

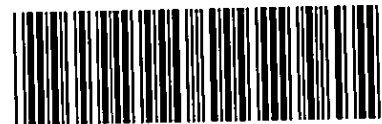
UNITRANS LIMITED

Report and Financial Statements

For the year ended

30 June 2008

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REPORT AND FINANCIAL STATEMENTS 2008

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

S W Cahill
A J Caple
C G Davies
B J Dearman
A M Elmes
D N Fletcher
S B Littlely

SECRETARY

M Ashcroft

REGISTERED OFFICE

Steinhoff UK Business Park
Northway Lane
Ashchurch
Tewkesbury
Gloucestershire
GL20 8GY

AUDITORS

Deloitte LLP
Bristol, United Kingdom

DIRECTORS' REPORT

The directors present their annual report on the affairs of the company, together with the financial statements and independent auditors report, for the year ended 30 June 2008.

PRINCIPAL ACTIVITIES

The company's principal activity is logistics, which includes:

- specialist logistics, incorporating storage, fulfilment, technical services, specialised distribution and installation of high value equipment;
- service logistics, including reverse logistics solutions; and
- project logistics.

The company has retained the trading name of Concorde Logistics and TechXpress.

The company is a wholly owned subsidiary of Unitrans Logistics (UK) Limited; the ultimate parent company is Steinhoff International Holdings Limited.

RESULTS AND DIVIDENDS

As shown in the company's income statement on page 7 the company's sales have decreased by 21% from £33,363,000 to £26,521,000 generating a loss before tax of £2,972,000 (2007 – £835,000 loss).

No dividend has been paid (2007 – £nil).

The balance sheet on page 8 of the financial statements shows that the company's financial position at the year-end has declined in terms of net assets compared with the prior year following the loss for the year.

ENHANCED BUSINESS REVIEW

The key performance indicators for the company are sales, gross profit margin and profit or loss before tax.

The 21% decrease in sales was due to two key factors: a reduction in the marketplace of large scale desktop replacement programmes, particularly in the financial sector, that had buoyed up the company's 2007 sales; and the general competitiveness of the marketplace caused by overcapacity.

The gross profit margin achieved was 3.9% (2007 – 8.6%) and this fall was due to the higher cost infrastructure that was established in the previous year to support the activity related to the large desktop replacement programmes that came to an end in 2008, together with the costs of downsizing the cost base, such as the early closure of the Bracknell facility, following customers taking decisions to curtail or shrink the scale of programmes as a result of the overall market pressure experienced across the UK economy.

The loss before tax was £2,972,000 (2007 - £835,000) and this is due in part to significant restructuring costs and the ongoing process to rationalise the business in line with expected levels of activity.

The company is adopting a three point business development strategy as it transitions itself under a new management team after the departure of longstanding directors resulting from the restructuring process.

Firstly the company is seeking to provide more value added supply chain services by leveraging the service management system infrastructure that controls the day to day operations and which gives us real competitive advantage when coupled with our skilled workforce, real estate and transport infrastructure all underpinned by our move to generating a more variable cost profile.

Secondly the company will also focus on developing our European footprint by leveraging our UK customer base and seeking out new customers. This will also enable us to broaden and improve our service offerings to customers seeking pan-European service providers.

Thirdly following changes in ownership of the company the company will seek to develop business within the Steinhoff UK Group which has significant amounts of logistics activity.

DIRECTORS' REPORT (continued)**ENHANCED BUSINESS REVIEW (continued)**

The year ending June 2009 continued to present challenges as the continuing world economic pressures were brought to bear however the directors believe that the above outlined strategy and strong focus on delivering high levels of customer service will ensure the company is well placed to take advantage of any upturn in our market resulting from either increased spend on capital equipment which generates service activity, or as businesses look to focus more on their own core activities and outsource or re-engineer their current supply chains, again generating opportunity for Unitrans. In summary 2008/9 will be a year of transition but we should be well placed to exit the year with an improved cost base and an enhanced reputation for delivering first class levels of service in our chosen markets.

