

TDG (UK) Limited
Financial statements
31 December 2010

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TDG (UK) Limited

Financial statements

Year ended 31 December 2010

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TDG (UK) Limited

The directors' report

Year ended 31 December 2010

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2010

Principal activities and business review

The principal activity of the Company is to provide supply chain solutions that optimise efficiency and increase competitive advantage for businesses within the United Kingdom. On 28 March 2011 the Company became part of Norbert Dentressangle SA, following the sale by DouglasBay Capital plc, the Company's ultimate parent company at the year end, of Laxey Logistics Limited (the parent company of TDG Limited, the Company's immediate parent company)

The business is organised into four core capabilities - Logistics, Transport, International Services and Tank Storage. Total revenues for the year were 5.8% higher at £493,296,651 (2009: £466,296,811). Considering each of the operating segments in turn:

Logistics

The Contract Logistics division comprises our consumer, retail, chemicals and automotive contract logistics activities in the UK, as well as our UK Temperature Controlled Services business.

The Contract Logistics business continued to make progress benefiting from higher volume in its consumer business, new revenues from a fast growing toy retail business and the development of its high cube business.

Underlying revenues in the UK Temperature Controlled business remained stable in a highly competitive market.

Transport

The transport division comprises the ADR Packed chemical network, Bulk chemicals operation, other dedicated transport contracts and the 4PL Transport operations for Tata Steel and Aggregate Industries.

The 4PL business achieved substantial revenue growth with its two main customers, Tata Steel and Aggregate Industries.

Our market leading packed chemical sector performed very well on the back of higher volumes in 2010 and towards the end of the year we have been awarded a major contract and also had another major customer confirm a renewal for a further 3 year period despite fierce competition.

The Bulk sector performance was mixed with the petroleum business and value added activity continuing to perform well. The market for general chemical bulk was however very challenging. In some instances volumes have been lost to competitors where the business was no longer profitable.

The other dedicated transport operations performed in line with the previous year.

International Services

In the UK good progress was made in the core freight forwarding business however a low margin freight forwarding business dedicated to glass manufacturing was terminated.

Tank storage

The Bulk Liquid Storage division comprises our specialist tank storage terminal operation located on the Thames at Dagenham, in close proximity to London. In addition to core tank storage operations, the site has a developing range of added value services including blending, bagging, drumming and advanced testing of projects (laboratory services).

During the year the business traded robustly with an increase in turnover and operating profits.

Key performance indicators

TDG (UK) Ltd uses a range of performance indicators and management controls, both financial and non-financial, to monitor, measure and manage the business. These are used to compare actual performance during the year against annual budgeted targets, as well as progress towards longer term strategic goals.

The various indicators and controls are subject to regular and frequent review at Business Unit level, by the Executive Team and at meetings of the Board. Subject areas reviewed include operational, financial and business development performance, strategic developments, market issues, health safety & environmental performance, human resources and risk management. The means of measuring performance ranges from quantitative, comparative performance to more qualitative discursive analysis. Collectively these form an integral part of building value for our shareholders on a consistent basis over the long term.

The principal key performance indicators for the business, in addition to turnover and underlying profit before tax are:

- The level of Business Development
- Health & Safety
- Cash and cash flow
- Bank covenants

TDG (UK) Limited

The directors' report (continued)

Year ended 31 December 2010

Going concern

These financial statements have been prepared on a going concern basis, see note 1 for further details

Key risks and uncertainties

TDG (UK) Limited has well defined and established processes to identify, mitigate and manage risk, including financial, operational and compliance controls. These processes are monitored and refined on an ongoing basis to ensure that risks are being properly managed and that we are taking into account changes year on year.

Each year the Board identifies and assesses significant risks to the achievement of the Company's business objectives and processes for their management. These are incorporated into a risk framework which is formally reviewed and updated at the half year and full year stage. Whilst responsibility for the maintenance and control of the risk framework rests with the Chief Executive, it is the role of management to implement these policies.

Significant risks and uncertainties which could conceivably have an impact on the Company's performance are summarised below.

Commercial risk The Company's competitiveness, commercial flexibility and the quality and innovativeness of its service offerings are crucial to winning new business and to the retention and further development of existing business.

Liquidity risk The Company has as its principal source of debt financing an asset backed lending ("ABL") facility ("the Facility") provided by a syndicate of banks led by Burdale Financial Limited, a wholly owned subsidiary of the Bank of Ireland. The other Lenders in the syndicate are Barclays and Lloyds.

Operational risk Excellence in operations through the consistent application of well developed processes to implement and run contracts flawlessly is central to our reputation. Additionally, where contracts contain a performance element, our operational performance is an important driver of budgeted earnings.

Property risk We maintain a balance between the operational sites that we own and those which we lease, in order to mitigate the risk of lease terms which exceed the length of our customers' commitments to us.

