
WESTEX LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2009

TUESDAY



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20/07/2010
COMPANIES HOUSE

WESTEX LIMITED

COMPANY INFORMATION

DIRECTORS	R Keable A R Fryer
COMPANY SECRETARY	R Vesey
COMPANY NUMBER	1475497
REGISTERED OFFICE	Leytonstone House Leytonstone London E11 1GA
AUDITOR	Barnes Roffe LLP Chartered Accountants Statutory Auditor Leytonstone House Leytonstone London E11 1GA
BANKERS	HSBC Bank PLC Stratford London E15 1XL
SOLICITORS	Wollastons LLP Brierly Place New London Road Chelmsford Essex CM2 0AP

WESTEX LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2009

The directors present their report and the financial statements for the year ended 31 July 2009

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,
- 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.

PRINCIPAL ACTIVITIES

The principal activities of the company continue to be the provision of warehousing, mailing, distribution and transport services. The company also provides sales and marketing consultancy.

WESTEX LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2009

BUSINESS REVIEW

The company continues to facilitate storage and distribution contracts for both products and printed matter from three geographical locations in the South East of England

The directors consider the key performance indicators to be turnover, £10,229,775 (2008 - £9,837,005), and gross margin, £3,086,423 (2008 - £2,930,836)

Health & beauty sales now account for 80% of total business - retail sales for our key customers in these sectors have held up well during the last six months of 2009 and first quarter 2010

Long term contractual business now accounts for 53% of turnover thus generating a significant dependent revenue up to and including the year 2017

The principal risk to the company is the loss of major customers in the current uncertain economic conditions that prevail in the UK. The Directors are confident that the new business development pipeline is buoyant enough to sustain an unexpected loss of work, which, together with the ability to reduce fixed costs attributable to any loss, will establish a neutral net position at worst moving into 2010/2011

EXCEPTIONAL ITEM

The exceptional item arising in the accounts is a result of the unforeseen entering into administration of the group's fellow subsidiary Response Analysis & Mailing Limited in late 2009. The principal activity of this company was that of direct mail distribution and advertising consultants

Throughout the first three quarters of 2009, anticipated mailing volumes were depressed as a result of weakened demand caused by the worsening economic conditions generally in the UK. Fixed costs were continually being reduced, losses were becoming marginal and the customer base was being retained

More call centre work was being outsourced offshore, as UK companies forced prices and margins down

However, the threat and then the reality of the Royal Mail postal strike in the fourth quarter of 2009 instantly evaporated customers' confidence in mailing out 2009 Christmas mailing and call centre campaigns, through fear that advertising budgetary spend would be wasted. There was a notable switch from mailing towards radio and TV during this period. The Directors observed that these mailing campaigns would not be returning in the first quarter of 2010, or ever. Faced with a 60% monthly fall in expected demand during this vital peak fourth quarter trading period, the Directors took the decision to place the company into administration with no short or long term prospects for a sustainable turnaround foreseeable

RESULTS

The loss for the year, after taxation, amounted to £533,728 (2008 - profit £78,157)

DIRECTORS

The directors who served during the year were

R Keable
A R Fryer

WESTEX LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 JULY 2009**

PROVISION OF INFORMATION TO AUDITOR

Each of the persons who are directors at the time when this directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- each director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information

AUDITOR

The auditor, ~~Barnes Roffe LLP~~, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board on

and signed on its behalf

A R Fryer
Director



10/07/2009

WESTEX LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF WESTEX LIMITED

We have audited the financial statements of Westex Limited for the year ended 31 July 2009, set out on pages 6 to 22. 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 AUDITORS

As explained more fully in the statement of directors' responsibilities, 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 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 July 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 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.