The directors acknowledge that, during the normal course of business and in such turbulent markets, there are a number of potential risks and uncertainties, which could have a material impact on the company's short and long-term performance and could cause actual results to differ materially from expected and historical results.

An annual review of all potential business risks is carried out, determining the potential impact on the business, the likelihood of the risk arising and the current controls in place to mitigate such risks.

Key risks faced by the company are currently:

- The current downturn in the world economy, and in particular the United Kingdom, will have an impact on capital investment in equipment by customers, a key source of project revenue for the company, and general confidence levels meaning lower levels of activity within the logistics sector. This risk is mitigated by the company's diverse customer base and increased opportunities with fellow subsidiaries within the Steinhoff UK group. The recent restructuring within the company means it is appropriately placed to adapt to these changed circumstances. The financial strength of its ultimate parent also ensures that it will be well positioned to give confidence to customers and, over time, enable it to capitalize on lesser competitors;
- competitor risk in an over populated and well developed market, mitigated through both heightening the focus on customer service so the company is positioned to be the natural choice for customer's additional supply chain service requirements, and further developing our focus on the high technology sector, broadening the range of services offered through developing in-house skills as well as strategic partnerships; and
- input prices mitigated through the investment of resources in a procurement function to tighten focus on cost control.

The company's business activities, together with the factors likely to affect its future development, performance and position are set out above. The financial position of the company, its cash flows, and liquidity position are described in the financial statements. In addition note 21 to the financial statements includes the company's objectives, policies and processes for managing its financial risk; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

The Steinhoff UK group has undertaken to provide financial support for at least a year from the date of the signing of the audit report on page 6, to enable the company to continue business operations as a going concern.

Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and accounts.

DIRECTORS

The directors of the company during the year were:

S W Cahill (appointed 20 September 2007)
 A J Caple (appointed 20 September 2007)
 C G Davies (appointed 28 February 2008)
 A M Elmes (appointed 13 November 2007)
 M J K Grad (resigned 31 August 2007)

B J Dearman
 D N Fletcher
 S B Littley
 A Joy (resigned 31 August 2007)
 C J N Grad (resigned 30 September 2007)

DIRECTORS' REPORT (continued)

DIRECTORS' INDEMNITIES

The Steinhoff International group has made qualifying third party indemnity provisions for the benefit of the directors of the company which were in place throughout the year and remain in force at the date of this report.

SUPPLIER PAYMENT POLICY

The company's policy is to agree terms of payment with suppliers when entering in to a transaction and abide by them.

AUDITORS

Each of the persons who is a director at the date of approval of this annual report confirms that:

- so far as the directors is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of s234ZA of the Companies Act 1985.

Deloitte & Touche LLP were appointed as auditors and BDO Stoy Hayward LLP resigned during the year. On 1 December 2008 Deloitte & Touche LLP changed its name to Deloitte LLP. A resolution to reappoint Deloitte LLP as auditors will be proposed at the forthcoming Annual General Meeting.

On behalf of the board



S W Cahill
Director

3 JULY 2009

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial statements are required by law to be properly prepared in accordance with IFRSs as adopted by the European Union and the Companies Act 1985.

International Accounting Standard 1 requires that financial statements present fairly for each financial year the company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs. However, directors are also required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UNITRANS LIMITED

We have audited the financial statements of Unitrans Limited for the year ended 30 June 2008 which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement, and the related notes 1 to 21. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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

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).

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 IFRSs as adopted by the European Union, of the state of the company's affairs as at 30 June 2008 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.

Deloitte LLP.

Deloitte LLP
Chartered Accountants and Registered Auditors
Bristol, United Kingdom

6 July 2009

INCOME STATEMENT
Year ended 30 June 2008

	Note	2008 £	2007 £
Revenue		26,520,742	33,363,039
Cost of sales		(25,496,747)	(30,509,540)
Gross profit		1,023,995	2,853,499
Administrative expenses		(3,814,146)	(3,691,989)
Operating loss		(2,790,151)	(838,490)
Finance income – bank interest receivable		1,839	25,009
Finance costs	4	(183,269)	(21,722)
Loss before taxation	2	(2,971,581)	(835,203)
Taxation	5	(81,028)	90,438
Loss for the financial year	15	(3,052,609)	(744,765)


All amounts relate to continuing activities.

