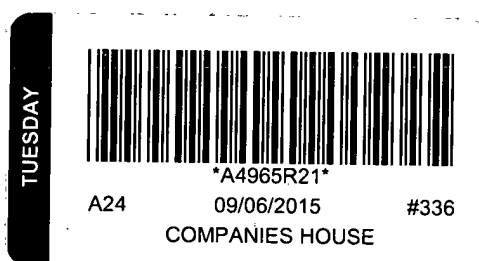


Mega Trucking Company Limited

Report and financial statements

31 December 2014



Mega Trucking Company Limited

Registered No: 02681656

Directors

Ewals Cargo Care Transport BV
B Ewals

Secretary

B Ewals

Auditors

KPMG LLP
6 Lower Brook Street
Ipswich
Suffolk
IP4 1AP

Bankers

BNP Paribas
10 Harewood Avenue
London
NW1 6AA

Registered office

Charter Court
Stephenson Road
Colchester Business Park
Colchester
Essex
CO4 9QE

Strategic report

The directors present their strategic report, directors' report and financial statements for the year ended 31 December 2014.

Business review

Mega Trucking Company Limited is a truck operator providing services to UK based logistics providers. The company is exclusively involved in the UK logistics market. The company operates, principally, from two sites, Alconbury in Cambridgeshire and Ellesmere Port in Cheshire.

The company has negotiated a fuel price mechanism which compensates the company for any fluctuations in the price of diesel. Additionally the company has positioned itself, in terms of labour and trucks, to mitigate any short and long term fluctuations in business activity. The company has endeavoured to increase the number of employed drivers during the year in an attempt to mitigate the effects of a perceived driver shortage.

The company's turnover has decreased from £8,833,162 in 2013 to £8,532,172 in 2014. This reduction of 3.4% is a reflection of a slight reduction in truck utilisation and sales rates reducing because of the decline in fuel price in the last quarter of the financial year.

The company has achieved a pre-tax profit of £184,356 (2013: profit of £203,024) and a retained profit of £144,665 (2013: profit of £155,949). The company expects that the trading conditions will be similar to that experienced in 2014. Pressure on margins are expected to remain during the year.

Key performance indicators are as follows:

	2014	2013
Gross margin	9,18%	8,12%
Operating margin	2,16%	2,30%

Although no specific statistics are available the company aims to consider the welfare of its staff at all times whilst operating with an awareness and responsibility towards key environmental issues.

Signed by



B Ewals
Director



Directors' report

Results and dividends

The profit for the year amounted to £144,665 (2013 profit: £155,949). The directors do not recommend the payment of any dividend (2013: nil).

Directors and directors' interest

These are the directors that held office during the period:

Ewals Cargo Care Transport BV
B Ewals

The directors benefit from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

Disclosure of information to the auditors

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

Auditors

A resolution to reappoint KPMG LLP as auditors will be put to the members at the Annual General Meeting.

Signed by

A handwritten signature in black ink, consisting of a large loop followed by a horizontal stroke.

B Ewals
Director

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditor's report
to the members of Mega Trucking Company Limited

We have audited the financial statements of Mega Trucking Company Limited for the year ended 31 December 2014 set out on pages 6 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement set out on page 4, 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 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 Financial Reporting Council's web site at www.frc.org.uk/auditscopeukprivate.

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 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and 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.

S Beavis

Stephanie Beavis (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
6 Lower Brook Street, Ipswich, IP4 1AP

1 June 2015

Mega Trucking Company Limited

Profit and loss account
for the year ended 31 December 2014

		2014	2013
	Notes	£	£
Turnover	2	8,532,172	8,833,162
Cost of sales		<u>(7,749,338)</u>	<u>(8,116,037)</u>
Gross profit		782,834	717,125
Administrative expenses		<u>(598,478)</u>	<u>(514,101)</u>
Operating profit	3	184,356	203,024
Profit on ordinary activities before taxation		184,356	203,024
Tax on profit on ordinary activities	5	<u>(39,691)</u>	<u>(47,075)</u>
Profit for the financial year		<u>144,665</u>	<u>155,949</u>

All amounts relate to continuing operations.

There were no recognised gains and losses other than the profit for the financial year.

Mega Trucking Company Limited

Balance sheet

at 31 December 2014

	Notes	£	2014 £	£	2013 £
Fixed assets					
Tangible assets	6		-		-
Current assets					
Debtors	7	1,271,613		1,231,002	
Cash at bank and in hand		150,086		125,121	
		<u>1,421,699</u>		<u>1,356,123</u>	
Creditors: amounts falling due within one year	8	<u>(588,549)</u>		<u>(667,638)</u>	
Net current assets			833,150		688,485
Total assets			<u>833,150</u>		<u>688,485</u>
Capital and reserves					
Called up share capital	11		10,000		10,000
Other reserves	12		-		-
Profit and loss account	12		823,150		678,485
Shareholders' funds	12		<u>833,150</u>		<u>688,485</u>

These financial statements were approved by the board of directors on 29th May 2015 and were signed on its behalf by:


B Ewals
Director

Notes to the financial statements

1 Accounting Policies

Basis of preparation

The company's forecasts and projections, taking account of expectations in positive changes in trading performance, show that the company is expected to generate positive cash flows on its own account for the foreseeable future.

On the basis of their assessment of the company's financial position, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in the annual financial statements.

Cash flow statement

The directors have taken advantage of the exemption in FRS 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes consolidated financial statements.