Process and systems risk With TDG's strategy predicated on strong organic growth and further selective acquisitions, the Company's requirement and subsequent dependency on efficient, effective and scaleable accounting, internal audit and other controls is fundamental for managing growth.

Regulatory risk As an ever greater share of our business is subject to rigorously enforced legislative standards, regulatory compliance is essential to TDG's brand reputation and overall growth prospects.

Pension risk The levels of funding required for our pension schemes is predominantly dependent upon fluctuations in equity markets, movements in interest rates and changing life expectancy.

Customer risk Customer retention is an important component of our growth and by delivering operational excellence and added value at a competitive cost we achieve high client renewal rates.

People risk With our success depending very substantially on the quality and commitment of our employees, attracting, developing and retaining excellent people is fundamental to our current and future success.

Strategic risk Continued growth in our existing markets and the identification and successful development of new markets is essential to the delivery of our strategic objectives.

Environmental risk We are very aware that our warehouses and our fleets of vehicles have an impact on the environment. Our aim is to manage our activities so this impact is minimal and reduces over time. Our environmental efforts fall into four main areas: preventing pollution, improving efficiency, reducing the burden and checking progress.

TDG (UK) Limited

The directors' report (continued)

Year ended 31 December 2010

Borrowing facilities

At 31 December 2010 the TDG Group had as its principal source of debt financing an Asset Based Lending facility provided by a syndicate of banks led by Burdale Financial Limited, a wholly owned subsidiary of the Bank of Ireland. The other lenders in the syndicate are Barclays and Lloyds.

An ABL structure benefits TDG due to its strong asset base providing security for a Lender and allowing flexibility for the Group that may not otherwise be available under a cashflow facility.

Further details on the borrowing facility can be found in the consolidated accounts of TDG Limited, the immediate parent company of TDG (UK) Limited.

On 28 March 2011, following the change of ownership, the ABL facility with Burdale Financial Limited was repaid in full.

Results and dividends

The profit for the year amounted to £29,606,230. The directors have not recommended a dividend.

Financial instruments

The treasury policies noted below are the Group policies operated by TDG Limited, the immediate parent company on behalf of group companies including TDG (UK) Limited.

Treasury policies and financial risk management

The Group operates a centralised treasury function which acts within clearly defined policies approved by the Board. These policies are designed to reduce the financial risks faced by the Group relating to funding the liquidity, interest rate and currency exchange rate exposure. Transactions of a speculative nature are not permitted and the treasury function does not operate as a profit centre. Credit risk is managed by limiting exposure to authorised banks with credit ratings approved by the Board.

Credit risk

The main credit risk lies with the Company's trade receivables. Management have estimated the provision for doubtful debts based on prior experience and their assessment of the current economic environment. Concentrations of credit risk with respect to trade receivables are limited due to the Company's customer base being large and unrelated. Credit risk on bank balances is limited as they are held with authorised banks with credit ratings approved by the Board.

Directors

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

Mr G J Bicknell
Mr M J Branigan
Mr S Riffner

Mr H Montjotin was appointed as a director on 28 March 2011
Mr F Bertreau was appointed as a director on 28 March 2011
Mr P Bataillard was appointed as a director on 28 March 2011
Mr D Lynch was appointed as a director on 8 April 2011
Mr M Bridges was appointed as a director on 8 April 2011
Mr M Wilson was appointed as a director on 8 April 2011
Mr G J Bicknell resigned as a director on 28 March 2011
Mr M J Branigan resigned as a director on 7 April 2011
Mr S Riffner resigned as a director on 28 March 2011

Policy on the payment of creditors

The company ensures terms and conditions are agreed with suppliers prior to the commencement of the transaction. Payment will be made once the transaction has been completed in accordance with our agreement. In 2010, the average number of days' credit taken by the Company from suppliers was 33 days (2009: 28 days).

Donations

During the year the company made charitable donations of £8,783 (2009: £8,012).

TDG (UK) Limited

The directors' report (continued)

Year ended 31 December 2010

Post balance sheet event

On 28 March 2011, DouglasBay Capital plc, the Company's ultimate parent company at the year end, sold Laxey Logistics Limited (the parent company of TDG Limited, the Company's immediate parent company) to Norbert Dentressangle SA making it the ultimate parent company from that date

On 28 March 2011, the asset based lending facility held with Burdale Financial Limited was repaid in full

Disabled employees

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Employee involvement

The decentralised group management structure ensures that communication is direct and simple. Local consultation through briefing processes provides useful feedback and employee suggestions on local issues. Communications between formal employee representatives and management are constructive.

Every effort is made to ensure, wherever practicable, that pay is linked to results.

In recruitment, training, career development and promotion, the Company makes no distinction between disabled and able-bodied persons, provided the disability does not make the particular employment impractical, or the employee unable to conform to the stringent statutory regulations which apply to the Company. The Company is an equal opportunities employer, selecting and developing individuals entirely on their merit and performance.