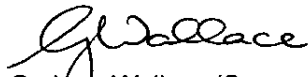
WESTEX LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF WESTEX LIMITED

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



Graham Wallace (Senior statutory auditor)

for and on behalf of

BARNES ROFFE LLP

Chartered Accountants

Statutory Auditor

Leytonstone House

Leytonstone

London E11 1GA

Date 19/7/10

WESTEX LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JULY 2009**

	Note	2009 £	2008 £
TURNOVER	1,2	10,229,775	9,837,005
Cost of sales		<u>(7,143,352)</u>	<u>(6,906,169)</u>
GROSS PROFIT		3,086,423	2,930,836
Selling and distribution costs		<u>(240,407)</u>	<u>(257,952)</u>
Administrative expenses excluding exceptional item	7	2,733,480	
Administrative expenses including exceptional item		3,324,033	
Administrative expenses		<u>(3,324,033)</u>	<u>(2,549,989)</u>
Operating profit excluding exceptional item	7	112,536	
Operating loss including exceptional item		(478,017)	
OPERATING (LOSS)/PROFIT	3	(478,017)	122,895
Interest receivable and similar income		209	701
Interest payable and similar charges	6	<u>(40,795)</u>	<u>(45,439)</u>
Profit on ordinary activities before tax and excluding exceptional item	7	71,950	
Loss on ordinary activities before tax and including exceptional item		(518,603)	
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(518,603)	78,157
Taxation on profit on ordinary activities	8	<u>(15,125)</u>	<u>-</u>
Profit on ordinary activities for the year excluding exceptional item	7	56,825	
Loss on ordinary activities for the year including exceptional item		(533,728)	
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	16	<u><u>(533,728)</u></u>	<u><u>78,157</u></u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2009 or 2008 other than those included in the profit and loss account

The notes on pages 9 to 22 form part of these financial statements

WESTEX LIMITED
REGISTERED NUMBER: 1475497

BALANCE SHEET
AS AT 31 JULY 2009

	Note	£	2009	£	2008	£
FIXED ASSETS						
Intangible assets	9		92,238			126,547
Tangible assets	10		429,422			518,939
Investments	11		-			-
			521,660			645,486
CURRENT ASSETS						
Debtors	12	2,552,938			2,822,645	
Cash at bank and in hand		24,235			3,680	
			2,577,173		2,826,325	
CREDITORS : amounts falling due within one year	13		(3,510,252)		(3,284,068)	
NET CURRENT LIABILITIES			(933,079)			(457,743)
TOTAL ASSETS LESS CURRENT LIABILITIES			(411,419)			187,743
CREDITORS : amounts falling due after more than one year	14		(17,670)			(83,104)
NET (LIABILITIES)/ASSETS			£ (429,089)			£ 104,639
CAPITAL AND RESERVES						
Called up share capital	15		80,000			80,000
Profit and loss account	16		(509,089)			24,639
SHAREHOLDERS' (DEFICIT)/FUNDS	17		£ (429,089)			£ 104,639

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

R Keable
 Director

R Keable
 19/7/10

A R Fryer
 Director

A R Fryer
 19/07/2010

The notes on pages 9 to 22 form part of these financial statements

WESTEX LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2009**

	Note	2009 £	2008 £
Net cash flow from operating activities	18	354,728	495,333
Returns on investments and servicing of finance	19	(40,586)	(44,738)
Taxation		-	(1,682)
Capital expenditure and financial investment	19	(124,206)	(62,938)
Acquisitions and disposals	19	-	(134,240)
CASH INFLOW BEFORE FINANCING		189,936	251,735
Financing	19	(140,856)	(248,497)
INCREASE IN CASH IN THE YEAR		£ 49,080	£ 3,238

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 31 JULY 2009**

	2009 £	2008 £
Increase in cash in the year	49,080	3,238
Cash outflow from decrease in debt and lease financing	140,856	248,497
CHANGE IN NET DEBT RESULTING FROM CASH FLOWS	189,936	251,735
New hire purchase contracts	(27,447)	-
MOVEMENT IN NET DEBT IN THE YEAR	162,489	251,735
Net debt at 1 August 2008	(845,453)	(1,097,188)
NET DEBT AT 31 JULY 2009	£ (682,964)	£ (845,453)

The notes on pages 9 to 22 form part of these financial statements

WESTEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2009

1 ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

The directors consider that the going concern basis remains appropriate for the preparation of the financial statements, although the liabilities of the company exceed its assets by £429,089 at the balance sheet date