There were no recognised gains or losses other than those reported above and accordingly no statement of recognised income and expense has been produced.

BALANCE SHEET
30 June 2008

	Note	£	2008 £	£	2007 £
Non-current assets					
Intangible assets	7	138,117		227,556	
Property, plant and equipment	6	979,054		1,280,738	
Investments	8	218,864		-	
Deferred tax assets	9	-		58,847	
				<u> </u>	
Total non-current asset			1,336,035		1,567,141
Current assets					
Trade and other receivables	10	6,867,912		12,648,646	
Cash and cash equivalents		-		67,225	
				<u> </u>	
Total current assets			6,867,912		12,715,871
			<u> </u>		<u> </u>
Total assets			8,203,947		14,283,012
			<u> </u>		<u> </u>
Current liabilities					
Bank overdraft	11	948,952		842,419	
Trade and other payables	12	5,637,685		8,869,429	
Corporation tax liability		-		47,227	
				<u> </u>	
Total current liabilities			6,586,637		9,759,075
			<u> </u>		<u> </u>
Total assets less current liabilities			1,617,310		4,523,937
Non-current liabilities					
Provisions	13		714,239		568,257
			<u> </u>		<u> </u>
Total net assets			903,071		3,955,680
			<u> </u>		<u> </u>
Equity					
Share capital	14		199,531		199,531
Retained earnings	15		703,540		3,756,149
			<u> </u>		<u> </u>
Shareholder's funds	15		903,071		3,955,680
			<u> </u>		<u> </u>

These financial statements were approved by the Board of Directors on
Signed on behalf of the Board of Directors



S W Cahill
Director

3rd July 2009

CASH FLOW STATEMENT
Year ended 30 June 2008

	2008	2007
£	£	£
Cash flows from operating activities		
Operating loss	(2,790,151)	(838,490)
<i>Adjustments for:</i>		
Depreciation	439,624	383,907
Amortisation	109,034	127,056
Profit on sale of property, plant and equipment	(6,855)	-
Increase in provisions	145,982	283,734
Operating cash flows before changes in working capital	(2,102,366)	(43,793)
Decrease/(increase) in trade and other receivables	5,780,734	(1,331,580)
(Decrease)/increase in trade and other payables	(3,231,744)	1,195,347
Cash generated from/(used in) operations	446,624	(180,026)
Taxes paid	(69,408)	(12,682)
Cash inflow/(outflow) from operating activities	377,216	(192,708)
Investing activities		
Purchases of property, plant and equipment	(139,236)	(852,749)
Sale of property, plant and equipment	8,151	-
Purchase of intangible assets	(19,595)	-
Purchase of investment	(218,864)	-
Interest received	1,839	25,009
Cash outflow from investing activities	(367,705)	(827,740)
Financing activities		
Interest paid	(183,269)	(21,722)
Decrease in cash and cash equivalents	(173,758)	(1,042,170)
Cash and cash equivalents at the beginning of the year	(775,194)	266,976
Cash and cash equivalents at the end of the year	<u>(948,952)</u>	<u>(775,194)</u>
Cash and cash equivalents are:		
Cash available on demand	-	67,225
Overdrafts	(948,952)	(842,419)
	<u>(948,952)</u>	<u>(775,194)</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2008

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements of the company are presented as required by the Companies Act 1985. As permitted by that Act, they have been prepared in accordance with International Financial Reporting Standards as adopted for use in the European Union.

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are set out below.

Revenue recognition

Revenue is attributable to the company's principal activity. Revenue represents sales to customers at invoiced amounts less value added tax or local taxes on sales. Revenue from the sale of services is recognised on delivery of the service to the customer.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

Foreign currencies

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date.

Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are included in net profit or loss for the period, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognised directly in equity.

Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

Operating profit

Operating profit is stated before investment revenue and finance costs.