Disclosure of information to auditors

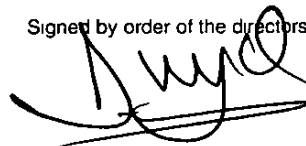
The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditor

KPMG LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Registered office
TDG Headquarters
Euroterminal
Westinghouse Road
Manchester
M17 1PY

Signed by order of the directors



Mr D Lynch

Director

Approved by the directors on 7 July 2011

Company Registration Number 00540403

TDG (UK) Limited

Statement of directors' responsibilities in respect of the directors' report and the financial statements

Year ended 31 December 2010

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, they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice). 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 for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

Independent auditor's report to the members of TDG (UK) Limited

We have audited the financial statements of TDG (UK) Limited for the year ended 31 December 2010 set out on pages 7 to 21. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm.

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 December 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with UK 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.

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.



Richard Evans (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
St James' Square
Manchester
M2 6DS

18 July 2011

TDG (UK) Limited

Profit and loss account

Year ended 31 December 2010

	Note	2010 £	2009 £
Turnover	2	493,296,651	466,296,811
Cost of sales		<u>(242,447,516)</u>	<u>(210,095,777)</u>
Gross profit		250,849,135	256,201,034
Administrative expenses		<u>(235,781,702)</u>	<u>(248,032,110)</u>
Other operating income		<u>47,480</u>	<u>142,099</u>
Operating profit	3	15,114,913	8,311,023
Profit on disposal of fixed assets	6	8,653,257	20,402,069
Share of profit/(loss) of associates		<u>5,981</u>	<u>(88,788)</u>
		23,774,151	28,624,304
Interest receivable and similar income	7	6,403,590	5,728,411
Interest payable and similar charges	8	<u>(3,516,987)</u>	<u>(5,389,410)</u>
Profit on ordinary activities before taxation		26,660,754	28,963,305
Tax on profit on ordinary activities	9	2,945,476	3,223,125
Profit for the financial year		<u>29,606,230</u>	<u>32,186,430</u>

All of the activities of the company are classed as continuing

Statement of total recognised gains and losses

There are no recognised gains or losses other than the profit of £29,606,230 attributable to the shareholder for the year ended 31 December 2010 (2009 - profit of £32,186,430)

The notes on pages 10 to 21 form part of these financial statements

TDG (UK) Limited

Note of historical cost profits and losses

Year ended 31 December 2010

	2010	2009
	£	£
Reported profit on ordinary activities before taxation	26,660,754	28,963,305
Difference between a historical cost depreciation charge and the actual charge calculated on the revalued amount	(24,480)	-
Historical cost profit on ordinary activities before taxation	<u>26,636,274</u>	<u>28,963,305</u>
Historical cost profit for the year after taxation	<u>29,581,750</u>	<u>32,186,430</u>

The notes on pages 10 to 21 form part of these financial statements

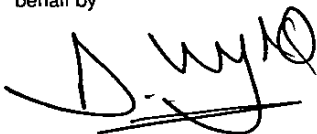
TDG (UK) Limited

Balance sheet

31 December 2010

	Note	2010 £	£	2009 £	£
Fixed assets					
Intangible assets	10		1,398,897		2,778,157
Tangible assets	11		63,102,187		92,204,612
Investments	12		4,503,905		4,497,924
			<u>69,004,989</u>		<u>99,480,693</u>
Current assets					
Stocks	13	2,127,484		2,062,933	
Debtors	14	262,001,808		233,508,899	
Cash at bank		12,186,335		10,490,149	
		<u>276,315,627</u>		<u>246,061,981</u>	
Creditors: Amounts falling due within one year	16	(113,199,736)		(123,345,534)	
Net current assets			<u>163,115,891</u>		<u>122,716,447</u>
Total assets less current liabilities			<u>232,120,880</u>		<u>222,197,140</u>
Creditors: Amounts falling due after more than one year	17		(21,807,908)		(40,665,223)
Provisions for liabilities					
Deferred taxation	15		–		(614,668)
Government grants	18		(1,359)		(208,085)
			<u>210,311,613</u>		<u>180,709,164</u>
Capital and reserves					
Called-up equity share capital	23		101,091,360		101,095,141
Share premium account	24		19,900,000		19,900,000
Revaluation reserve	25		3,048,340		7,201,313
Other reserves	26		4,153,000		4,153,000
Profit and loss account	27		82,118,913		48,359,710
Shareholder's funds	28		<u>210,311,613</u>		<u>180,709,164</u>

These financial statements were approved by the directors and authorised for issue on 7 July 2011, and are signed on their behalf by



Mr D Lynch
Director

Company registration number 00540403

The notes on pages 10 to 21 form part of these financial statements

TDG (UK) Limited

Notes to the financial statements

Year ended 31 December 2010

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets and in accordance with applicable accounting standards

The accounts have been prepared in accordance with applicable Accounting Standards in the United Kingdom and the Companies Act 2006. The principle accounting policies used have been applied consistently.