As shown in the profit and loss account, the balance sheet deficit is a result of amounts owed by group undertakings being now deemed not recoverable. Much of this balance had been loaned to the fellow group undertaking over a period of time and so the write off does not represent a hit to the company's cashflow solely in this accounting period

The company relies day to day on an invoice financing arrangement. This is up for annual review in November 2010. The directors do not believe there is any reason for this to not be renewed

Group accounts have not been prepared as all of the company's subsidiaries are permitted to be excluded from group accounts by virtue of sections 402 and 405 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group

1.2 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of value added tax and trade discounts

1.3 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the profit and loss account over its estimated economic life

Patents and trademarks are stated at cost less amortisation. Amortisation is provided at 20% on the straight line basis in order to write off the cost of assets over their expected useful lives

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following annual bases

Short leasehold land and buildings	-	Over the period of the lease
Motor vehicles	-	25% straight line
Fixtures, fittings and equipment	-	14-33% straight line

1.5 Investments

Investments held as fixed assets are shown at cost less provision for impairment

WESTEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2009

1. ACCOUNTING POLICIES (continued)

1.6 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.7 Operating leases

Rentals under operating leases are charged on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.8 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.9 Pensions

The company makes contributions to the personal pension schemes of certain employees.

The assets of the schemes are held separately from those of the company in independently administered funds.

1.10 Sublease of property

The company receives rental income from the sublease of surplus space. It recognises the rent on a straight line basis and accounts for the costs over the life of the lease.

2. TURNOVER

All turnover arose within the United Kingdom.

WESTEX LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2009**

3 OPERATING (LOSS)/PROFIT

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

	2009	2008
	£	£
Amortisation of intangible fixed assets	34,309	11,438
Depreciation of tangible fixed assets		
- owned by the company	194,195	188,233
- held under hire purchase contracts	49,147	48,453
Audit fees	12,500	12,500
Operating lease rentals		
- plant and machinery	50,908	37,620
- other operating leases	833,689	812,560
Profit on sale of tangible assets	(2,172)	-
	<u><u> </u></u>	<u><u> </u></u>

4. STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2009	2008
	£	£
Wages and salaries	2,730,181	2,584,285
Social security costs	236,002	227,109
Other pension costs	16,725	14,464
	<u><u>£ 2,982,908</u></u>	<u><u>£ 2,825,858</u></u>

The average monthly number of employees, including the directors, during the year was as follows

	2009	2008
	No.	No
Administration	20	20
Production	151	138
Sales and marketing	2	1
	<u><u>£ 173</u></u>	<u><u>£ 159</u></u>

WESTEX LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2009**

5. DIRECTORS' REMUNERATION

	2009 £	2008 £
Company pension contributions to money purchase pension schemes	£ 7,200	£ 7,200

During the year retirement benefits were accruing to 2 directors (2008 - 2) in respect of money purchase pension schemes

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2009 £	2008 £
On bank loans and overdrafts	5,162	8,118
On other loans	21,788	30,298
On hire purchase contracts	7,695	7,023
Other interest payable	6,150	-
	<u>£ 40,795</u>	<u>£ 45,439</u>

7. EXCEPTIONAL ITEM

	2009 £	2008 £
Amounts owed by group undertaking not deemed recoverable	£ 590,553	£ -

The above item arising in the accounts is a result of the unforeseen entering into administration of the group's fellow subsidiary Response Analysis & Mailing Limited in late 2009. In the opinion of the directors this amount needs to be separately disclosed by virtue of its size if the financial statements are to give a true and fair view.

8. TAXATION

	2009 £	2008 £
UK corporation tax charge on (loss)/profit for the year	£ 15,125	£ -

WESTEX LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2009**

8. TAXATION (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2008 - lower than) the standard rate of corporation tax (28%) The differences are explained below

	2009 £	2008 £
(Loss)/profit on ordinary activities before tax	£ (518,603)	£ 78,157
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008 - 29 33%)	(145,209)	22,923
Effects of.		
Expenses not deductible for tax purposes	18,147	5,268
Depreciation in excess of capital allowances	25,446	32,446
Group relief	(44,563)	(60,637)
Amounts owed by group undertaking not deemed recoverable	165,355	-
Marginal relief	(4,051)	-
Current tax charge for the year (see note above)	£ 15,125	£ -

