Grant Thornton

Financial statements
Groupe Samat UK Limited

For the Year Ended 31 December 2010

Company No. 1480293

Company information

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

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Report of the directors

The directors present their report and the financial statements of the company for the year ended 31 December 2010

Principal activities and business review

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

There was a loss for the company after taxation amounting to £441,166 (2009 £61,617)

The company suffered from reductions in turnover with its largest customer at critical times during the year having a particular impact on the operations of the company in South Wales during 2010 This has had an impact on the results We have continued to invest in our quality systems, customer service and our market position in a very competitive industry which will improve future business returns

Principal risks and uncertainties facing the company

The company has been subject to large fluctuations 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 This risk may affect the company's results in the future

The company is also subject to changes in exchange rates particularly against the Euro, this has led to increases in many of the company's costs during 2010 This risk may affect the company's results in the future

Key performance indicators (KPIs)

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

Results and dividends

The loss for the year amounted to £441,166 (2009 £67,617) The directors have not recommended a dividend

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 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

Report of the directors

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

Directors

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

A Laffont
F Dupasquier
S Reid

Directors' responsibilities

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 the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom 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 of the company 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,
- 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 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

Report of the directors

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is 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 auditor is aware of that information

Auditor
Grant Thornton UK LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006

BY ORDER OF THE BOARD

S Reid
Director 28/09/2011

Independent auditor's report 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 2010 which comprise the principal accounting policies, Profit & Loss Account, Balance Sheet and the related notes The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 4 & 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 website 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 loss for the year then ended,
- have been properly prepared in accordance with United Kingdom 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

Grant Thornton UK LLP

James Morter
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
CARDIFF

30 September 2011

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 an EEA state and in accordance with section 400 of the Companies Act 2006 is not required to produce, and has not published, consolidated accounts These financial statements therefore present information about the company as an individual undertaking and not about its group

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 company 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 2 to 10 years
Plant & Machinery	-	over 5 years
Fixtures & Fittings	-	10% reducing balance
Motor Vehicles	-	over 2 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 at a constant rate of charge on the balance of capital repayments outstanding

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

Principal accounting policies

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	2010 £	2009 £
Turnover	1	**9,832,575**	7,534,225
Cost of sales		**8,912,533**	6,546,561
Gross profit		**920,042**	987,664
Other operating charges	2	**1,321,822**	1,089,805
Other operating income	3	**(60,049)**	(191,708)
Operating (loss)/profit	4	**(341,731)**	89,567
Profit on disposal of fixed assets	7	**6,500**	19,433
Exceptional items	8	**(60,475)**	–
		(395,706)	109,000
Interest receivable		**33,926**	46,023
Interest payable and similar charges	9	**(180,176)**	(244,362)
Loss on ordinary activities before taxation		**(541,956)**	(89,339)
Tax on loss on ordinary activities	10	**(100,790)**	(21,722)
Loss for the financial year	24	**(441,166)**	(67,617)

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	2010 £	2009 £
Fixed assets			
Tangible assets	11	**2,746,541**	2,771,831
Investments	12	**700,780**	700,780
		3,447,321	3,472,611
Current assets			
Stocks	13	**43,758**	15,357
Debtors	14	**2,781,460**	2,953,596
Cash at bank and in hand		**222,338**	100,119
		3,047,556	3,069,072
Creditors: amounts falling due within one year	15	**2,903,545**	2,234,878
Net current assets		**144,011**	834,194
Total assets less current liabilities		**3,591,332**	4,306,805
Creditors: amounts falling due after more than one year	16	**1,379,972**	1,598,189
Provisions for liabilities			
Deferred taxation	18	**–**	100,790
Other provisions	19	**148,530**	103,830
		2,062,830	2,503,996
Capital and reserves			
Called-up equity share capital	22	**500,000**	500,000
Share premium account	23	**200,002**	200,002
Profit and loss account	24	**1,362,828**	1,803,994
Shareholders' funds	25	**2,062,830**	2,503,996

These financial statements were approved by the directors and authorised for issue on 28/9/2011, and are signed on their behalf by

S Reid

Company Registration Number 1480293

Cash flow statement

	Note	2010 £	2009 £
Net cash inflow from operating activities	26	**1,256,474**	792,531
Returns on investments and servicing of finance	26	**(146,250)**	(198,339)
Capital expenditure and financial investment	26	**(859,300)**	(138,999)
Cash inflow before financing		**250,924**	455,193
Financing	26	**(141,029)**	(685,778)
Increase/(decrease) in cash	26	**109,895**	(230,585)

Notes to the financial statements

1 Turnover

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

	2010	2009
	£	£
United Kingdom	**5,686,717**	5,797,836
Overseas	**4,145,858**	1,736,389
	9,832,575	7,534,225

