUTFLOW FROM FINANCING		(46,851)		(47,370)
DECREASE IN CASH		(105,747)		(104,269)

The notes on pages 10 to 19 form part of these accounts.

APEX CYLINDERS LIMITED**CASH FLOW STATEMENT** *(continued)***PERIOD FROM 1 JANUARY 2008 TO 30 SEPTEMBER 2008****RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	Period from 1 Jan 08 to 30 Sep 08 £	Year to 31 Dec 07 £
Operating profit/(loss)	282,797	(30,962)
Depreciation	174,241	223,990
Profit on disposal of fixed assets	(15,799)	(7,279)
Increase in stocks	(14,945)	(12,396)
(Increase)/decrease in debtors	(422,927)	168,867
Increase/(decrease) in creditors	313,195	(111,967)
Net cash inflow from operating activities	<u>316,562</u>	<u>230,523</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	30 Sep 08 £	31 Dec 07 £
Decrease in cash in the period	(105,747)	(104,269)
Net cash outflow from bank loans	37,524	43,899
Cash outflow in respect of finance leases	<u>9,327</u>	<u>3,471</u>
Change in net debt	<u>(58,896)</u>	<u>(56,899)</u>
Net debt at 1 January 2008	<u>(119,919)</u>	<u>(63,020)</u>
Net debt at 30 September 2008	<u>(178,815)</u>	<u>(119,919)</u>

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Jan 2008 £	Cash flows £	At 30 Sep 2008 £
Net cash:			
Cash in hand and at bank	54,299	(53,068)	1,231
Overdrafts	—	(52,679)	(52,679)
	<u>54,299</u>	<u>(105,747)</u>	<u>(51,448)</u>
Debt:			
Debt due within 1 year	(49,128)	271	(48,857)
Debt due after 1 year	(115,763)	37,253	(78,510)
Finance lease agreements	(9,327)	9,327	—
	<u>(174,218)</u>	<u>46,851</u>	<u>(127,367)</u>
Net debt	<u>(119,919)</u>	<u>(58,896)</u>	<u>(178,815)</u>

The notes on pages 10 to 19 form part of these accounts.

APEX CYLINDERS LIMITED

NOTES TO THE ACCOUNTS

PERIOD FROM 1 JANUARY 2008 TO 30 SEPTEMBER 2008

1. ACCOUNTING POLICIES

Basis of accounting

The accounts have been prepared under the historical cost convention.

Turnover

The turnover shown in the profit and loss account represents sales made in the period.

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:

Freehold property	- 2% on cost
Plant and machinery	- 10% on cost
Fixtures and fittings	- 20% reducing balance
Motor vehicles	- 25% reducing balance
Computer equipment	- 33% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value.

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

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 company operates a defined contribution, externally managed pension scheme covering some of its employees. Contributions are charged against profits as the contributions are made.

APEX CYLINDERS LIMITED

NOTES TO THE ACCOUNTS

PERIOD FROM 1 JANUARY 2008 TO 30 SEPTEMBER 2008

3. OPERATING PROFIT/(LOSS) *(continued)*

Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted. No provision has been made for deferred tax assets.

Foreign currencies

Assets and liabilities denominated 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.

Going concern

The accounts have been prepared on the going concern basis, following confirmation from Sauressig GMBH and Camlyn Investments Limited, the shareholders, of their continuing financial support by not demanding repayment of their intercompany debts until funds allow and by continuing to provide such financial support as is necessary to the company.

2. TURNOVER

The profit before tax is attributable to the one principal activity of the company.