Retirement benefit costs

The company operates defined contribution schemes for certain employees. The assets of these schemes are held separately from those of the company in independently administered funds. The amount charged against profits represents the contributions payable to the schemes in respect of the accounting period.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2008

1. ACCOUNTING POLICIES (continued)

Taxation (continued)

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Intangible assets

Software development costs are measured initially at cost then amortised on a straight line basis over their estimated useful economic lives of 5 years. Other intangible assets are capitalised and amortised through the income statement over the directors' estimate of their useful economic life of 2 years.

Impairment tests on the carrying value of intangible assets are undertaken:

- at the end of the first full financial year following acquisitions;
- in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Property, plant and equipment

Property, plant and equipment is stated at cost, net of depreciation. Depreciation is calculated to write down the cost less estimated residual value of these assets by equal annual instalments over their estimated useful economic lives. The periods/rates generally applicable are:

Leasehold improvements	over the lease term
Plant, equipment and motor vehicles	10%-33% per annum
Fixtures and fittings	20% per annum

These assets are reviewed for impairment in accordance with IAS 36 'Impairment of Assets' when there are indications that the carrying value may not be recoverable.

Impairment of non-financial assets

At each balance sheet date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2008

1. ACCOUNTING POLICIES (continued)

Impairment of non-financial assets (continued)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Financial instruments

In the current period, the company has adopted IFRS 7 Financial Instruments: Disclosures which is effective for annual reporting periods beginning on or after 1 January 2007, and the related amendment to IAS 1 Presentation of Financial Statements. The impact of the adoption of IFRS 7 and the changes to IAS 1 has been to expand the disclosures provided in these financial statements regarding the company's financial instruments and management of capital (see note 21).

Financial assets and financial liabilities are recognised on the company's balance sheet when the company becomes a party to the contractual provisions of the instrument.

Derivative financial instruments

The company does not enter into derivative financial instruments including forward foreign exchange contracts.

Financial assets

The financial assets are loans and receivables.

Financial assets - Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost less impairment.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted. For loans and receivables the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectable, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. The company now includes unpresented cheques in trade payables and uncleared lodgements in trade receivables, where as in

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2008

the prior period these amounts were included in cash and cash equivalents. The prior year balances have not been restated due to the immaterial nature of this change in policy.

1. ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial instruments issued by the company

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Other financial liabilities

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost.

Investments

Fixed asset investments are shown at cost less provision for impairment.

Future developments

The following standards and interpretations have been issued but were not effective at 30 June 2008 and have not been applied in preparing these financial statements:

- IFRS 1 and IAS 27 Cost of an Investment in a Subsidiary, Jointly-Controlled Entity, or Associate
- IAS 1 Presentation of Financial Statements (revised September 2007)
- IAS 23 Borrowing Costs (revised March 2007)
- IAS 27 Consolidated and Separate Financial Statements (revised January 2008)

The directors do not anticipate that the adoption of these standards and interpretations will have a material impact on the company's financial statements in the period of initial application.

2. LOSS BEFORE TAXATION

	2008 £	2007 £
Loss before taxation is stated after charging/(crediting):		
Depreciation of property, plant and equipment	439,624	383,907
Amortisation of intangible assets	109,034	127,056
Hire of plant and equipment – operating leases	253,676	350,474
Hire of other assets – operating leases	1,343,600	1,402,306
Auditors' remuneration – audit services	54,159	68,196
- tax advisory	13,220	3,950
- other assurance services	-	8,500
Foreign exchange (gain)/loss	(100,597)	13,979
Profit on disposal of assets	(6,855)	-

The tax advisory fees of £13,220 were payable to the company's former auditors.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2008

3. STAFF COSTS

	2008 £	2007 £
Wages and salaries	8,777,372	8,824,361
Social security costs	918,464	922,471
Other pension costs	96,310	63,370
	<u>9,792,146</u>	<u>9,810,202</u>

The average number of employees (including directors) during the year was as follows:

	2008 Number	2007 Number
Warehouse and transport	219	254
Technology and projects	32	50
Operations and administration	109	86
	<u>360</u>	<u>390</u>

Key management personnel

The remuneration of executive directors, who are the key management of the company, is set out in aggregate for each of the categories specified in IAS 24 "Related Party Disclosures".