Factors that may affect future tax charges

There were no factors that may affect future tax charges

9 INTANGIBLE FIXED ASSETS

	Patents and trademarks £	Goodwill £	Total £
Cost			
At 1 August 2008 and 31 July 2009	3,745	134,240	137,985
Amortisation			
At 1 August 2008	250	11,188	11,438
Charge for the year	750	33,559	34,309
At 31 July 2009	1,000	44,747	45,747
Net book value			
At 31 July 2009	£ 2,745	£ 89,493	£ 92,238
At 31 July 2008	£ 3,495	£ 123,052	£ 126,547

WESTEX LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2009**

10. TANGIBLE FIXED ASSETS

	Short leasehold land and buildings £	Motor vehicles £	Fixtures, fittings and equipment £	Total £
Cost				
At 1 August 2008	18,799	191,026	1,427,550	1,637,375
Additions	-	-	156,825	156,825
Disposals	-	-	(37,436)	(37,436)
At 31 July 2009	<u>18,799</u>	<u>191,026</u>	<u>1,546,939</u>	<u>1,756,764</u>
Depreciation				
At 1 August 2008	12,237	61,390	1,044,809	1,118,436
Charge for the year	2,774	44,001	196,567	243,342
On disposals	-	-	(34,436)	(34,436)
At 31 July 2009	<u>15,011</u>	<u>105,391</u>	<u>1,206,940</u>	<u>1,327,342</u>
Net book value				
At 31 July 2009	£ 3,788	£ 85,635	£ 339,999	£ 429,422
At 31 July 2008	<u>£ 6,562</u>	<u>£ 129,636</u>	<u>£ 382,741</u>	<u>£ 518,939</u>

The net book value of assets held under hire purchase contracts, included above, are as follows

	2009 £	2008 £
Motor vehicles	85,635	129,636
Fixtures, fittings and equipment	22,301	-
	<u>£ 107,936</u>	<u>£ 129,636</u>

11. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
Cost or valuation	
At 1 August 2008 and 31 July 2009	<u>170,576</u>
Impairment	
At 1 August 2008 and 31 July 2009	<u>170,576</u>
Net book value	
At 31 July 2009	<u>£ -</u>

WESTEX LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2009**

11. FIXED ASSET INVESTMENTS (continued)

Subsidiary undertakings

The following is a subsidiary undertaking of the company

Name	Class of shares	Holding
Phone Intelligence Limited	Ordinary	100%

The above company was dormant throughout the year. The aggregate of the share capital and reserves as at 31 July 2009 and of the profit or loss for the year ended on that date for the subsidiary undertaking was as follows

Name	Aggregate of share capital and reserves £	Profit/(loss) £
Phone Intelligence Limited	1	-

12. DEBTORS

	2009 £	2008 £
Trade debtors	1,187,043	1,119,496
Amounts owed by group undertakings	556,443	790,543
Other debtors	448,059	536,136
Prepayments and accrued income	361,393	376,470
	£ 2,552,938	£ 2,822,645

Trade debtors include amounts assigned to invoice financing companies of £659,583 (2008 - 737,625)

WESTEX LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2009**

**13. CREDITORS:
Amounts falling due within one year**

	2009 £	2008 £
Bank loans and overdrafts	18,985	46,865
Amounts owed to invoice financing company	619,378	685,267
Net obligations under hire purchase contracts	51,166	43,897
Trade creditors	1,739,131	1,633,490
Corporation tax	38,180	23,055
Social security and other taxes	539,254	434,102
Other creditors	235,507	65,209
Accruals and deferred income	268,651	352,183
	£ 3,510,252	£ 3,284,068

Net obligations under hire purchase contracts amounting to £68,836 (2008 - £97,592) are secured on the assets to which they relate

Bank overdrafts of £Nil (2008 - £28,525) and loans of £18,985 (2008 - £37,749) are secured HSBC Bank Plc holds a mortgage debenture comprising fixed and floating charges over the assets of the company The company also provides a cross guarantee, as disclosed in note 21