2 Other operating charges

	2010	2009
	£	£
Administrative expenses	**1,321,822**	1,089,805

3 Other operating income

	2010	2009
	£	£
Rent receivable	**21,489**	158,334
Other operating income	**38,560**	33,374
	60,049	191,708

4 Operating (loss)/profit

Operating (loss)/profit is stated after charging

	2010	2009
	£	£
Depreciation of owned fixed assets	**141,038**	81,613
Depreciation of assets held under hire purchase agreements	**750,052**	617,533
Auditor's remuneration		
Audit fees	**7,400**	7,100
Operating lease costs		
- Plant and equipment	**36,960**	18,432
- Other	**193,856**	169,685
Net loss on foreign currency translation	**18,862**	25,893

5 Directors and employees particulars of employees

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

	2010	2009
	No	No
Management and administration	18	15
Drivers and workshop	74	57
	92	72

The aggregate payroll costs of the above were

	2010	2009
	£	£
Wages and salaries	2,851,217	2,134,992
Social security costs	299,375	223,386
Other pension costs	41,228	34,680
	3,191,820	2,393,058

6 Directors

Remuneration in respect of directors was as follows

	2010	2009
	£	£
Remuneration receivable	93,379	73,519
Value of company pension contributions to money purchase schemes	6,228	6,228
	99,607	79,747

The number of directors who accrued benefits under company pension schemes was as follows

	2010	2009
	No	No
Money purchase schemes	1	1

7 Profit on disposal of fixed assets

	2010	2009
	£	£
Profit on disposal of fixed assets	6,500	19,433

8 Exceptional Items

	2010	2009
	£	£
Cost of restructuring company	60,475	–

The restructuring costs relate to the closure of the Barry administration office

9 Interest payable and similar charges

	2010	2009
	£	£
Finance charges payable under hire purchase agreements	**180,176**	244,362

10 Taxation on ordinary activities

Analysis of charge in the year

	2010	2009
	£	£
Deferred tax		
Origination and reversal of timing differences	**(100,790)**	(21,722)

Factors affecting current tax charge

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

	2010	2009
	£	£
Loss on ordinary activities before taxation	**(541,956)**	(89,339)
Loss on ordinary activities by rate of tax	**(151,748)**	(25,014)
Expenses not deducted for tax purposes	**1,103**	2,379
Capital allowances for period in excess of depreciation	**71,772**	(693)
Non-qualifying depreciation	**1,910**	913
Other timing differences	**76,963**	22,415
Total current tax	**-**	-

11 Tangible fixed assets

	Leasehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
Cost					
At 1 January 2010	32,619	4,496	71,454	5,664,183	5,772,752
Additions	27,783	3,201	1,499	847,593	880,076
Disposals	–	–	(2,209)	(82,260)	(84,469)
At 31 December 2010	60,402	7,697	70,744	6,429,516	6,568,359
Depreciation					
At 1 January 2010	15,930	3,648	57,275	2,924,068	3,000,921
Charge for the year	7,900	1,447	2,779	878,964	891,090
On disposals	–	–	(2,209)	(67,984)	(70,193)
At 31 December 2010	23,830	5,095	57,845	3,735,048	3,821,818
Net book value					
At 31 December 2010	**36,572**	**2,602**	**12,899**	**2,694,468**	**2,746,541**
At 31 December 2009	16,689	848	14,179	2,740,115	2,771,831

Included within the net book value of £2,746,541 is £2,572,409 (2009 - £2,630,182) relating to assets held under hire purchase agreements The depreciation charged to the financial statements in the year in respect of such assets amounted to £750,052 (2009 - £617,533)

12 Investments

Shares in subsidiary undertakings

At 31 December 2010 the company held 100% of the allotted share capital of Samat UK Limited, a dormant company incorporated in the UK

	£
Cost	
At 1 January 2010 and 31 December 2010	**710,385**
Amounts written off	
At 1 January 2010 and 31 December 2010	**9,605**
Net book value	
At 31 December 2010 and 31 December 2009	**700,780**

13 Stocks

	2010	2009
	£	£
Raw materials	**43,758**	15,357

14 Debtors

	2010	2009
	£	£
Trade debtors	**1,761,740**	1,535,099
Amounts owed by group undertakings	**837,604**	1,271,612
Other debtors	**6,218**	6,308
Prepayments and accrued income	**175,898**	140,577
	2,781,460	2,953,596

