

TDG OVERSEAS LIMITED

DIRECTORS' REPORT AND ACCOUNTS

31 DECEMBER 2005

Company Number: 171035



TDG OVERSEAS LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2005

The Directors present their report and accounts for the year ended 31 December 2005.

Principal Activity and Business Review

The Company made a loss for the financial year of £39,441 (restated 2004: £481,439). The directors that the activities of the Company will continue for the foreseeable future.

The Company acts as a holding company of the companies listed in the notes to the accounts. The principal activities of the subsidiaries are those of logistics.

Dividend

The directors paid no interim dividend during the year (2004:£Nil) The directors do not recommend the payment of a final dividend for the financial year.

Directors

The directors who served during the year and to date were:

D N C Garman
J Hume (appointed 6 June 2005)
P R Mainwaring (resigned - 9 May 2005)
G G Thomas

No director had an interest in shares or debentures of the Company during the year. The director, who was not also a director of the Company's ultimate parent Company, TDG plc, had the following interests in the Ordinary share capital of the ultimate parent company:

	As at 31 December 2005		As at 31 December 2004	
	<u>Shares</u>	<u>Options</u>	<u>Shares</u>	<u>Options</u>
G G Thomas	23,200	nil	29,619	nil

The interests of the other directors in the share capital of TDG plc are shown in the Annual Report of that company.

The directors of the company participate in a Long Term Share Incentive Plan in the ultimate parent Company, TDG plc, details of which are shown in the Annual Report of that company. Details of the LTIP interests for the director who was not also a director of the ultimate parent company are as follows:

	Performance period	Date of Grant	Mkt price of each share at date of grant (pence)	LTIP interests			
				At 1 Jan 2005	Granted 2005	Awards lapsed through non-performance	At 31 Dec 2005
G G Thomas	2002-04	01.03.02	195.0	15,435	-	(15,435)	-
	2003-05	13.03.03	157.0	19,869	-	-	19,869
	2005-07	06.06.05	213.5	-	15,105	-	15,105
	Loyalty	13.03.03	157.0	2,765	-	-	2,765

Details of the Long Term Share Incentive Plan and the interests of the other directors under the plan are shown in the Annual Report of TDG plc.

Supplier Payment Policy

The company agrees terms and conditions for its transactions with suppliers. Payment is then made on these terms and conditions being met by the supplier. In 2005, the average number of days' credit taken by the Company from suppliers was nil days (2004: 20 days).

Financial Instruments

The directors consider that company's key financial instruments are cash and intercompany loans from the parent company. Financial exposures exist to the extent that a change in the underlying base rate of interest will affect the level of income received or paid on cash balances, overdrafts and the intercompany loan from the parent company. This risk is not considered material and thus the company does not employ the use of hedging instruments

Statement of Directors' Responsibilities

The directors are required by the Companies Act 1985 to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss for the financial year.

The directors consider that in preparing the accounts on pages 4 to 10, the Company has used appropriate accounting policies, consistently applied with the exception of the change arising from the adoption of new accounting policies. The directors also confirm that the accounts are supported by reasonable and prudent judgements and estimates and that all accounting standards which they consider to be applicable have been followed.

The directors are responsible for keeping proper accounting records which 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.

The directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The directors are required to prepare financial statements on a going concern basis, unless it is inappropriate to presume that the company will continue in business for the foreseeable future.

Auditors

A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting.

By Order of the Board

11 October 2006

For TDG Secretaries Limited



For TDG Secretaries Limited
25 Victoria Street
London
SW1H 0EX

Independent auditors' report to the members of TDG Overseas Limited

We have audited the financial statements of TDG Overseas Limited for the year ended 31 December 2005 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses, the Reconciliation of Movements in Shareholders' Funds and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 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 2005 and of its loss for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

11 October 2006

TDG OVERSEAS LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2005

		2005	2004 Restated
	Notes	£	£
Operating costs	4	(3,463)	(2,500)
Income from fixed asset investments		795,633	75,000
Profit on ordinary activities before interest		<u>792,170</u>	<u>72,500</u>
Intergroup interest payable	5	(848,514)	(760,270)
Loss on ordinary activities before taxation		<u>(56,344)</u>	<u>(687,770)</u>
Tax on loss on ordinary activities	6	16,903	206,331
Loss for the financial year		<u><u>(39,441)</u></u>	<u><u>(481,439)</u></u>
Dividends paid in the year			
Dividends paid 150.0p (2004: 7.5p) per share		<u><u>3,000,000</u></u>	<u><u>150,000</u></u>

There is no difference between the loss on ordinary activities before taxation and the retained loss for the year stated above and their historical cost equivalents.

Results for the year relate to continuing operations.

The notes on pages 7 to 10 form part of these accounts.