As outlined in the Contingent Liabilities note 20, cross guarantees exist in respect of the Company's borrowings. The Directors anticipate no liability in respect of these cross guarantee arrangements.

The Company has taken advantage of the exemption under s402 of the Companies Act 2006 not to prepare consolidated financial statements. These financial statements present information about the company and not about its group.

Going concern

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate for the following reasons. Following the acquisition of Laxey Logistics Limited and its subsidiaries, of which this company is one, by Norbert Dentressangle SA on 28 March 2011, the company is dependent for its working capital on funds provided to it by Norbert Dentressangle SA, which is now the company's ultimate parent. Norbert Dentressangle SA has indicated that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the company. The directors consider that this should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. Based on this undertaking the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

Turnover

Turnover is measured at the fair value of consideration receivable (net of any rebates and discounts) and excludes sales taxes and customs duties. Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and revenue can be reliably measured. In practice this means that revenue is generally recognised when service is rendered.

Goodwill

Goodwill, being the difference between the fair value of attributable net tangible assets at the date of acquisition and the cost of shares or assets acquired, is capitalised and amortised over a period not exceeding 20 years.

Prior to 1 January 1998, acquisition goodwill was taken to reserves in the year of acquisition.

Amortisation

Amortisation 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:

Goodwill - over a period not exceeding 20 years

Fixed assets

As permitted by the transitional provisions of FRS15 "Tangible Fixed Assets", the Company has elected not to adopt a policy of revaluation of tangible fixed assets. The carrying value of land and buildings has been retained but the valuations will not be updated.

TDG (UK) Limited

Notes to the financial statements

Year ended 31 December 2010

1 Accounting policies *(continued)*

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	-	20 to 50 years
Leasehold Property	-	Amortised over remaining life of lease
Motor Vehicles	-	4 to 6 years
Equipment	-	3 to 20 years

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve

Stocks

Stocks are stated at the lower of cost and net realisable value

Operating lease agreements

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease

Pension costs

TDG (UK) Limited participates in the TDG Pension Scheme, a Group mixed defined benefit and defined contribution scheme. The Company is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis. Therefore, in accordance with FRS17, the Company has adopted the multi-employer exemption resulting in a defined contribution treatment for the Group scheme and recognises the contributions payable each year through the profit and loss account.

Trade debtors

Trade debtors are recognised and carried at their original invoice amount. Provision is made for impairment where, in the opinion of management, the original invoice amount will not be recovered. The provision for impairment represents management's estimate of the irrecoverable amount. Trade receivables do not carry any interest.

Other receivables

Other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the balance sheet date. These are classified as non-current assets. Loans and receivables are classified as trade and other receivables in the balance sheet.

Cash and cash equivalents

Cash and cash equivalents consists of cash at bank and in hand.

Trade payables

Trade payables are recognised and carried at their original invoice amount. Trade payables do not carry any interest.

TDG (UK) Limited

Notes to the financial statements

Year ended 31 December 2010

1 Accounting policies (continued)

Deferred taxation

The Company provides for deferred tax assets and liabilities arising from timing differences between the recognition of gains and losses in the financial statements and their recognition for tax purposes. Deferred tax assets are recognised where it is more likely than not that the deferred tax asset will be recovered. Deferred tax is not provided on gains on revalued properties, unless at the balance sheet date it is the intention to sell the property. Deferred tax is measured on a non-discounted basis.

Borrowings

Borrowing costs are recognised in the income statement as they are incurred.

Share-based payments

Prior to the change in the Company's ultimate parent company, the Save As You Earn (SAYE) programme allowed eligible TDG (UK) Limited employees to acquire shares of the immediate parent Company, TDG Limited.

The fair value of options granted was recognised as an employee expense with a corresponding increase in equity. The fair value was measured at the date of grant, using the Black-Scholes Model, and spread over the period during which the employees become unconditionally entitled to the options. The value of the charge is adjusted to reflect expected and actual levels of options vesting. Full details of the measurement of the fair value of the options are disclosed in the consolidated financial statements of TDG Limited.

Foreign currencies

Assets and liabilities 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.

Financial instruments

The treasury policies noted below are the Group policies operated by TDG Limited (formerly TDG plc) the immediate parent Company on behalf of group companies including TDG (UK) Limited.

Treasury policies and financial risk management

The Group operates a centralised treasury function which acts within clearly defined policies approved by the Board. These policies are designed to reduce the financial risks faced by the Group relating to funding the liquidity, interest rate and currency exchange rate exposure. Transactions of a speculative nature are not permitted and the treasury function does not operate as a profit centre. Credit risk is managed by limiting exposure to authorised banks with credit ratings approved by the Board.

Credit risk

The main credit risk lies with the Company's trade receivables. Management have estimated the provision for doubtful debts based on prior experience and their assessment of the current economic environment. Concentrations of credit risk with respect to trade receivables are limited due to the Company's customer base being large and unrelated. Credit risk on bank balances is limited as they are held with authorised banks with credit ratings approved by the Board.