	2008 £	2007 £
Directors' emoluments	622,168	687,730
Company contributions to money purchase pension schemes	59,526	16,417
Compensation for loss of office	170,999	89,154
	<u>852,693</u>	<u>793,301</u>

There were 4 directors in the company's defined contribution pension scheme during the year (2007 - 4).

The total amount payable to the highest paid director in respect of emoluments was £180,000 (2007 - £186,074). No company pension contributions were made to a money purchase scheme on his behalf.

4. FINANCE COSTS

	2008 £	2007 £
Bank interest payable	40,549	21,722
Interest on loan from parent company	127,753	-
Other interest payable	14,967	-
	<u>183,269</u>	<u>21,722</u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2008

5. TAXATION

	2008 £	2007 £
Current tax charge/(credit)		
UK corporation tax on loss for the year	-	-
Adjustment in respect of prior years	22,181	(31,591)
Total current tax	22,181	(31,591)
Deferred tax expense		
Adjustments in respect of previous years	58,847	-
Origination and reversal of temporary differences	-	(58,847)
	58,847	(58,847)
Total tax charge/(credit)	81,028	(90,438)

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the UK applied to losses for the year are as follows:

	2008 £	2007 £
Loss before tax	(2,971,581)	(835,203)
Expected tax credit based on the standard rate of corporation tax in the UK of 29.5% (2007 – 30%)	(876,616)	(250,561)
Expenses not deductible for tax purposes	32,000	141,832
Difference between capital allowances and depreciation	73,000	31,098
Adjustment to tax charge in respect of previous years:		
- UK corporation tax	22,181	(31,591)
- Deferred tax	58,847	-
Group relief	-	18,216
Tax losses carried forward	591,616	-
Other timing differences	180,000	568
Total tax charge/(credit)	81,028	(90,438)

For the year ended 30 June 2008, the blended UK rate of 29.5% is applied due to the change in the UK corporation tax rate from 30% to 28% with effect from 1 April 2008.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2008

6. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improve- ments £	Plant, equipment and motor vehicles £	Fixtures and fittings £	Total £
Cost				
At 1 July 2006	825,846	464,790	284,492	1,575,128
Additions	357,606	237,359	2,715	597,680
Transfer from group companies	145,199	126,065	46,666	317,930
Reclassification	136,894	-	(136,894)	-
At 30 June 2007	1,465,545	828,214	196,979	2,490,738
Additions	79,531	59,705	-	139,236
Disposals	-	(89,017)	-	(89,017)
At 30 June 2008	1,545,076	798,902	196,979	2,540,957
Depreciation				
At 1 July 2006	389,112	210,974	111,967	712,053
Provided in year	254,925	99,466	29,516	383,907
Transfer from group companies	6,035	75,449	32,556	114,040
Reclassification	38,477	-	(38,477)	-
At 30 June 2007	688,549	385,889	135,562	1,210,000
Provided in the year	270,256	148,691	20,677	439,624
Disposals	-	(87,721)	-	(87,721)
At 30 June 2008	958,805	446,859	156,239	1,561,903
Net book value				
At 30 June 2008	586,271	352,043	40,740	979,054
At 30 June 2007	776,996	442,325	61,417	1,280,738
At 30 June 2006	436,734	253,816	172,525	863,075

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2008

7. INTANGIBLE FIXED ASSETS

	Software development costs £	Other £	Total £
Cost			
At 1 July 2006	335,994	88,800	424,794
Additions	30,119	-	30,119
Transfer from group companies	39,436	-	39,436
At 30 June 2007	405,549	88,800	494,349
Additions	19,595	-	19,595
At 30 June 2008	425,144	88,800	513,944
Amortisation			
At 1 July 2006	113,960	7,400	121,360
Provided in the year	82,656	44,400	127,056
Transfer from group companies	18,377	-	18,377
At 30 June 2007	214,993	51,800	266,793
Provided in the year	72,034	37,000	109,034
At 30 June 2008	287,027	88,800	375,827
Net book value			
At 30 June 2008	138,117	-	138,117
At 30 June 2007	190,556	37,000	227,556
At 30 June 2006	222,034	81,400	303,434

