

Groupe Samat UK Limited

Financial statements

For the year ended 31 December 2006



Company No. 1480293

Company information

Company registration number	1480293
Registered office	Atlantic Way Barry Vale of Glamorgan CF64 2AH
Directors	B Julien A Laffont F Dupasquier
Secretary	A Laffont
Bankers	HSBC Bank Plc 1 Herbert Street Stanwell Road Penarth CF64 2AH
Auditor	Grant Thornton UK LLP Chartered Accountants Registered Auditors 11-13 Penhill Road Cardiff CF11 9UP

Index

Report of the directors	3 - 5
Report of the independent auditor	6 - 7
Principal accounting policies accounting policies	8 - 9
Profit and loss account	10
Balance sheet	11
Cash flow statement	12
Notes to the financial statements	13 - 22

Report of the directors

The directors present their report and the financial statements of the company for the year ended 31 December 2006

Principal activities and business review

The company is engaged in the transportation of goods by road, and also the storage and handling of containers

The profit for the year, after taxation, amounted to £244,236 (2005 loss of £288,172) The directors have not recommended a dividend

Improvements in our customer margins, our own efficiencies and our supply chain have lead to operational savings We have managed to improve our quality systems in a very competitive industry which will improve future business returns

Principal risks and uncertainties facing the business

The transport industry has faced an erosion of margins for the previous several years, combined with a rise in multimodal transport solutions that offer product movements at competitive prices In addition the volume of products being transported by road are diminishing

The company has been subject to large increases in the rate of fuel which is a major cost component of the company and there is continued uncertainty of the future if the price of fuels continues to increase This risk may affect the company's results in the future

Financial risk management objectives and policies

The company uses financial instruments, other than derivatives, comprising borrowings, cash and other liquid resources and various other items such as trade debtors and creditors that arise directly from its operations The main purpose of these financial instruments is to raise finance for the company's operations The main risks arising from the company financial instruments are interest rate risk, liquidity risk and foreign currency risk The directors review and agree policies for managing each of these risks and they are summarised below The policies have remained unchanged from previous periods

Interest rate risk

The company finances its operations through a mixture of retained profits, inter-company accounts and lease arrangements The company's exposure to interest rate fluctuations on its inter-company accounts is managed on a group basis by the use of both fixed and floating facilities Hire purchase leases are for fixed finance charges

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably Primarily this is achieved through inter-company accounts

Currency risk

The company is exposed to transaction and translation foreign exchange risk In relation to translation risk the proportion of assets held in the foreign currency are matched to an appropriate level of borrowings in the same currency Transaction exposures are limited in the company through interaction with group, passing the exchange risk to be managed centrally

Report of the directors

Key Performance Indicators (KPI's)

The directors use many KPI's both financial and non-financial to monitor the company's position, However the Turnover and Gross Profit Margin are fundamental to the analysis of growth and future development

Directors

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

Y Decourchelle
B Julien
A Laffont
F Dupasquier

The company is a wholly owned subsidiary and the interests of the group directors are disclosed in the financial statements of the parent company

Y Decourchelle retired as a director on 2 January 2006

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping 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.

In so far as the directors are aware

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

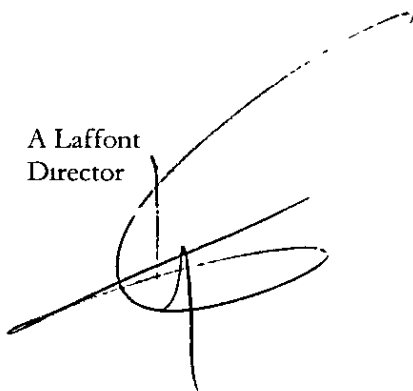
Report of the directors

Auditor

A resolution to re-appoint Grant Thornton UK LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985

ON BEHALF OF THE BOARD

A Laffont
Director

A handwritten signature in black ink, consisting of a large, stylized 'A' with a horizontal line through it, and a vertical line extending downwards from the center of the 'A'.