The company has assigned certain book debts to HSBC Invoice Finance (UK) Limited The company had a liability to that company of £619,378 (2008 - £685,267) These advances were secured on the debts to which they relate

**14. CREDITORS:
Amounts falling due after more than one year**

	2009 £	2008 £
Bank loans	-	19,409
Net obligations under hire purchase contracts	17,670	53,695
Other creditors	-	10,000
	£ 17,670	£ 83,104

Obligations under hire purchase contracts, included above, are payable as follows

	2009 £	2008 £
Between one and five years	£ 17,670	£ 53,695

WESTEX LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2009**

15. SHARE CAPITAL

	2009 £	2008 £
Allotted, called up and fully paid		
80,000 Ordinary shares of £1 each	£ 80,000	£ 80,000

16 RESERVES

		Profit and loss account £
At 1 August 2008		24,639
Loss for the year		(533,728)
At 31 July 2009		£ (509,089)

17. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2009 £	2008 £
Opening shareholders' funds	104,639	26,482
(Loss)/profit for the year	(533,728)	78,157
Closing shareholders' (deficit)/funds	£ (429,089)	£ 104,639

18 NET CASH FLOW FROM OPERATING ACTIVITIES

	2009 £	2008 £
Operating (loss)/profit	(478,017)	122,895
Amortisation of intangible fixed assets	34,309	11,438
Depreciation of tangible fixed assets	243,342	236,686
Profit on disposal of tangible fixed assets	(2,172)	-
Decrease in debtors	35,607	396,884
Decrease/(increase) in amounts owed by group undertakings	234,100	(486,634)
Increase in creditors	287,559	214,064
Net cash inflow from operations	£ 354,728	£ 495,333

WESTEX LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2009**

19. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2009	2008
	£	£
Returns on investments and servicing of finance		
Interest received	209	701
Interest paid	(33,100)	(38,416)
Hire purchase interest	(7,695)	(7,023)
	<hr/>	<hr/>
Net cash outflow from returns on investments and servicing of finance	£ (40,586)	£ (44,738)
	<hr/> <hr/>	<hr/> <hr/>
	2009	2008
	£	£
Capital expenditure and financial investment		
Purchase of intangible fixed assets	-	(3,745)
Purchase of tangible fixed assets	(129,378)	(59,193)
Sale of tangible fixed assets	5,172	-
	<hr/>	<hr/>
Net cash outflow from capital expenditure	£ (124,206)	£ (62,938)
	<hr/> <hr/>	<hr/> <hr/>
	2009	2008
	£	£
Acquisitions and disposals		
Purchase of fixed asset investments	£ -	£ (134,240)
	<hr/> <hr/>	<hr/> <hr/>
	2009	2008
	£	£
Financing		
Repayment of loans	(18,764)	(16,736)
Movement in invoice financing	(65,889)	(186,354)
Repayment of hire purchase contracts	(56,203)	(45,407)
	<hr/>	<hr/>
Net cash outflow from financing	£ (140,856)	£ (248,497)
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WESTEX LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2009**

20. ANALYSIS OF CHANGES IN NET DEBT

	1 August 2008 £	Cash flow £	Other non-cash changes £	31 July 2009 £
Cash at bank and in hand	3,680	20,555	-	24,235
Bank overdraft	(28,525)	28,525	-	-
	<u>(24,845)</u>	<u>49,080</u>	<u>-</u>	<u>24,235</u>
Debt.				
Hire purchase contracts	(97,592)	56,203	(27,447)	(68,836)
Invoice financing	(685,267)	65,889	-	(619,378)
Debts due within one year	(18,340)	18,764	(19,409)	(18,985)
Debts falling due after more than one year	(19,409)	-	19,409	-
	<u>(845,453)</u>	<u>189,936</u>	<u>(27,447)</u>	<u>(682,964)</u>
Net debt	£ (845,453)	£ 189,936	£ (27,447)	£ (682,964)

21. CONTINGENT LIABILITIES

The company provides a cross guarantee to HSBC Bank plc in respect of facilities made available to this company, Response Analysis & Mailing Limited, Westex (Holdings) Limited, Westex Group Limited, Admail 4 International Limited, Admail Holdings Limited and Global Print Management Limited. The directors of the above named companies are also directors of this company.