An analysis of turnover is given below:

	Period from 1 Jan 08 to 30 Sep 08 £	Year to 31 Dec 07 £
United Kingdom	2,295,258	2,126,851
European countries	183,646	138,736
	<u>2,478,904</u>	<u>2,265,587</u>

3. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging/(crediting):

	Period from 1 Jan 08 to 30 Sep 08 £	Year to 31 Dec 07 £
Depreciation of owned fixed assets	174,032	220,269
Depreciation of assets held under finance lease agreements	209	3,721
Profit on disposal of fixed assets	(15,799)	(7,279)
Auditor's remuneration	10,850	6,135
Operating lease costs:		
Other	5,371	4,098
Net loss on foreign currency translation	3,445	1,855
Redundancy costs	—	60,435
	<u> </u>	<u> </u>

APEX CYLINDERS LIMITED**NOTES TO THE ACCOUNTS****PERIOD FROM 1 JANUARY 2008 TO 30 SEPTEMBER 2008**

4. PARTICULARS OF EMPLOYEES

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

	Period from 1 Jan 08 to 30 Sep 08	Year to 31 Dec 07
	No	No
Production staff	38	35
Administrative staff	6	5
Directors	3	2
	<u>47</u>	<u>42</u>

The aggregate payroll costs of the above were:

	Period from 1 Jan 08 to 30 Sep 08	Year to 31 Dec 07
	£	£
Wages and salaries	1,007,523	1,084,651
Social security costs	109,708	116,063
Other pension costs	37,873	51,063
	<u>1,155,104</u>	<u>1,251,777</u>

5. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	Period from 1 Jan 08 to 30 Sep 08	Year to 31 Dec 07
	£	£
Aggregate emoluments	86,017	110,137
Value of company pension contributions to money purchase schemes	3,357	4,359
	<u>89,374</u>	<u>114,496</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	Period from 1 Jan 08 to 30 Sep 08	Year to 31 Dec 07
	No	No
Money purchase schemes	<u>2</u>	<u>2</u>

APEX CYLINDERS LIMITED**NOTES TO THE ACCOUNTS****PERIOD FROM 1 JANUARY 2008 TO 30 SEPTEMBER 2008****6. INTEREST PAYABLE AND SIMILAR CHARGES**

	Period from 1 Jan 08 to 30 Sep 08 £	Year to 31 Dec 07 £
Interest payable on bank borrowing	17,252	13,909
Finance charges	120	905
Other similar charges payable	86,536	117,829
	<u>103,908</u>	<u>132,643</u>

7. TAXATION ON ORDINARY ACTIVITIES

Analysis of charge in the period

	Period from 1 Jan 08 to 30 Sep 08 £	£	Year to 31 Dec 07 £	£
Deferred tax:				
Origination and reversal of timing differences				
Capital allowances	(1,555)		80,618	
Losses	48,013		(97,069)	
Other	(46,458)		4,068	
Total deferred tax (note 14)		<u>-</u>		<u>(12,383)</u>

At 30 September 2008, the company had tax losses available to carry forward of £24,292 (31 December 2007 - £195,972).

Factors affecting current tax charge

The tax assessed on the profit/(loss) on ordinary activities for the period is lower than the standard rate of corporation tax in the UK of 28.66% (2007 - 30%).

	Period from 1 Jan 08 to 30 Sep 08 £	Year to 31 Dec 07 £
Profit/(loss) on ordinary activities before taxation	<u>178,889</u>	<u>(160,131)</u>
Profit on ordinary activities by rate of tax	51,277	-
Depreciation in excess of capital allowances	(137)	-
Expenses not tax deductible	575	-
Other short term timing differences	(2,562)	-
Unrelieved tax losses and other tax deductions	<u>(49,153)</u>	<u>-</u>
Total current tax	<u>-</u>	<u>-</u>

APEX CYLINDERS LIMITED**NOTES TO THE ACCOUNTS****PERIOD FROM 1 JANUARY 2008 TO 30 SEPTEMBER 2008****8. TANGIBLE FIXED ASSETS**

	Freehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Computer Equipment £	Total £
COST						
At 1 Jan 2008	1,151,265	3,578,533	278,088	18,665	367,379	5,393,930
Additions	3,332	216,234	20,293	18,425	38,893	297,177
Disposals	–	(593,882)	–	(15,665)	–	(609,547)
At 30 Sep 2008	<u>1,154,597</u>	<u>3,200,885</u>	<u>298,381</u>	<u>21,425</u>	<u>406,272</u>	<u>5,081,560</u>
DEPRECIATION						
At 1 Jan 2008	296,557	3,059,283	236,853	6,003	332,342	3,931,038
Charge for the period	17,309	122,762	7,703	3,154	23,313	174,241
On disposals	–	(593,882)	–	(5,837)	–	(599,719)
At 30 Sep 2008	<u>313,866</u>	<u>2,588,163</u>	<u>244,556</u>	<u>3,320</u>	<u>355,655</u>	<u>3,505,560</u>
NET BOOK VALUE						
At 30 Sep 2008	<u>840,731</u>	<u>612,722</u>	<u>53,825</u>	<u>18,105</u>	<u>50,617</u>	<u>1,576,000</u>
At 31 Dec 2007	<u>854,708</u>	<u>519,250</u>	<u>41,235</u>	<u>12,662</u>	<u>35,037</u>	<u>1,462,892</u>

Finance lease agreements

Included within the net book value of £1,576,000 is £Nil (2007 - £12,663) relating to assets held under finance lease agreements. The depreciation charged to the accounts in the period in respect of such assets amounted to £209 (2007 - £3,721).

9. STOCKS

	30 Sep 08 £	31 Dec 07 £
Raw materials	111,566	122,221
Work in progress	45,180	19,580
	<u>156,746</u>	<u>141,801</u>

APEX CYLINDERS LIMITED**NOTES TO THE ACCOUNTS****PERIOD FROM 1 JANUARY 2008 TO 30 SEPTEMBER 2008****10. DEBTORS**

	30 Sep 08	31 Dec 07
	£	£
Trade debtors	953,028	485,443
Amounts owed by group undertakings	5,171	30
Other debtors	36	60,357
Directors' current accounts	8,700	10,755
Prepayments and accrued income	37,907	25,330
	<u>1,004,842</u>	<u>581,915</u>

The overdrawn directors' current account relates to an amount owed by J W Gilmour. The maximum balance owed during the period by J W Gilmour was £8,700 (2007 - £8,700). Amounts were owed by A S Bendall during the period although these were repaid during the period. The maximum balance owed during the period by A S Bendall was £2,055 (2007 - £4,000).

11. CREDITORS: Amounts falling due within one year

	30 Sep 08	31 Dec 07
	£	£
Bank loans and overdrafts	101,536	49,128
Trade creditors	102,388	67,216
Amounts owed to group undertakings	37,951	14,761
Other creditors including taxation and social security:		
PAYE and social security	42,944	31,827
VAT	113,051	62,757
Finance lease agreements	—	4,090
Other creditors	<u>225,211</u>	<u>55,028</u>
	381,206	153,702
Accruals and deferred income	50,867	27,628
	<u>673,948</u>	<u>312,435</u>

Other creditors includes an amount of £175,024 (2007 - £nil) relating to Clydesdale Bank PLC invoice financing which is secured against the trade debtors of the company.

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	30 Sep 08	31 Dec 07
	£	£
Bank loans and overdrafts	48,857	49,128
Finance leases and similar agreements	—	4,090
	<u>48,857</u>	<u>53,218</u>

The bank loans and overdraft are secured by fixed and floating charges over the assets of the company. The finance leases and similar agreements are secured on the assets to which they relate.

APEX CYLINDERS LIMITED**NOTES TO THE ACCOUNTS****PERIOD FROM 1 JANUARY 2008 TO 30 SEPTEMBER 2008****12. CREDITORS: Amounts falling due after more than one year**

	30 Sep 08	31 Dec 07
	£	£
Bank loans and overdrafts	78,510	115,763
Other creditors:		
Finance lease agreements	—	5,237
Other loans	1,846,015	1,846,015
Other creditors	<u>100,315</u>	<u>100,315</u>
	1,946,330	1,951,567
	<u>2,024,840</u>	<u>2,067,330</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	30 Sep 08	31 Dec 07
	£	£
Bank loans and overdrafts	<u>78,510</u>	<u>115,763</u>

13. COMMITMENTS UNDER FINANCE LEASE AGREEMENTS

Future commitments under finance lease agreements are as follows:

	30 Sep 08	31 Dec 07
	£	£
Finance lease agreements are analysed as follows:		
Current obligations	-	4,090
Non-current obligations	-	5,237
	<u>-</u>	<u>9,327</u>