15 Creditors: amounts falling due within one year

	2010	2009
	£	£
Overdrafts	**12,324**	–
Trade creditors	**896,280**	495,942
Amounts owed to group undertakings	**866,418**	721,900
Other taxation and social security	**102,602**	76,144
Amounts due under hire purchase agreements	**921,041**	843,853
Other creditors	**78,805**	35,436
Accruals and deferred income	**26,075**	61,603
	2,903,545	2,234,878

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

16 Creditors: amounts falling due after more than one year

	2010	2009
	£	£
Amounts due under hire purchase agreements	**1,379,972**	1,598,189

17 Commitments under hire purchase agreements

Future commitments under hire purchase agreements net of future finance lease charges are as follows

	2010	2009
	£	£
Amounts payable within 1 year	**921,041**	843,853
Amounts payable between 1 and 2 years	**689,120**	759,724
Amounts payable between 3 and 5 years	**690,852**	838,465
	2,301,013	2,442,042

18 Deferred taxation

The movement in the deferred taxation provision during the year was

	2010	2009
	£	£
Provision brought forward	**100,790**	122,512
Profit and loss account movement arising during the year	**(100,790)**	(21,722)
Provision carried forward	**-**	100,790

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

	2010	2009
	£	£
Excess of taxation allowances over depreciation on fixed assets	**-**	100,790

19 Other provisions

	2010
	£
Tyres buy back provision.	
At 1 January 2010	**103,830**
Additions	**8,400**
At 31 December 2010	**112,230**
Onerous Lease provision:	
At 31 December 2010	**36,300**
Total provisions	**148,530**

20 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	**43,750**	**31,121**	-	34,529
Within 2 to 5 years	**117,000**	**56,585**	97,000	122,518
	160,750	**87,706**	97,000	157,047

21 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

22 Share capital

Authorised share capital

	2010	2009
	£	£
500,000 Ordinary shares of £1 each	**500,000**	500,000

Allotted, called up and fully paid

	2010		2009	
	No	**£**	No	£
500,000 Ordinary shares of £1 each	**500,000**	**500,000**	500,000	500,000

23 Share premium account

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

24 Profit and loss account

	2010	2009
	£	£
Balance brought forward	**1,803,994**	1,871,611
Loss for the financial year	**(441,166)**	(67,617)
Balance carried forward	**1,362,828**	1,803,994

25 Reconciliation of movements in shareholders' funds

	2010	2009
	£	£
Loss for the financial year	**(441,166)**	(67,617)
Opening shareholders' funds	**2,503,996**	2,571,613
Closing shareholders' funds	**2,062,830**	2,503,996

26 Notes to the cash flow statement

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

	2010	2009
	£	£
Operating (loss)/profit	**(341,731)**	89,567
Depreciation	**891,090**	699,146
Increase in stocks	**(28,401)**	(1,498)
Decrease in debtors	**172,136**	45,779
Increase/(decrease) in creditors	**579,155**	(34,993)
Re-organisation costs	**(60,475)**	–
Increase/(decrease) in provisions	**44,700**	(5,470)
Net cash inflow from operating activities	**1,256,474**	792,531

Returns on investments and servicing of finance

	2010	2009
	£	£
Interest received	**33,926**	46,023
Interest element of hire purchase	**(180,176)**	(244,362)
Net cash outflow from returns on investments and servicing of finance	**(146,250)**	(198,339)

Capital expenditure

	2010	2009
	£	£
Payments to acquire tangible fixed assets	**(880,076)**	(191,457)
Receipts from sale of fixed assets	**20,776**	52,458
Net cash outflow from capital expenditure	**(859,300)**	(138,999)

Financing

	2010	2009
	£	£
Capital element of hire purchase	**(141,029)**	(685,778)
Net cash outflow from financing	**(141,029)**	(685,778)

26 Notes to the cash flow statement (continued)

Reconciliation of net cash flow to movement in net debt

	2010	2009
	£	£
Increase/(decrease) in cash in the period	**109,895**	(230,585)
Cash outflow in respect of hire purchase	**141,029**	685,778
Change in net debt resulting from cash flows	**250,924**	455,193
New finance leases	**-**	(589,260)
Movement in net debt in the period	**250,924**	(134,067)
Net debt at 1 January 2010	**(2,341,923)**	(2,207,856)
Net debt at 31 December 2010	**(2,090,999)**	(2,341,923)

Analysis of changes in net debt

	At 1 Jan 2010	Cash flows	At 31 Dec 2010
	£	£	£
Net cash			
Cash in hand and at bank	100,119	122,219	222,338
Overdrafts	-	(12,324)	(12,324)
	100,119	109,895	210,014
Debt			
Hire purchase agreements	(2,442,042)	141,029	(2,301,013)
Net debt	(2,341,923)	250,924	(2,090,999)

27 Ultimate parent company

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