Deferred investment grants

Investment grants are credited to the profit and loss account in equal annual amounts over the expected life of the assets to which the grant relates.

TDG (UK) Limited

Notes to the financial statements

Year ended 31 December 2010

2 Turnover

The company has taken the exemption under SSAP 25 to only present segmental information as required by Companies Act 2006

Business activities

During 2010 the Company's operations were reorganised and profit and loss reporting was arranged around four core capabilities of Logistics, Transport, International (freight forwarding) and Tank Storage, which is a unique and autonomous tank/chemicals site within the Company

	2010 £	2009 £
Logistics	231,797,969	222,293,068
Transport	241,742,736	217,679,098
International	11,899,154	18,983,486
Tank Storage	7,856,792	7,341,159
	<u>493,296,651</u>	<u>466,296,811</u>

Geographical analysis

Turnover derived from external customers by geographical destination is not materially different to the analysis by geographical origin

	2010 £	2009 £
UK Sales	<u>493,296,651</u>	<u>466,296,811</u>

3 Operating profit

Operating profit is stated after charging/(crediting)

	2010 £	2009 £
Amortisation of government grants	(206,726)	(142,100)
Amortisation of intangible assets	1,084,225	1,228,000
Impairment of intangible fixed assets	295,035	—
Depreciation of owned fixed assets	10,111,963	11,715,113
Impairment of owned fixed assets	285,011	—
Loss on disposal of fixed assets	7,444	—
Operating lease costs		
- Plant and equipment	7,908,821	13,289,401
- Other	18,073,611	14,801,892
Net (profit)/loss on foreign currency translation	(226,700)	630,135
Auditor's remuneration - audit of the financial statements	—	227,293
Auditor's remuneration - other fees	<u>35,819</u>	<u>14,756</u>

In 2010 audit fees of £220,000 were borne by TDG Limited

	2010 £	2009 £
Auditor's remuneration - audit of the financial statements	<u>—</u>	<u>227,293</u>
Auditor's remuneration - other fees		
- Taxation services	9,169	14,756
- Other services	<u>26,650</u>	<u>—</u>
	<u>35,819</u>	<u>14,756</u>

TDG (UK) Limited

Notes to the financial statements

Year ended 31 December 2010

4 Particulars of employees

The average number of staff employed by the company, including directors, during the financial year amounted to

	2010	2009
	No	No
Number of administrative and production staff	<u>5,064</u>	<u>5,020</u>

The aggregate payroll costs of the above were

	2010	2009
	£	£
Wages and salaries	139,499,010	146,736,374
Social security costs	12,823,145	13,078,152
Other pension costs	4,758,856	5,377,791
Pensions paid to former employees	—	16,464
	<u>157,081,011</u>	<u>165,208,781</u>

Included within wages and salaries is £2,012,899 (2009 £7,720,128) paid in relation to redundancy costs

5 Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were

	2010	2009
	£	£
Remuneration receivable	—	286,516
Value of company pension contributions to defined benefit schemes	—	16,464
	<u>—</u>	<u>302,980</u>

The directors' remuneration in 2009 relates to the remuneration of one director only therefore equates to the remuneration of the highest paid director. No directors were paid by the company during 2010.

There are no pension benefits accruing to any of the other directors.

6 Profit on disposal of fixed assets

	2010	2009
	£	£
Profit on disposal of fixed assets	<u>8,653,257</u>	<u>20,402,069</u>

In 2010, the company sold thirteen properties under a sale and leaseback arrangement and two outright sales to a third party. The disposal of the properties created a net capital gain charge of £1,125,253, this liability was extinguished by utilisation of capital losses and group relief. The company has capital losses to be offset against future charges of £nil (2009 £1,104,517).

In 2009, the company sold four properties under a sale and leaseback arrangement and one outright sale to a third party. The disposal of the properties created a net capital gain charge of £18,476, this liability was extinguished by utilisation of capital losses. The company has capital losses to be offset against future charges of £1,104,517 (2008 £1,122,933).

7 Interest receivable and similar income

	2010	2009
	£	£
Unwinding of discount on liability for insurance claims	40,000	—
Interest from group undertakings	6,346,307	5,722,042
Other similar income receivable	17,283	6,369
	<u>6,403,590</u>	<u>5,728,411</u>

TDG (UK) Limited

Notes to the financial statements

Year ended 31 December 2010

8 Interest payable and similar charges

	2010 £	2009 £
Interest payable on bank borrowing	2,526,026	4,716,219
Unwinding of discount on liability for insurance claims	-	32,000
Other similar charges	990,961	641,191
	<u>3,516,987</u>	<u>5,389,410</u>