14. DEFERRED TAXATION

The movement in the deferred taxation provision during the period was:

	Period from 1 Jan 08 to 30 Sep 08	Year to 31 Dec 07
	£	£
Provision brought forward	-	12,383
Profit and loss account movement arising during the period	-	(12,383)
Provision carried forward	<u>-</u>	<u>-</u>

APEX CYLINDERS LIMITED**NOTES TO THE ACCOUNTS****PERIOD FROM 1 JANUARY 2008 TO 30 SEPTEMBER 2008**

14. DEFERRED TAXATION *(continued)*

The elements of deferred taxation, which result in a nil balance at the end of the period are as follows:

	30 Sep 08 £	31 Dec 07 £
Excess of taxation allowances over depreciation on fixed assets	63,009	64,564
Tax losses available	(6,859)	(54,872)
Other timing differences	(56,150)	(9,692)
	<u>-</u>	<u>-</u>

In addition to the above there is an unprovided deferred tax asset of £47,492 (2007 - £96,453) in respect other timing differences.

15. COMMITMENTS UNDER OPERATING LEASES

At 30 September 2008 the company had annual commitments under non-cancellable operating leases as set out below.

	Assets Other Than Land & Buildings	
	30 Sep 08 £	31 Dec 07 £
Operating leases which expire:		
Within 1 year	3,374	3,255
Within 2 to 5 years	16,239	14,540
	<u>19,613</u>	<u>17,795</u>

APEX CYLINDERS LIMITED

NOTES TO THE ACCOUNTS

PERIOD FROM 1 JANUARY 2008 TO 30 SEPTEMBER 2008

16. RELATED PARTY TRANSACTIONS

The following details amounts owed to the company's shareholders:

Related party	Nature of amount owed	Amount owed 30 Sept 2008 £	Amount owed 31 Dec 2007 £	Relationship
Saueressig GmbH	Loan	1,126,069	1,126,069	Shareholder
Camlyn Investments Limited	Loan	719,946	719,946	Shareholder

During the period loan interest payable of £32,398 (2007 - £43,197) was charged by Camlyn Investments Limited and £50,673 (2007 - £67,564) was charged by Saueressig GmbH on the above loans.

The total amounts of accrued loan interest due in more than one year outstanding in respect of these loans at 30 September 2008 were £48,481 (2007 - £48,481) due to Saueressig GmbH and £51,834 (2007 - £51,834) due to Camlyn Investments Limited.

The total amount of loan interest due within one year that was outstanding at the year end was £5,040 (2007 - £4,320) due to Camlyn Investments Limited and £5,630 (2007 - £5,630) due to Saueressig GmbH.

During the period the company purchased goods totalling £104,785 (2007 - £64,049) from Saueressig GmbH. At 30 September 2008 an amount of £37,951 (2007 - £14,761) remained outstanding.

In addition the company sold goods totalling £5,141 (2007 - £180) to Saueressig GmbH. At 30 September 2008 an amount of £5,171 (2007 - £30) remained outstanding.

The immediate controlling party is Saueressig GmbH, a company registered in Germany.

The ultimate controlling party is Matthews International Corporation, a company registered in the United States of America.

Copies of the accounts of Matthews International Corporation are available from www.matthewsinternational.com.

17. SHARE CAPITAL

Authorised share capital:

	30 Sep 08 £	31 Dec 07 £
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	30 Sep 08		31 Dec 07	
	No	£	No	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

APEX CYLINDERS LIMITED**NOTES TO THE ACCOUNTS****PERIOD FROM 1 JANUARY 2008 TO 30 SEPTEMBER 2008**

18. RESERVES

	Capital redemption reserve £	Profit and loss account £
Balance brought forward	32	(138,990)
Profit for the period	—	178,889
Balance carried forward	<u>32</u>	<u>39,899</u>

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	30 Sep 08 £	31 Dec 07 £
Profit/(Loss) for the financial period	178,889	(147,748)
Opening shareholders' (deficit)/funds	(138,858)	8,890
Closing shareholders' funds/(deficit)	<u>40,031</u>	<u>(138,858)</u>