Report of the independent auditor to the members of Groupe Samat UK Limited

We have audited the financial statements of Groupe Samat UK Limited for the year ended 31 December 2006 which comprise the principal accounting policies, the profit and loss account, the balance sheet, the cash flow statement and notes 1 to 27. 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 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 auditor

The directors' responsibilities for preparing the Directors' Report and financial statements in accordance with United Kingdom law and 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.

Report of the independent auditor to the members of Groupe Samat UK Limited (continued)

Basis of 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 judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its profit 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 Report of the Directors is consistent with the financial statements



GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

CARDIFF

.....

11 MAY 2007

Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention

Consolidation

The company was, at the end of the year, a wholly-owned subsidiary of another company incorporated in the EEC and in accordance with section 228 of the Companies Act 1985, is not required to produce, and has not published, consolidated accounts

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax

Revenue from services provided by the company is recognised when the group has performed its obligations and in exchange obtained the right to consideration

Fixed assets

All fixed assets are initially recorded at cost

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

Leasehold Property	-	Over 15 years
Plant & Machinery	-	20% reducing balance
Fixtures & Fittings	-	10% reducing balance
Motor Vehicles	-	over 4 to 8 years

Stocks

Fuel stocks are stated at the lower of cost and net realisable value. Cost of fuel is based on purchased cost on a first-in, first-out basis

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis

Principal accounting policies

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Monetary 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

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Profit and loss account

	Note	2006 £	2005 £
Turnover	1	5,857,427	6,421,362
Cost of sales		5,401,127	6,024,184
Gross profit		456,300	397,178
Other operating charges	2	846,277	882,758
Other operating income	3	(157,708)	(94,050)
Operating loss	4	(232,269)	(391,530)
Exceptional Items	6	573,088	—
		340,819	(391,530)
Interest receivable		52,353	44,034
Amounts written off investments	7	(9,605)	—
Interest payable and similar charges	8	(28,122)	(36,698)
Profit/(loss) on ordinary activities before taxation		355,445	(384,194)
Tax on profit/(loss) on ordinary activities	9	111,209	(96,022)
Profit/(loss) for the financial year	23	244,236	(288,172)

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

Balance sheet

	Note	2006 £	2005 £
Fixed assets			
Tangible assets	10	1,621,111	1,113,634
Investments	11	700,780	711,286
		<u>2,321,891</u>	<u>1,824,920</u>
Current assets			
Stocks	12	10,400	19,717
Debtors	13	2,477,183	1,786,054
Cash at bank and in hand		126,529	214,205
		<u>2,614,112</u>	<u>2,019,976</u>
Creditors: amounts falling due within one year	14	1,138,593	1,071,701
Net current assets		<u>1,475,519</u>	<u>948,275</u>
Total assets less current liabilities		<u>3,797,410</u>	<u>2,773,195</u>
Creditors: amounts falling due after more than one year	15	957,390	347,520
		<u>2,840,020</u>	<u>2,425,675</u>
Provisions for liabilities			
Deferred taxation	17	136,719	25,510
Other provisions	18	109,300	50,400
		<u>2,594,001</u>	<u>2,349,765</u>
Capital and reserves			
Called-up equity share capital	21	500,000	500,000
Share premium account	22	200,002	200,002
Profit and loss account	23	1,893,999	1,649,763
Shareholders' funds	24	<u>2,594,001</u>	<u>2,349,765</u>

These financial statements were approved by the directors on 10 May 07 and are signed on their behalf by

A Laffont



The accompanying accounting policies and notes form part of these financial statements.