9 Taxation on ordinary activities

(a) Analysis of charge in the year

	2010 £	2009 £
Current tax		
UK Corporation tax based on the results for the year at 28% (2009 - 28%)	1,399,207	-
Over provision in prior year	(304,557)	(2,463,138)
Total current tax	<u>1,094,650</u>	<u>(2,463,138)</u>
Deferred tax		
Origination and reversal of timing differences	(411,321)	(759,987)
Adjustment in respect of prior year	(3,628,805)	-
Tax on profit on ordinary activities	<u>(2,945,476)</u>	<u>(3,223,125)</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 28% (2009 - 28%)

	2010 £	2009 £
Profit on ordinary activities before taxation	<u>26,660,754</u>	<u>28,963,305</u>
Profit on ordinary activities by rate of tax	7,465,011	8,109,725
Permanent timing differences	347,241	111,779
Depreciation for the period in excess of capital allowances	385,851	927,503
Utilisation of tax losses	(4,502,404)	(3,229,124)
Origination/reversal of other timing differences	111,544	(167,516)
Adjustments to tax charge in respect of previous periods	(304,557)	(2,463,138)
Relief claimed on profit on sale of properties	(2,350,154)	(5,712,579)
Tax exempt income	(57,882)	(39,788)
Total current tax (note 9(a))	<u>1,094,650</u>	<u>(2,463,138)</u>

TDG (UK) Limited

Notes to the financial statements

Year ended 31 December 2010

10 Intangible fixed assets

	Goodwill £
Cost	
At 1 January 2010 and 31 December 2010	<u>7,038,052</u>
Amortisation	
At 1 January 2010	4,259,895
Charge for the year	1,084,225
Impairment for the year	295,035
At 31 December 2010	<u>5,639,155</u>
Net book value	
At 31 December 2010	<u>1,398,897</u>
At 31 December 2009	<u>2,778,157</u>

11 Tangible fixed assets

	Freehold Property £	Leasehold Property £	Motor Vehicles £	Equipment £	Total £
Cost or valuation					
At 1 January 2010	68,372,229	17,232,194	13,011,833	92,099,095	190,715,351
Additions	30,665	—	209,335	4,838,698	5,078,698
Disposals	(27,330,384)	(2,547,378)	(3,072,533)	(11,213,278)	(44,163,573)
At 31 December 2010	<u>41,072,510</u>	<u>14,684,816</u>	<u>10,148,635</u>	<u>85,724,515</u>	<u>151,630,476</u>
Depreciation					
At 1 January 2010	17,911,860	7,154,500	11,149,591	62,294,788	98,510,739
Charge for the year	1,330,031	715,441	724,683	7,341,808	10,111,963
Impairment for the year	285,011	—	—	—	285,011
On disposals	(7,770,722)	(1,813,555)	(2,855,198)	(7,939,949)	(20,379,424)
At 31 December 2010	<u>11,756,180</u>	<u>6,056,386</u>	<u>9,019,076</u>	<u>61,696,647</u>	<u>88,528,289</u>
Net book value					
At 31 December 2010	<u>29,316,330</u>	<u>8,628,430</u>	<u>1,129,559</u>	<u>24,027,868</u>	<u>63,102,187</u>
At 31 December 2009	<u>50,460,369</u>	<u>10,077,694</u>	<u>1,862,242</u>	<u>29,804,307</u>	<u>92,204,612</u>

Of the net book value of freehold and leasehold property of £37,944,760 (2009 £60,538,063), £15,056,126 (2009 £29,941,765) is secured to the bank, £22,403,503 (2009 £27,732,384) is secured to the UK defined benefit pension scheme

Leasehold property at 31 December 2010 comprise

	Cost or valuation £	Accumulated depreciation £	Book value £
Long leasehold	11,322,130	3,694,150	7,627,980
Short leasehold	3,362,686	2,362,236	1,000,450
	<u>14,684,816</u>	<u>6,056,386</u>	<u>8,628,430</u>

Within freehold property net book value of £29,316,330 (2009 £50,460,369), £nil (2009 £10,921,731) is expected to be sold by 31st December 2011

TDG (UK) Limited

Notes to the financial statements

Year ended 31 December 2010

11 Tangible fixed assets (continued)

Capital commitments

	2010 £	2009 £
Contracted but not provided for in the financial statements	<u>235,499</u>	<u>378,510</u>

12 Investments

	Subsidiary undertakings £	Shares in associates £	Total £
Cost			
At 1 January 2010	4,486,713	11,211	4,497,924
Share of profit of associates	-	5,981	5,981
At 31 December 2010	<u>4,486,713</u>	<u>17,192</u>	<u>4,503,905</u>
Net book value			
At 31 December 2010	<u>4,486,713</u>	<u>17,192</u>	<u>4,503,905</u>
At 31 December 2009	<u>4,486,713</u>	<u>11,211</u>	<u>4,497,924</u>

The investments in subsidiary undertakings represent 100% investment in the following companies registered in England & Wales along with their principal activity

Bnsk Airfreight Limited (Provision of air and sea freight forwarding services) TDG Directors No 2 Limited (Dormant)
Warminster Motor Company Limited (Dormant)
TDG Property Holdings Limited (Dormant)
TDG Dagenham Limited (Dormant)