This company and the above companies had aggregate bank loans outstanding at the year end of £18,985 (2008 - £37,749) and aggregate bank overdrafts outstanding at the year end of £28,091 (2008 - £45,457).

22. PENSION COMMITMENTS

The pension charge represents contributions payable by the company to the personal pension schemes of certain employees and amounted to £16,725 (2008 - £14,464). An amount of £4,155 (2008 - £3,280) was outstanding at the year end.

WESTEX LIMITED

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FOR THE YEAR ENDED 31 JULY 2009

23. OPERATING LEASE COMMITMENTS

At 31 July 2009 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2009	2008	2009	2008
	£	£	£	£
Expiry date:				
Within 1 year	-	-	9,555	33,699
Between 2 and 5 years	532,400	542,400	19,666	33,951
After more than 5 years	250,000	225,000	-	2,964
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

In addition, the company also pays rent for premises with an annual commitment of £20,325 of which the operating lease is held by its subsidiary Phone Intelligence Limited. The lease expires between 2 and 5 years.

WESTEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2009

24. RELATED PARTY TRANSACTIONS

The directors of Westex Limited were also directors of Admail 4 International Limited, Global Print Management Limited, International Mailing Services Limited, Admail Holdings Limited and Response Analysis & Mailing Limited in the year

During the year the company made sales of £Nil (2008 - £400) to and purchases of £1,652,673 (2008 - £1,072,437) from Admail 4 International Limited. At the year end, the company owed Admail 4 International Limited £526,613 (2008 - £381,251). This amount is included within trade creditors.

Admail 4 International Limited also charged management charges of £76,000 (2008 - £106,000) to Westex Limited during the year. Westex Limited charged management charges of £160,000 (2008 - £99,000) to Admail 4 International Limited during the year. At the year end, Admail 4 International Limited owed the company £184,000 (2008 - £Nil). This amount is included within trade debtors.

Included in other debtors due within one year is an amount due from Admail 4 International Limited of £364,475 (2008 - £494,318). The company received interest of £Nil (2008 - £Nil) on the loan during the year. The movement on this balance arises from cash transfers and from expenses incurred by the company on behalf of Admail 4 International Limited.

During the year, Global Print Management Limited received loans of £45,318 (2008 - £1,108) from and repaid loans of £1,000 (2008 - £Nil) to the company.

At the year end the company was owed £74,878 (2008 - £30,560) by Global Print Management Limited. The movement on this balance arises from cash transfers and from expenses incurred by the company on behalf of Global Print Management Limited.

At the year end, Westex (Holdings) Limited, the company's immediate parent undertaking, owed £69,406 (2008 - £69,406) to the company. This amount is included within amounts owed by group undertakings.

During the year, the company paid management charges of £180,000 (2008 - £150,000) to Westex Group Limited, its ultimate parent company.

At the year end the company was owed £487,038 (2008 - £232,976) by Westex Group Limited.

During the year the company made sales of £75,200 (2008 - £4,189) to and purchases of £200,961 (2008 - £81,568) from Response Analysis & Mailing Limited. At the year end, the company owed Response Analysis & Mailing Limited £51,255 (2008 - £15,099). This amount is included within trade creditors.

Response Analysis & Mailing Ltd was charged management charges of £99,000 (2008 - £Nil) during the year by Westex Limited.

Included within debtors due within one year is an amount due from Response Analysis & Mailing Limited of £Nil (2008 - £488,162). Amounts due from Response Analysis & Mailing Limited of £689,553 (2008 - £Nil) have been provided against and charged to the profit and loss account.

Also included in other debtors due within one year are amounts due from Admail Holdings Limited of £421 (2008 - £421) and from International Mailing Services Limited of £8,034 (2008 - £8,894).

WESTEX LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2009**

25. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The parent company is Westex Holdings Limited and the ultimate parent company and controlling party is Westex Group Limited

26. RENT RECEIVABLE

Rental income is receivable in respect of the sublease of part of the company's premises by way of an operating lease. The aggregate rental income receivable for the year was £39,699 (2008 - £46,203)