Cash flow statement

	Note	2006 £	2005 £
Net cash outflow from operating activities	25	(430,694)	(34,054)
Returns on investments and servicing of finance	25	24,231	7,336
Taxation	25	1,409	(8,994)
Capital expenditure and financial investment	25	(346,270)	195,110
Cash (outflow)/inflow before financing		<u>(751,324)</u>	<u>159,398</u>
Financing	25	663,648	8,362
(Decrease)/increase in cash	25	<u>(87,676)</u>	<u>167,760</u>

The accompanying accounting policies and notes form part of these financial statements.

Notes to the financial statements

1 Turnover

The turnover and profit before tax are attributable to the one principal activity of the company
An analysis of turnover is given below

	2006	2005
	£	£
United Kingdom	4,800,605	5,693,627
Overseas	1,056,822	727,735
	<u>5,857,427</u>	<u>6,421,362</u>

2 Other operating charges

	2006	2005
	£	£
Administrative expenses	<u>846,277</u>	<u>882,758</u>

3 Other operating income

	2006	2005
	£	£
Rent receivable	75,731	63,596
Other operating income	81,977	30,454
	<u>157,708</u>	<u>94,050</u>

4 Operating loss

Operating loss is stated after charging

	2006	2005
	£	£
Depreciation of owned fixed assets	283,718	475,765
Depreciation of assets held under finance leases and hire purchase agreements	104,689	78,428
Loss on disposal of fixed assets (non-exceptional)	23,474	24,930
Auditor's remuneration		
Audit fees	6,700	6,950
Operating lease costs		
Plant and equipment	11,756	14,113
Other	92,888	141,303
	<u>11,749</u>	<u>27,616</u>
Net loss on foreign currency translation		

Notes to the financial statements

5 Directors and employees particulars of employees

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

	2006	2005
	No	No
Management and administration	12	15
Drivers and workshop	43	46
	<u>55</u>	<u>61</u>

The aggregate payroll costs of the above were

	2006	2005
	£	£
Wages and salaries	1,636,052	1,649,785
Social security costs	153,172	155,875
Other pension costs	8,316	3,563
	<u>1,797,540</u>	<u>1,809,223</u>

6 Exceptional Items

	2006	2005
	£	£
Profit on disposal of fixed assets in respect of sale & leaseback	<u>573,088</u>	<u>—</u>

7 Amounts written off investments

	2006	2005
	£	£
Amount written off investments	<u>9,605</u>	<u>—</u>

8 Interest payable and similar charges

	2006	2005
	£	£
Finance charges	<u>28,122</u>	<u>36,698</u>

Notes to the financial statements

9 Taxation on ordinary activities

(a) Analysis of charge in the year

	2006 £	2005 £
Current tax		
Corporation tax	-	-
Over provision in prior year	-	(2,513)
Total current tax	-	(2,513)
Deferred tax		
Origination and reversal of timing differences	111,209	(93,509)
Tax on profit/(loss) on ordinary activities	111,209	(96,022)

(b) Factors affecting current tax charge

The tax assessed on the profit/(loss) on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30% (2005 - 30%)

	2006 £	2005 £
Profit/(loss) on ordinary activities before taxation	355,445	(384,194)
Profit/(loss) on ordinary activities by rate of tax	106,634	(115,258)
Expenses not deducted for tax purposes	6,130	2,783
Capital allowances for period in excess of depreciation	(146,015)	53,004
Adjustments to tax charge in respect of previous periods	-	(2,513)
Non-qualifying depreciation	655	3,205
Loss on non-qualifying additions	-	17,902
Other timing differences	32,596	38,364
Total current tax (note 9(a))	-	(2,513)