Related parties transactions

The company is a wholly owned subsidiary of Ewals Cargo Care Transport BV, the consolidated accounts of which are publicly available. Accordingly, the company has taken advantage of the exemption in FRS 8 from disclosing transactions with members or investees of the Ewals Cargo Care Transport group.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost or valuation, less estimated residual value based on prices prevailing at the date of acquisition or valuation of each asset evenly over its expected useful life, as follows:

Plant & machinery - 20% to 33%

The carrying value of tangible fixed assets is reviewed for impairment in periods where events or changes in circumstances indicated that the carrying value may not be recoverable.

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, with the following exception:

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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.

Leases

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

Notes to the financial statements (continued)

1 **Accounting Policies (continued)**

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

Pension costs

The company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

2 **Turnover**

Turnover is wholly attributable to the principal activity of the company after deducting trade discounts and value added tax where appropriate. Turnover is attributable to the UK region.

3 **Operating profit**

This is stated after charging:

	2014 £	2013 £
Auditors' remuneration - audit of these financial statements	<u>10.500</u>	<u>10.250</u>
Depreciation of owned assets	<u>-</u>	<u>23</u>
Operating leases	<u>1.092.849</u>	<u>1.174.188</u>

4 **Staff costs**

	2014 £	2013 £
Wages and salaries	2.257.157	1.940.382
Social security costs	218.087	185.893
Other pension costs	45.543	32.973
	<u>2.520.787</u>	<u>2.159.248</u>

The average number of employees during the year was as follows:

	2014 No.	2013 No.
Drivers	68	60
Administrative staff	12	11
	<u>80</u>	<u>71</u>

The directors did not receive any emoluments during the year (2013: Nil).

Notes to the financial statements (continued)

5 Taxation

	2014	2013
	£	£
<i>UK corporation tax</i>		
Current tax on income for the period	39.691	47.075
Current tax charge for period	39.691	47.075
Deferred tax (see note 9)	-	-
Tax on profit on ordinary activities	39.691	47.075

Factors affecting the tax charge for the current period

The current tax charge for the period is higher (2013: lower) than the standard rate of corporation tax in the UK. The differences are explained below.

	2014	2013
	£	£
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	184.357	203.024
Average rate of tax for year at 21.5% (2013: 23.25%)	39.637	47.203
<i>Effects of</i>		
Expenses not deductible	120	76
Other timing differences	(66)	(204)
Total current tax (see above)	39.691	47.075

6 Tangible fixed assets

	Plant & Machinery £
Cost:	
At 1 January 2014	25.238
Disposals	(10.965)
At 31 December 2014	14.273
Depreciation:	
At 1 January 2014	25.238
Disposals	(10.965)
At 31 December 2014	14.273
Net book value:	
At 31 December 2014	-
At 31 December 2013	-

Notes to the financial statements (continued)

7 Debtors

	2014	2013
	£	£
Trade debtors	961.562	891.221
Amounts owed by group undertakings	-	855
Other debtors	219.665	250.843
Prepayments and accrued income	90.386	88.083
	<u>1.271.613</u>	<u>1.231.002</u>

8 Creditors: amounts falling due within one year

	2013	2013
	£	£
Trade creditors	298.584	299.297
Amounts owed to group undertakings	6.740	1.569
Corporation tax	1.586	46.970
Other taxes and social security	54.665	60.135
Accruals and deferred income	226.974	259.667
	<u>588.549</u>	<u>667.638</u>

9 Deferred Tax

No deferred tax has been recognised in either the current or prior years.

The element of unprovided deferred tax assets is as follows:

	2013	2013
	£	£
Depreciation in advance of capital allowances	<u>722</u>	<u>947</u>

10 Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered scheme. At the year end unpaid contributions amounted to £6,824 (2013: £4,747)

Notes to the financial statements (continued)

11 Share capital

Allotted, called up and fully paid

	No	2014 £	No	2013 £
Ordinary shares of £1 each	10.000	<u>10.000</u>	10.000	<u>10.000</u>

12 Reconciliation of shareholders' funds and movement on reserves

	Share capital £	Capital contribution £	Profit & loss account £	Total share- holders funds £
At 1 January 2013	10.000	100.000	522.536	632.536
Profit for the year	-	-	155.949	155.949
Capital contribution repaid		(100.000)		(100.000)
At 31 December 2013	<u>10.000</u>	<u>-</u>	<u>678.485</u>	<u>688.485</u>
Profit for the year	-	-	144.665	144.665
At 31 December 2014	<u>10.000</u>	<u>-</u>	<u>823.150</u>	<u>833.150</u>

13 Operating lease commitments

As at 31 December 2014 the company had annual commitments under non-cancellable operating leases for trucks as set out below:

	2014 £	2013 £
Less than one year	413.439	22.120
Between one and five years	226.504	843.970
At 31 December 2014	<u>639.943</u>	<u>866.090</u>

14 Ultimate Parent Company

The company's immediate parent company at the year end is Ewals Cargo Care Transport BV, Arienstraat 61-63, 5931 HM Tegelen, The Netherlands, incorporated in the Netherlands. The largest and smallest group in which the results of the company are consolidated is that of which Ewals Holdings BV is the parent company. The group financial statements can be obtained from The Chamber of Commerce, Venlo, The Netherlands.

The ultimate controlling party is considered to be Ewals Holdings BV, a company incorporated in the Netherlands.