13 Stocks

	2010 £	2009 £
Consumables	<u>2,127,484</u>	<u>2,062,933</u>

14 Debtors

	2010 £	2009 £
Trade debtors	60,103,388	55,124,297
Amounts owed by group undertakings	11,231,926	914,936
Amounts owed by undertakings in which the company has a participating interest	168,827,714	159,750,025
Other debtors	598,637	305,768
Prepayments and accrued income	17,814,685	17,413,873
Deferred taxation (note 15)	3,425,458	-
	<u>262,001,808</u>	<u>233,508,899</u>

In October 2008, TDG Limited, entered into a committed facility of £80m asset-based lending (ABL) arranged by Burdale Financial Limited, the secured asset-based lending subsidiary of the Bank of Ireland. The ABL facility incorporates a fixed and floating charge on the receivables of TDG (UK) Limited. At the year end trade debtors of £60,103,388 (2009 £56,411,432) are secured under the ABL facility.

On 28 March 2011 the facility with Burdale Financial Limited was fully repaid by TDG Limited, with the security on the receivables of TDG (UK) Limited being lifted from that date.

Amounts owed by group and parent undertakings have no fixed date of repayment and earn interest at market rates.

TDG (UK) Limited

Notes to the financial statements

Year ended 31 December 2010

15 Deferred taxation

The deferred tax included in the Balance sheet is as follows

	2010 £	2009 £
Included in debtors (note 14)	3,425,458	-
Included in provisions	-	(614,668)
	<u>3,425,458</u>	<u>(614,668)</u>

The movement in the deferred taxation account during the year was

	2010 £	2009 £
Balance brought forward	(614,668)	(1,374,655)
Profit and loss account movement arising during the year	4,040,126	759,987
Balance carried forward	<u>3,425,458</u>	<u>(614,668)</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of

	2010 £	2009 £
Excess of depreciation over taxation allowances	2,713,216	(1,612,041)
Other timing differences	712,242	997,373
	<u>3,425,458</u>	<u>(614,668)</u>

There are no unprovided amounts relating to the tax effect of other timing differences at 31 December 2010 (2009 nil)

16 Creditors Amounts falling due within one year

	2010 £	2009 £
Bank loans and overdrafts	4,111,214	16,907,067
Trade creditors	36,363,088	28,256,101
Amounts owed to group undertakings	5,730,610	5,970,008
Other creditors including taxation and social security		
Corporation tax	1,608,081	454,966
Other taxation and social security	11,583,799	14,011,450
Other creditors	4,661,311	4,613,997
	<u>64,058,103</u>	<u>70,213,589</u>
Accruals and deferred income	49,141,633	53,131,945
	<u>113,199,736</u>	<u>123,345,534</u>

On 28 March 2011 the secured loans of £4,075,989 held with Burdale Financial Limited were fully repaid

17 Creditors Amounts falling due after more than one year

	2010 £	2009 £
Bank loans	<u>21,807,908</u>	<u>40,665,223</u>

On 28 March 2011 the secured loans of £21,807,908 held with Burdale Financial Limited were fully repaid

18 Government grants

	2010 £	2009 £
At 1 January 2010	208,085	350,184
Amortisation of grant	(206,726)	(142,099)
At 31 December 2010	<u>1,359</u>	<u>208,085</u>

The grants could potentially be repayable should transport volumes fall below certain levels

TDG (UK) Limited

Notes to the financial statements

Year ended 31 December 2010

19 Commitments under operating leases

At 31 December 2010 the company had annual commitments under non-cancellable operating leases as set out below

	2010		2009	
	Land and buildings £	Other Items £	Land and buildings £	Other Items £
Operating leases which expire				
Within 1 year	2,118,366	1,734,314	730,973	1,791,193
Within 2 to 5 years	3,551,033	5,208,766	6,665,564	6,688,033
After more than 5 years	8,432,502	34,352	6,628,374	-
	<u>14,101,901</u>	<u>6,977,432</u>	<u>14,024,911</u>	<u>8,479,226</u>

20 Contingencies

At the year end the Company was part of the borrowing group which has granted the bankers a fixed and floating charge over the assets of the company in respect of borrowings made by TDG Limited Group (of which the company is part). The amount outstanding under this agreement at 31 December 2010 was £37.4m million (2009 £74.3m). It is not expected any liability will crystallise under this guarantee.

In consideration of the Lenders making the asset backed facilities available it was required that each Guarantor to the facility provided unconditional joint and several guarantees to each Borrower and other Guarantor. Such cross guarantees are in place to guarantee to the performance of all obligations, including but not restricted to payments and all other liabilities, such that the Lenders are fully indemnified as if all obligations had been fully performed when due. TDG Limited is such a guarantor and no calls are anticipated under these cross guarantee arrangements.