Notes to the financial statements

10 Tangible fixed assets

	Leasehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
Cost					
At 1 January 2006	19,918	4,706	80,809	4,923,653	5,029,086
Additions	3,500	3,200	–	1,206,342	1,213,042
Disposals	–	–	–	(1,907,475)	(1,907,475)
At 31 December 2006	<u>23,418</u>	<u>7,906</u>	<u>80,809</u>	<u>4,222,520</u>	<u>4,334,653</u>
Depreciation					
At 1 January 2006	5,644	3,817	63,379	3,842,612	3,915,452
Charge for the year	2,187	609	2,379	383,232	388,407
On disposals	–	–	–	(1,590,317)	(1,590,317)
At 31 December 2006	<u>7,831</u>	<u>4,426</u>	<u>65,758</u>	<u>2,635,527</u>	<u>2,713,542</u>
Net book value					
At 31 December 2006	<u>15,587</u>	<u>3,480</u>	<u>15,051</u>	<u>1,586,993</u>	<u>1,621,111</u>
At 31 December 2005	<u>14,274</u>	<u>889</u>	<u>17,430</u>	<u>1,081,041</u>	<u>1,113,634</u>

Included within the net book value of £1,621,111 is £1,251,305 (2005 - £602,809) relating to assets held under finance leases and hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £104,689 (2005 - £78,428).

Notes to the financial statements

11 Investments

Shares in subsidiary undertakings

At 31 December 2006 the company held 100% of the allotted share capital of Samat UK Limited, a dormant company incorporated in the UK.

During the year, BRT B V a dormant subsidiary incorporated in the Netherlands was dissolved. A deposit on the building of the company was returned.

	£
Cost	
At 1 January 2006	711,286
Disposals	(901)
At 31 December 2006	<u>710,385</u>
Amounts written off	
Written off in year	9,605
At 31 December 2006	<u>9,605</u>
Net book value	
At 31 December 2006	<u>700,780</u>
At 31 December 2005	<u>711,286</u>

12 Stocks

	2006	2005
	£	£
Raw materials	<u>10,400</u>	<u>19,717</u>

13 Debtors

	2006	2005
	£	£
Trade debtors	1,295,244	1,519,945
Amounts owed by group undertakings	936,406	115,351
Corporation tax repayable	—	1,409
Other debtors	122,983	2,816
Prepayments and accrued income	122,550	146,533
	<u>2,477,183</u>	<u>1,786,054</u>

Notes to the financial statements

14 Creditors: amounts falling due within one year

	2006	2005
	£	£
Trade creditors	539,818	454,991
Amounts owed to group undertakings	87,848	10,023
Other taxation and social security	41,799	179,350
Amounts due under finance leases and hire purchase agreements	306,744	252,966
Other creditors	86,406	75,438
Accruals and deferred income	75,978	98,933
	<u>1,138,593</u>	<u>1,071,701</u>

There is a fixed charge over book debts and a floating charge over all other assets

15 Creditors: amounts falling due after more than one year

	2006	2005
	£	£
Amounts due under finance leases and hire purchase agreements	<u>957,390</u>	<u>347,520</u>

16 Commitments under finance leases and hire purchase agreements

Future commitments under finance leases and hire purchase agreements are as follows

	2006	2005
	£	£
Amounts payable within 1 year	306,744	252,966
Amounts payable between 1 and 2 years	301,408	94,778
Amounts payable between 3 and 5 years	655,982	252,742
	<u>1,264,134</u>	<u>600,486</u>

17 Deferred taxation

The movement in the deferred taxation provision during the year was

	2006	2005
	£	£
Provision brought forward	25,510	119,019
Profit and loss account movement arising during the year	111,209	(93,509)
Provision carried forward	<u>136,719</u>	<u>25,510</u>

Notes to the financial statements

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	2006	2005
	£	£
Excess of taxation allowances over depreciation on fixed assets	210,257	63,876
Trading losses	(73,538)	(38,366)
	<u>136,719</u>	<u>25,510</u>

18 Other provisions

	2006
	£
Tyres buy back provision:	
At 1 January 2006	50,400
Provided during year in profit and loss account	58,900
At 31 December 2006	<u>109,300</u>
Total provisions	<u>109,300</u>

19 Commitments under operating leases

At 31 December 2006 the company had annual commitments under non-cancellable operating leases as set out below

	2006		2005	
	Land & Buildings	Other Items	Land & Buildings	Other Items
	£	£	£	£
Operating leases which expire				
Within 2 to 5 years	-	104,532	-	-
After more than 5 years	91,850	56,585	91,850	-
	<u>91,850</u>	<u>161,117</u>	<u>91,850</u>	<u>-</u>

20 Related party transactions

The company is a 100% subsidiary of Groupe Samat SA, incorporated in France. The company has taken advantage of the exemption under FRS8 not to disclose transactions with other group companies.

