

**TDG OVERSEAS LIMITED**

**DIRECTORS' REPORT AND ACCOUNTS**

**31 DECEMBER 2006**

Company Number. 171035

TUESDAY



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## TDG OVERSEAS LIMITED

### REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2006

The Directors present their report and accounts for the year ended 31 December 2006

#### Principal Activity and Business Review

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 and insurance. The Company made a loss for the financial year of £856,532 (2005 £39,441).

The year end financial position is considered by the directors to be satisfactory. The directors do not anticipate that any additional trading will be undertaken by the Company in the foreseeable future.

The principal risks and uncertainties of the TDG plc Group of companies, which include those of the Company, are discussed in the Group's annual report and do not form part of this report.

#### Dividend

The directors paid no interim dividend during the year (2005 £Nil). The directors do not recommend the payment of a final dividend for the financial year (2005 £3,000,000).

#### Directors

The directors who served during the year and to date were

D N C Garman  
J Hume  
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 2006		As at 31 December 2005	
	<u>Shares</u>	<u>Options</u>	<u>Shares</u>	<u>Options</u>
G G Thomas	23,200	nil	23,200	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 as follows

		LTIP interests						
	Performance period	Date of Grant	Mkt price of each share at date of grant (pence)	At 1 Jan 2006	Exercised	Granted 2006	Awards lapsed through non-performance	At 31 Dec 2006
<b>G G Thomas</b>								
	2003-05	13 03 03	157 0	19,869	-	-	19,869	-
	2005-07	06 06 05	213 5	15,105	-	-	-	15,105
	2006-08	27 03 06	232 8	-		14,272	-	14,272
	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 2006, the average number of days' credit taken by the Company from suppliers was nil days (2005 nil 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 5 to 11, the Company has used appropriate accounting policies, consistently applied. 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.

As at the date of this report so far as each Director of the Company is aware, there is no relevant audit information of which the Company's auditor is unaware and each Director hereby confirms that he has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

#### 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

27 July 2007

For TDG Secretaries Limited

  
For TDG Secretaries Limited  
4-5 Grosvenor Place  
London  
SW1X 7HJ

## 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<sup>st</sup> December 2006 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out therein.

### Respective responsibilities of directors and auditors

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

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

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

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

### Basis of audit opinion

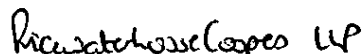
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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<sup>st</sup> December 2006 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.



PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

London

27 July 2007

**TDG OVERSEAS LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 DECEMBER 2006**

		2006	2005
	Notes	£	£
Operating costs	3	(3,116)	(3,463)
Income from fixed asset investments		-	795,633
(Loss)/profit on ordinary activities before interest		<u>(3,116)</u>	<u>792,170</u>
Intergroup interest payable	4	(1,240,059)	(848,514)
<b>Loss on ordinary activities before taxation</b>		<u>(1,243,175)</u>	<u>(56,344)</u>
Tax on loss on ordinary activities	5	386,643	16,903
<b>Loss for the financial year</b>		<u><u>(856,532)</u></u>	<u><u>(39,441)</u></u>
<b>Dividends paid in the year</b>			
Dividends paid nil (2005 150p) per share		<u><u>-</u></u>	<u><u>3,000,000</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

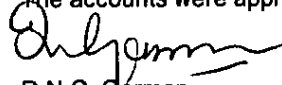

Results for the year relate to continuing operations

The notes on pages 8 to 11 form part of these accounts

**TDG OVERSEAS LIMITED**  
**BALANCE SHEET AS AT 31 DECEMBER 2006**

	Notes	2006 £	2005 £
<b>Fixed assets</b>			
Investments	6	33,888,811	27,283,513
<b>Current assets</b>			
Corporation tax recoverable		372,953	16,903
Cash at bank and in hand		<u>2,933</u>	<u>6,109</u>
		<b>375,886</b>	<b>23,012</b>
<b>Net current assets</b>		<b>375,886</b>	<b>23,012</b>
<b>Total assets less current liabilities</b>		<b>34,264,697</b>	<b>27,306,525</b>
<b>Creditors: amounts falling due after more than one year</b>			
Borrowings	7	(25,022,264)	(13,860,901)
<b>Net assets</b>		<b><u>9,242,433</u></b>	<b><u>13,445,624</u></b>
<b>Capital and reserves</b>			
Called up share capital - equity shares	8	500,000	500,000
Revaluation reserve	9	9,683,110	13,029,769
Special reserve	9	419,700	419,700
Profit and loss account	9	(1,360,377)	(503,845)
<b>Equity shareholders' funds</b>		<b><u>9,242,433</u></b>	<b><u>13,445,624</u></b>