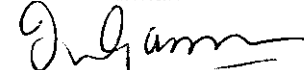
TDG OVERSEAS LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2005

	Notes	2005 £	Restated 2004 £
Fixed assets			
Investments	7	28,033,513	30,648,969
Current assets			
Corporation tax recoverable		16,903	206,331
Cash at bank and in hand		6,109	75,475
		<u>23,012</u>	<u>281,806</u>
Net current assets		23,012	281,806
Total assets less current liabilities		<u>28,056,525</u>	<u>30,930,775</u>
Creditors: amounts falling due after more than one year			
Borrowings	8	(13,860,901)	(13,080,255)
Net assets		<u>14,195,624</u>	<u>17,850,520</u>
Capital and reserves			
Called up share capital - equity shares	9	500,000	500,000
Revaluation reserve	10	13,029,769	14,395,224
Special reserve	10	419,700	419,700
Profit and loss account	10	(503,845)	2,535,596
Equity shareholders' funds		<u>13,445,624</u>	<u>17,850,520</u>

The accounts were approved by the Board of Directors on 11 October 2006.

D.N.C. Garman



G.G. Thomas



The notes on pages 7 to 10 form part of these accounts.

TDG OVERSEAS LIMITED

Statement of Total Recognised Gains and Losses
Year ended 31 December 2005

	2005	2004
	£	Restated £
Loss for the financial year	(39,441)	(481,439)
Revaluation of investments in subsidiary undertakings (note 7)	(1,365,455)	(2,231,520)
Total gains and losses recognised for the year	<u>(1,404,896)</u>	<u>(2,712,959)</u>

Reconciliation of Movements in Shareholders' Funds
Year ended 31 December 2005

	2005	2004
	£	Restated £
Loss for the financial year	(39,441)	(481,439)
Dividends paid	(3,000,000)	(150,000)
Revaluation of investments in subsidiary undertakings (note 7)	(1,365,455)	(2,231,520)
Net decrease in shareholders' funds	<u>(4,404,896)</u>	<u>(2,862,959)</u>
Shareholders' funds at 1 January as previously reported	14,625,520	20,563,479
Prior year adjustment (note 2)	3,225,000	150,000
Shareholders' funds at 31 December	<u>13,445,624</u>	<u>17,850,520</u>

TDG OVERSEAS LIMITED
NOTES TO THE ACCOUNTS FOR THE
YEAR ENDED 31 DECEMBER 2005

1. Accounting policies

Basis of accounting The accounts have been prepared under the historical cost basis of accounting as modified by the revaluation of investments in shares of subsidiaries and in accordance with applicable Accounting Standards and the Companies Act 1985. The principal accounting policies used have been applied consistently and are set out below except as described in note 2.

The company has adopted FRS17 "Retirement Benefits", FRS21 "Events after the Balance Sheet Date" and and FRS 25 "Financial Instruments" Disclosure and Presentation" in these accounts. The adoption of these standards represent a change in accounting policy figures have been restated accordingly.

The effect of the change in accounting policy to adopt FRS21 is detailed in note 2. There was no material impact of adopting FRS17 and FRS25.

- (a) **Investments in subsidiary undertakings** Investments are stated, using the alternative accounting rules, at the directors' valuation based on their underlying net asset value, translated at year end rates of exchange for overseas subsidiary undertakings.

Any permanent diminution in the value of these investments is charged to the profit and loss account, and any temporary change in value, including the effect of movements in exchange rates, is charged/credited to the revaluation reserve.

- (b) **Foreign currency** Assets and liabilities are translated at exchange rates ruling at the year end and the difference is charged/credit to the profit and loss account.

- (c) **Taxation** Corporation tax is provided on assessable profits at the appropriate rate in force.

Full provision is made for deferred tax with the exception that no provision is made in respect of the tax which might arise in the event of the investment in shares in subsidiaries being sold at their revalued amounts.

2. Prior year adjustment

Dividends received are now accounted for on a receipt basis. This has had the effective of increasing the operating loss before tax for 2004 by £750,000 and increasing the tax credit by £225,000. The dividend receivable of £750,000 and the tax charge of £225,000 are now reflected in the 2005 accounts.

The effect of the above is also to increase the investment in subsidiaries by £750,000 at 31 December 2004 with a subsequent increase in revaluation reserve of £750,000.

Dividends paid are also now accounted on a paid basis. In 2004 the dividend payable of £3,000,000 is now included as dividends paid in 2005 and the dividend payable of £150,000 in 2003 is now included in dividends paid in 2004.

The prior year adjustment to reserves is made up as follows:

	Revaluation reserve £	Profit and loss reserve £	Total £
Dividend receivable from subsidiary now accounted in 2005		(750,000)	(750,000)
Tax payable on above dividend		225,000	225,000
Movement in revaluation reserve	750,000		750,000
2004 dividend payable paid in 2005 not now included in 2004		3,000,000	3,000,000
Prior year reserve adjustment	<u>750,000</u>	<u>2,475,000</u>	<u>3,225,000</u>

The adjustment to the 2003 reserves is as follows:

	Profit and loss reserve £
2003 dividend payable paid in 2004 not now included in 2003	<u>150,000</u>

TDG OVERSEAS LIMITED

**NOTES TO THE ACCOUNTS FOR THE
YEAR ENDED 31 DECEMBER 2005 (Continued)**

3. Staff costs

None of the directors received any emoluments (2004: £Nil) from the Company. The Company has no other employees.