On 28 March 2011 the secured loan provided by Burdale Financial Limited to TDG Limited Group (of which the Company is part) was repaid in full and the fixed and floating charge over the assets of the company was lifted from that date.

21 Retirement benefits

Pension arrangements

TDG (UK) Limited participates in the TDG Pension Scheme, a UK Group mixed benefit scheme comprising of a defined benefit section and a defined contribution section. These sections were closed to new members from 5 April 2003. Prior to 1 June 2008 all new entrants to the scheme from 6 April 2003 joined the defined contribution section with no defined benefit entitlement. On 31 May 2008 the defined contribution section of the TDG Pension Scheme was closed and all new entrants now join the "Pathway Scheme" a defined contribution Group personal pension plan.

The Company is unable to identify its share of the underlying assets and liabilities on a consistent and reasonable basis and as permitted under FRS17 the Company has adopted the defined contribution treatment for the Group scheme and recognises the contributions payable each year through the profit and loss account.

The pension cost to the Company were as follows:

	2010 £	2009 £
Defined benefit	2,355,901	2,911,531
Defined contribution	2,402,955	2,482,724
	<u>4,758,856</u>	<u>5,394,255</u>

Actuarial valuations of the TDG Pension Scheme are carried out on a triennial basis by independent actuaries. The most recent valuation was carried out as at 31 December 2009.

Further details of the Group schemes are set out in the financial statements of TDG Limited of which the UK TDG Pension Scheme accounts for 96% (2009 96%) of the assets and 94% (2009 94%) of the liabilities.

22 Related party transactions

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

TDG (UK) Limited

Notes to the financial statements

Year ended 31 December 2010

23 Share capital

Allotted, called up and fully paid

	2010		2009	
	No	£	No	£
4,400,000 Ordinary shares of £0.25 each	4,400,000	1,100,000.00	4,400,000	1,100,000.00
399,965,440 Ordinary B shares (2009 - 399,980,564) of £0.25 each	399,965,440	99,991,360.00	399,980,564	99,995,141.00
	<u>404,365,440</u>	<u>101,091,360.00</u>	<u>404,380,564</u>	<u>101,095,141.00</u>

Movement in share capital

	2010 £	2009 £
At 1st January	101,095,411	101,100,000
Purchase of own ordinary B shares 15,124 (2009: 19,436) at £0.25 each	(3,781)	(4,589)
At 31 December	<u>101,091,630</u>	<u>101,095,411</u>

The purchase of ordinary B shares of £3,781 (2009: £4,589) relates to the company repurchasing its own shares from the immediate parent company.

24 Share premium account

There was no movement on the share premium account during the financial year.

25 Revaluation reserve

	2010 £	2009 £
Balance brought forward	7,201,313	7,201,313
Transfer to the Profit and Loss Account on realisation	(4,152,973)	-
Balance carried forward	<u>3,048,340</u>	<u>7,201,313</u>

26 Other reserves

	2010 £	2009 £
Capital redemption reserve	<u>4,153,000</u>	<u>4,153,000</u>

The other reserve relates to a capital reserve.

27 Profit and loss account

	2010 £	2009 £
Balance brought forward	48,359,710	16,173,280
Profit for the financial year	29,606,230	32,186,430
Transfer from revaluation reserve	4,152,973	-
Balance carried forward	<u>82,118,913</u>	<u>48,359,710</u>

28 Reconciliation of movements in shareholder's funds

	2010 £	2009 £
Profit for the financial year	29,606,230	32,186,430
Purchase of own ordinary shares	(3,781)	(4,589)
Transfer from revaluation reserve	4,152,973	-
Transfer to profit and loss account	(4,152,973)	-
Net addition to shareholder's funds	<u>29,602,449</u>	<u>32,181,571</u>
Opening shareholder's funds	180,709,164	148,527,593
Closing shareholder's funds	<u>210,311,613</u>	<u>180,709,164</u>

TDG (UK) Limited

Notes to the financial statements

Year ended 31 December 2010

29 Post balance sheet events

On 28 March 2011, DouglasBay Capital plc, the Company's ultimate parent company at the year end, sold Laxey Logistics Limited (the parent company of TDG Limited, the Company's immediate parent company) to Norbert Dentressangle SA making it the ultimate parent company

On 28 March 2011, the asset based lending facility held with Burdale Financial Limited was repaid in full

30 Ultimate parent company

TDG Limited, a Company registered in England, is the Company's immediate parent undertaking and prepares group accounts which include the accounts of the Company. Copies of the group accounts of TDG Limited may be obtained from the TDG Headquarters at Euroterminal, Westinghouse Road, Trafford Park, Manchester, M17 1PY

At the year end the Company's ultimate parent undertaking was DouglasBay Capital plc, a company registered in the Isle of Man

On 28 March 2011, Norbert Dentressangle SA purchased the entire shareholding of Laxey Logistics Limited, the immediate parent company of TDG Limited, making it the ultimate parent company from that date