8. INVESTMENTS

	2008 £	2007 £
Investments – Concorde France	218,864	-

The investment is in Concorde SAS, a company incorporated in France who's principal activity is configuration and logistics. The investment represents a 30% holding of the equity of Concorde SAS.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2008

9. DEFERRED TAX

	2008	2007
	£	£
Deferred tax assets	-	58,847

There is a deferred tax asset of £555,000 in respect of tax losses carried forwards to be utilised in future years and £319,000 in respect of other timing differences. This is not recognised due to uncertainty over the timing of any reversal. In the previous period there was a deferred tax asset provided of £58,847 in relation to tax losses carried forward.

10. TRADE AND OTHER RECEIVABLES

	2008	2007
	£	£
Trade receivables	5,942,262	8,943,729
Trade receivables – owed by related parties	247,234	140,510
Less provision for impairment of receivables	(336,630)	(273,006)
	5,852,866	8,811,233
Amounts owed by group undertakings	-	2,010,000
Other receivables	189,873	532,990
Prepayments and accrued income	825,173	1,294,423
	6,867,912	12,648,646

The average credit period on sales is 69 days (2007:82 days). The provision for trade receivables is estimated by the company's management based on prior experience and the current economic environment.

Included in the company's trade receivable balance are receivables with a carrying amount of £679,402 (2007: £3,435,128) which are past due at the reporting date for which the company has not provided as there has not been a significant change in credit quality and the company believes that the amounts are still considered recoverable. The company does not hold any collateral over these balances. The average age of these receivables is less than 3 months overdue (2007: same).

Amounts owed by group undertakings are incurred in the normal course of trading and the directors consider there to be no significant credit risk.

Movement in the allowance for doubtful debts	2008	2007
	£	£
At the start of the year	273,006	-
Amounts written off in the year	(119,045)	(45)
Increase in allowance recognised in the income statement	182,669	273,051
At the end of the year	336,630	273,006

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2008

10. TRADE AND OTHER RECEIVABLES (continued)

In determining the recoverability of the trade receivable, the company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The credit risk is limited due to the customer base being large and unrelated. Accordingly, the directors believe that there is no further credit provision required in excess of the allowance for doubtful debts.

The ageing of receivables is:	2008		2007	
	£	%	£	%
Neither past due nor impaired	6,188,510	90%	9,213,518	73%
Past due up to 3 months but not impaired - trade debts	419,931	6%	2,395,829	19%
Past due by over 3 months but not impaired - trade debts	259,471	4%	1,039,299	8%
	<u>6,867,912</u>	<u>100%</u>	<u>12,648,646</u>	<u>100%</u>

11. OTHER FINANCIAL LIABILITIES

	2008	2007
	£	£
Bank overdraft (secured)	<u>948,952</u>	<u>842,419</u>

The bank overdraft is secured by fixed and floating charges over the assets of the company.

12. TRADE AND OTHER PAYABLES

	2008	2007
	£	£
Trade payables	2,073,779	2,747,611
Amounts owed to group undertakings	1,770,398	2,829,047
Taxation and social security	496,003	1,178,749
Other payables	272,049	859,843
Accruals and deferred income	<u>1,025,456</u>	<u>1,254,179</u>
	<u>5,637,685</u>	<u>8,869,429</u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2008

13. PROVISIONS

	Dilapidations	Other	Total
	£	£	£
Balance at 1 July 2007	323,328	244,929	568,257
Charge to the income statement	82,857	63,125	145,982
	<u>406,185</u>	<u>308,054</u>	<u>714,239</u>
Balance at 30 June 2008	<u>406,185</u>	<u>308,054</u>	<u>714,239</u>

Provision for dilapidations represent the directors' best estimate of dilapidation costs expected to be incurred at the end of the lease term of the leased warehouses.

Other provisions comprise of a claims provision, holiday pay provision and a provision for customer rebates.