4. Operating costs

	2005 £	2004 £
Management fee payable	2,575	2,500
Other costs	888	-
	<u>3,463</u>	<u>2,500</u>

The audit fee for 2005 and 2004 has been borne by the Company's parent undertaking.

5. Interest paid

	2005 £	2004 £
Interest payable to parent Company undertaking	<u>848,514</u>	<u>760,270</u>

6. Tax on profit on ordinary activities

	2005 £	Restated 2004 £
The tax charge is based on the loss/profit on ordinary activities for the year and is made up as follows: United Kingdom corporation tax at 30% (2004 30%)	<u>16,903</u>	<u>206,331</u>
	£	£
Loss on ordinary activities before tax	<u>(56,344)</u>	<u>(687,770)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax (30%)	<u>(16,903)</u>	<u>(206,331)</u>

7. Investments

	Shares in subsidiary undertakings £	Unlisted investment at cost £	Total £
At 1 January 2005 as previously reported	30,648,968	1	30,648,969
Restatement (note 2)	750,000	-	750,000
At 1 January 2005 as restated	<u>31,398,968</u>	<u>1</u>	<u>31,398,969</u>
Reduction in investment in subsidiary	(2,000,000)	-	(2,000,000)
Revaluation at 31 December 2005	(1,365,455)	-	(1,365,455)
At 31 December 2005	<u>28,033,513</u>	<u>1</u>	<u>28,033,514</u>

The historic cost, less provisions against the investment in subsidiary undertakings at 31 December 2005 amounts to £15,529,858 (2004: £17,529,858).

TDG OVERSEAS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2005 (Continued)

7. Investments (continued)

<u>Incorporated in the Republic of Ireland</u>	<u>Main activity</u>
TDG Ireland Limited (formerly Autozero Limited)	Logistics
Waterford Cold Storage Limited	Non trader
IWT Worldwide Logistics Limited	Non trader
<u>Incorporated in the United Kingdom</u>	
Seabridge (UK) Limited	Non trader
<u>Incorporated in Belgium</u>	
TDG Belgium SA	Non trader
<u>Incorporated in Guernsey</u>	
TDG Insurance Limited	Liquidated in 2005
<u>Incorporated in the Netherlands</u>	
International Warehousing & Transport BV	Non trader
<u>Incorporated in Spain</u>	
TDG Logistics Iberia SL	Logistics

TDG Overseas Limited is the owner of the whole of the issued ordinary share capital of the companies listed above, the shares being held directly except in the case of Waterford Cold Storage Limited, Seabridge (UK) Limited and International Warehousing & Transport BV, the whole of which company's issued share capital is held by Autozero Limited and IWT Worldwide Logistics Limited.

Consolidated accounts are not presented as the Company is a wholly owned subsidiary of another corporate body incorporated in Great Britain which prepares consolidated accounts.

8. Creditors due after more than one year	2005 £	2004 £
Amounts owed to the parent undertaking	<u>13,860,901</u>	<u>13,080,255</u>

Interest is payable on the loan at market rates

The loan owed to the parent undertaking has been shown as amounts falling due after more than one year as no date has been set for the repayment.

9. Called up share capital	2005 £	2004 £
Authorised:		
2,000,000 ordinary shares of 25p each	<u>500,000</u>	<u>500,000</u>
Allotted, issued and fully paid:		
2,000,000 ordinary shares of 25p each	<u>500,000</u>	<u>500,000</u>

TDG OVERSEAS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2005 (Continued)

10. Reserves	Revaluation reserve £	Special reserve £	Profit and loss account £	Total £
At 1 January 2005 as previously reported	13,645,224	419,700	60,596	14,125,520
Restatement (note 2)	<u>750,000</u>	<u>-</u>	<u>2,475,000</u>	<u>3,225,000</u>
At 1 January 2005 as restated	14,395,224	419,700	2,535,596	17,350,520
Revaluation	(1,365,455)	-	-	(1,365,455)
Loss for year	-	-	(39,441)	(39,441)
Dividends paid	-	-	(3,000,000)	(3,000,000)
At 31 December 2005	<u>13,029,769</u>	<u>419,700</u>	<u>(503,845)</u>	<u>12,945,624</u>

The movement in revaluation reserve of £(1,365,455) includes translation losses of £(560,958).

11. Cash Flow Statement

The Company is a wholly owned subsidiary of TDG plc and included in the consolidated financial statements of TDG plc, which are publicly available, is a cash flow statement. Therefore, as permitted by Financial Reporting Standard No 1 (Revised 1996), no such statement is included in these accounts.

12. Ultimate Parent Undertaking

TDG plc, a company registered in England, is the Company's immediate and ultimate parent undertaking and prepares group accounts which include the accounts of the Company.

The Company is also exempt under the terms of FRS 8 from disclosing related party transactions with Group entities. No transactions with other related parties have been undertaken during the year.

Copies of the group accounts of TDG plc may be obtained from the Company Secretary, 25 Victoria Street, London SW1H OEX.