Notes to the financial statements

21 Share capital

Authorised share capital

	2006	2005
	£	£
500,000 Ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>

Allotted, called up and fully paid

	2006		2005	
	No	£	No	£
Ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>

22 Share premium account

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

23 Profit and loss account

	2006	2005
	£	£
Balance brought forward	1,649,763	1,937,935
Profit/(loss) for the financial year	<u>244,236</u>	<u>(288,172)</u>
Balance carried forward	<u>1,893,999</u>	<u>1,649,763</u>

24 Reconciliation of movements in shareholders' funds

	2006	2005
	£	£
Profit/(Loss) for the financial year	244,236	(288,172)
Opening shareholders' funds	<u>2,349,765</u>	<u>2,637,937</u>
Closing shareholders' funds	<u>2,594,001</u>	<u>2,349,765</u>

Notes to the financial statements

25 Notes to the statement of cash flows

Reconciliation of operating profit/(loss) to net cash outflow from operating activities

	2006	2005
	£	£
Operating loss	(232,269)	(391,530)
Depreciation	388,407	554,193
Loss on disposal of fixed assets	23,474	24,930
Decrease in stocks	9,317	1,720
(Increase)/decrease in debtors	(692,538)	149,527
Increase/(decrease) in creditors	14,015	(315,295)
Increase/(decrease) in provisions	58,900	(57,599)
Net cash outflow from operating activities	<u>(430,694)</u>	<u>(34,054)</u>

Returns on investments and servicing of finance

	2006	2005
	£	£
Interest received	52,353	44,034
Interest element of finance leases and hire purchase	(28,122)	(36,698)
Net cash inflow from returns on investments and servicing of finance	<u>24,231</u>	<u>7,336</u>

Taxation

	2006	2005
	£	£
Taxation	<u>1,409</u>	<u>(8,994)</u>

Capital expenditure

	2006	2005
	£	£
Payments to acquire tangible fixed assets	(1,213,042)	(621,013)
Receipts from sale of fixed assets	866,772	816,123
Net cash (outflow)/inflow from capital expenditure	<u>(346,270)</u>	<u>195,110</u>

Financing

	2006	2005
	£	£
Capital element of finance leases and hire purchase	663,648	8,362
Net cash inflow from financing	<u>663,648</u>	<u>8,362</u>

Notes to the financial statements

Reconciliation of net cash flow to movement in net debt

	2006	2005
	£	£
(Decrease)/increase in cash in the period	(87,676)	167,760
Cash outflow in respect of finance leases and hire purchase	(663,648)	(8,362)
	<u>(751,324)</u>	<u>159,398</u>
Change in net debt	(751,324)	159,398
Net debt at 1 January 2006	(386,281)	(545,679)
Net debt at 31 December 2006	<u>(1,137,605)</u>	<u>(386,281)</u>

Analysis of changes in net debt

	At 1 Jan 2006	Cash flows	At 31 Dec 2006
	£	£	£
Net cash			
Cash in hand and at bank	<u>214,205</u>	<u>(87,676)</u>	<u>126,529</u>
Debt			
Finance leases and hire purchase agreements	<u>(600,486)</u>	<u>(663,648)</u>	<u>(1,264,134)</u>
Net debt	<u>(386,281)</u>	<u>(751,324)</u>	<u>(1,137,605)</u>

26 Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £Nil (2005 - £160,943)

27 Ultimate parent company

The directors consider the ultimate controlling parent to be Groupe Samat SA, a company incorporated in France