The accounts were approved by the Board of Directors on 27 July 2007

  
D N C Garman  
  
G G Thomas

The notes on pages 8 to 11 form part of these accounts

**TDG OVERSEAS LIMITED**

**Statement of Total Recognised Gains and Losses  
Year ended 31 December 2006**

	2006 £	2005 £
<b>Loss for the financial year</b>	<b>(856,532)</b>	<b>(39,441)</b>
Revaluation of investments in subsidiary undertakings (note 6)	(3,346,659)	(1,365,455)
<b>Total gains and losses recognised for the year</b>	<b><u>(4,203,191)</u></b>	<b><u>(1,404,896)</u></b>

**Reconciliation of Movements in Shareholders' Funds  
Year ended 31 December 2006**

	2006 £	2005 £
<b>Loss for the financial year</b>	<b>(856,532)</b>	<b>(39,441)</b>
Dividends paid	-	(3,000,000)
Revaluation of investments in subsidiary undertakings (note 6)	(3,346,659)	(1,365,455)
<b>Net decrease in shareholders' funds</b>	<b><u>(4,203,191)</u></b>	<b><u>(4,404,896)</u></b>
<b>Shareholders' funds at 1 January</b>	<b>13,445,624</b>	<b>17,850,520</b>
<b>Shareholders' funds at 31 December</b>	<b><u>9,242,433</u></b>	<b><u>13,445,624</u></b>



**TDG OVERSEAS LIMITED**  
**NOTES TO THE ACCOUNTS FOR THE**  
**YEAR ENDED 31 DECEMBER 2006**

**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.

- (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. As allowed by FRS19 no provision for deferred tax is required.

**TDG OVERSEAS LIMITED**

**NOTES TO THE ACCOUNTS FOR THE  
YEAR ENDED 31 DECEMBER 2006 (Continued)**

**2. Staff costs**

None of the directors received any emoluments (2005 £Nil) from the Company. The Company has no other employees.

<b>3 Operating costs</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Management fee payable	2,652	2,575
Other costs	464	888
	<u><u>3,116</u></u>	<u><u>3,463</u></u>

The audit fee for 2006 and 2005 has been borne by the Company's parent undertaking.

<b>4. Interest paid</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Interest payable to parent Company undertaking	<u><u>1,240,059</u></u>	<u><u>848,514</u></u>

**5. Tax on profit on ordinary activities**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
The tax credit is based on the loss on ordinary activities for the year and is made up as follows:		
United Kingdom corporation tax at 30% (2005 30%)	372,953	16,903
Prior year corporation tax adjustment	13,690	-
	<u><u>386,643</u></u>	<u><u>16,903</u></u>

	<b>£</b>	<b>£</b>
Loss on ordinary activities before tax	<u><u>(1,243,175)</u></u>	<u><u>(56,344)</u></u>

Loss on ordinary activities multiplied by the standard rate of corporation tax (30%)	372,953	16,903
Prior year corporation tax adjustment	13,690	-
	<u><u>386,643</u></u>	<u><u>16,903</u></u>

**6. Investments**

	Shares in subsidiary undertakings £	Unlisted investment at cost £	Total £
At 1 January 2006	27,283,512	1	27,283,513
Increase in investment in subsidiary	9,951,957	-	9,951,957
Revaluation at 31 December 2006	(3,346,659)	-	(3,346,659)
At 31 December 2006	<u><u>33,888,810</u></u>	<u><u>1</u></u>	<u><u>33,888,811</u></u>

The historical cost, less provisions against the investment in subsidiary undertakings at 31 December 2006 amounts to £25,481,815 (2005 £15,529,858).

**TDG OVERSEAS LIMITED**

**NOTES TO THE ACCOUNTS FOR THE  
YEAR ENDED 31 DECEMBER 2006 (Continued)**

**6 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*	Management company
Mond & Cie SA	Logistics
Jean Mond SA	Logistics
Transmond SA	Logistics
Vanberg SA	Logistics
<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 marked \* above

Other companies are held by intermediate subsidiary undertakings

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

<b>7. Creditors due after more than one year</b>	<b>2006</b>	<b>2005</b>
	£	£
Amounts owed to the parent undertaking	<u>25,022,264</u>	<u>13,860,901</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		
<b>8. Called up share capital</b>	<b>2006</b>	<b>2005</b>
	£	£
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 2006 (Continued)**

<b>9. Reserves</b>	Revaluation reserve £	Special reserve £	Profit and loss account £	Total £
At 1 January 2006	13,029,769	419,700	(503,845)	12,945,624
Revaluation	(3,346,659)	-	-	(3,346,659)
Loss for year	-	-	(856,532)	(856,532)
At 31 December 2006	<u>9,683,110</u>	<u>419,700</u>	<u>(1,360,377)</u>	<u>8,742,433</u>

The movement in revaluation reserve of £(3,346,659) includes translation losses of £(530,271)

**10. 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.

**11. 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, 4-5 Grosvenor Place, London SW1X 7HJ.