14. SHARE CAPITAL

	2008	2007
	£	£
<i>Authorised</i>		
500,000 ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>
<i>Allotted, called up and fully paid</i>		
199,531 ordinary shares of £1 each	<u>199,531</u>	<u>199,531</u>

15. CHANGES IN SHAREHOLDER'S EQUITY

	Share capital	Retained earnings	Total
	£	£	£
At 1 July 2006	199,531	4,500,914	4,700,445
Loss for the financial year	-	(744,765)	(744,765)
	<u>199,531</u>	<u>3,756,149</u>	<u>3,955,680</u>
At 30 June 2007	<u>199,531</u>	<u>3,756,149</u>	<u>3,955,680</u>
Loss for the financial year	-	(3,052,609)	(3,052,609)
	<u>199,531</u>	<u>703,540</u>	<u>903,071</u>
At 30 June 2008	<u>199,531</u>	<u>703,540</u>	<u>903,071</u>

16. RETIREMENT BENEFITS

The company operates defined contribution pension schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The pension charge represents contributions payable by the company to the funds for the year and amounted to £96,310 (2007 - £63,370).

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2008

17. OPERATING LEASE COMMITMENTS

At the balance sheet date, the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2008		2007	
	Land and	2008	Land and	2007
	buildings	Other	buildings	Other
	£	£	£	£
Within one year	974,462	69,657	1,266,603	112,493
In two to five years	2,365,702	38,249	3,062,208	104,006
Over five years	2,085,000	-	2,363,034	-
	<u>5,425,164</u>	<u>107,906</u>	<u>6,691,845</u>	<u>216,499</u>

18. ULTIMATE CONTROLLING PARTY AND HOLDING COMPANY

The company is a wholly owned subsidiary of Unitrans Logistics (UK) Limited, a company incorporated in the United Kingdom. The ultimate parent company and controlling party is Steinhoff International Holdings Limited, a company incorporated in The Republic of South Africa.

Consolidated financial statements have not been prepared by the company as permitted by Section 228 of the Companies Act 1985.

The smallest and largest group in which the results of the company are consolidated is that headed by Steinhoff International Holdings Limited. Copies of these consolidated financial statements may be obtained via the website www.steinhoffinternational.com.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2008

19. RELATED PARTY DISCLOSURES

Transactions between the company and other companies within the group headed by Steinhoff International Holdings Limited are disclosed below:

	Sales to related party £	Interest payable on loans £	Purchases from related party £	Balance owed (to)/from related party £
2008				
Parent company - Unitrans Logistics (UK) Limited	-	127,753	-	(1,770,398)
Other Steinhoff companies – trade debt	114,096	-	1,499	247,234
	<u>114,096</u>	<u>127,753</u>	<u>1,499</u>	<u>(1,523,164)</u>
2007				
Parent company - Unitrans Logistics (UK) Limited	-	-	-	2,010,000
TechXpress Limited	-	-	2,842,373	(2,829,047)
Other Steinhoff companies – trade debt	284,320	-	-	140,510
	<u>284,320</u>	<u>-</u>	<u>2,842,373</u>	<u>(678,537)</u>

Other Steinhoff companies includes all subsidiaries and associated companies of Steinhoff International Holdings Limited except for the parent company and TechXpress Limited. All transactions are made on an arms length basis. The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received.

20. CAPITAL COMMITMENTS

	2008 £	2007 £
Contracted but not provided for:		
Plant, property and equipment	<u>-</u>	<u>72,000</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2008

21. FINANCIAL INSTRUMENTS

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in the accounting policy note.

Categories of financial instruments	2008 £	2007 £
Financial assets at amortised cost		
Cash	-	67,225
Loans and receivables:		
- trade receivables	5,852,866	8,811,233
- amounts owed by group undertakings	-	2,010,000
	<u>5,852,866</u>	<u>10,888,458</u>
Financial liabilities at amortised cost		
Bank overdrafts	948,952	842,419
Trade and other payables	2,073,779	2,747,611
Amounts owed to group undertakings included in current liabilities	1,770,398	2,829,047
	<u>4,793,129</u>	<u>6,419,077</u>

Financial risk management objectives

The executive team is responsible for implementing the risk management strategy to ensure that an appropriate risk management framework is operating effectively, embedding a risk culture throughout the company. The board and the audit and risk management committee are provided with a consolidated view of the risk profile of the company. All major exposures are identified and mitigating controls are identified and implemented.

Regular management reporting and assessment of the effectiveness of controls by internal audit provide a balanced assessment of the effectiveness of key risks and controls.

The company does not speculate with derivatives or other financial instruments. The central finance function communicates with operating divisions and consolidates the company's requirements. It plays a role in the identification and management of the following risks: currency risk, interest rate risk, credit risk and liquidity risk.

Market risk

The company's activities expose it to both interest rate and foreign currency risk. The company manages interest rate risk centrally through its central treasury. Cash resources are matched with the net funding requirements sourced from two sources namely internally generated funds and the company facilities.

No forward foreign exchange contracts are entered in to by this company.

During the course of the year there has been no change to the market risk or manner in which the company manages its exposure.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2008

21. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives (continued)

Foreign currency risk management

The majority of the company's activities are transacted in sterling. The company undertakes certain transactions denominated in Euros, hence exposures to exchange rate fluctuations arise. The company generates revenue and incurs costs in Euros, and the uses the Euros generated to pay liabilities denominated in Euros' mitigating the currency risk. As such the company's sensitivity to movements in foreign currency exchange rates is insignificant. The carrying amount of the company's foreign currency denominated monetary assets and monetary liabilities at the reporting date is as follows:

	Assets		Liabilities	
	2008	2007	2008	2007
	£	£	£	£
Euro	1,678,000	935,000	(312,000)	(252,000)
Swiss Franc	63,000	23,000	(27,000)	(16,000)

Interest rate risk management

Interest rate risk is managed centrally. All interest bearing assets and liabilities of the company are at variable rates of interest and are structured to achieve a competitive market related cost of funding.

The sensitivity analysis below has been determined based on the exposure to interest rates at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period.

At the reporting date, if interest rates had been 50 basis points lower and all other variables were held constant, the company's net result would improve by £18,000 (2007 decrease by £400); this is mainly attributable to the group's exposure to interest rates on its variable rate cash deposits and bank borrowings.

Credit risk management

Potential concentration of credit risk consist principally of short-term cash and cash equivalent investments, trade and other receivables. The company deposits short-term cash surpluses with the same bank granting the overdraft facility. Trade receivables comprise a large and widespread customer base and the company performs ongoing credit evaluations on the financial condition of customers. At 30 June 2008, the company did not consider there to be any other significant concentration of credit risk which had not been adequately provided for. The amounts presented in the balance sheet are net of allowances for doubtful receivables, estimated by the company's management based on prior experience and the current economic environment.

Liquidity risk management

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk arises because of the possibility that the entity could be required to pay its liabilities earlier than expected.

The company manages liquidity risk by monitoring forecast cash flows which are provided weekly and by ensuring that adequate borrowing facilities are available. The company generates its own cash to meet obligations, and additional cash is obtained from existing lines of credit and from other facilities based on forecast requirements.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2008

21. FINANCIAL INSTRUMENTS (continued)

Liquidity risk management (continued)

The following table details the company's remaining contractual maturity for its non-derivative financial liabilities and has been drawn up based on the undiscounted contractual maturities of the financial liabilities including interest that will accrue to those liabilities except where the company is entitled and intends to repay the liability before its maturity.

	0 - 3 months £000	Total £000
2008		
Bank overdrafts and interest bearing loans	948,952	948,952
Trade and other payables	2,073,779	2,073,779
	1,770,398	1,770,398
Amounts payable to group companies	4,793,129	4,793,129
	8	
2007		
Bank overdrafts and interest bearing loans	842,419	842,419
Trade and other payables	2,747,611	2,747,611
	2,829,047	2,829,047
Amounts payable to group companies	6,419,077	6,419,077
	7	

Fair values

The fair values of the company's financial instruments including trade receivables, cash and cash equivalents, trade payables, short-term provisions and loans and overdrafts with a maturity of less than one year are assumed to approximate to their book value.