

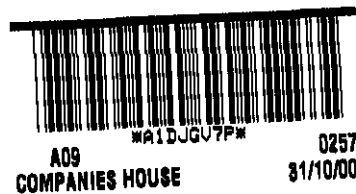
Mega Trucking Company Limited

Report and Financial Statements

Year Ended

31 December 1999

7681656



BDO Stoy Hayward
Chartered Accountants

MEGA TRUCKING COMPANY LIMITED

Annual report and financial statements for the year ended 31 December 1999

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Directors

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Directors

Ewals Cargo Care BV
J A M Biermans

Secretary and registered office

H W G Ewals, 66 Broomfield Road, Chelmsford, Essex, CM1 1SW.

Company number

2681656

Auditors

BDO Stoy Hayward, 66 Broomfield Road, Chelmsford, Essex, CM1 1SW.

MEGA TRUCKING COMPANY LIMITED

Report of the directors for the year ended 31 December 1999

The directors present their report together with the audited financial statements for the year ended 31 December 1999.

Results and dividends

The profit and loss account is set out on page 4 and shows the profit for the year.

The directors do not recommend the payment of a final dividend.

Principal activities

The principal activities of the company continue to be the leasing and hire of trucks within the haulage business.

Directors

The directors of the company during the year and their interests in the ordinary share capital of the company were:

	Ordinary shares of £1 each	
	31 December 1999	31 December 1998
Ewals Cargo Care BV	10,000	10,000
J A M Biermans	-	-

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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; 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 which disclose with reasonable accuracy at any time the financial position of the company and to 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.

MEGA TRUCKING COMPANY LIMITED

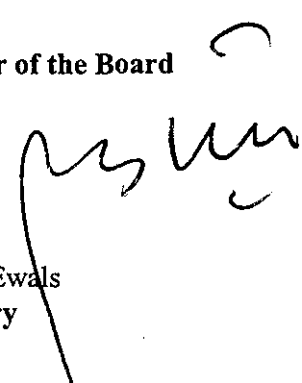
Report of the directors for the year ended 31 December 1999 (*Continued*)

Auditors

BDO Stoy Hayward have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

This report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the Board


H W G Ewals
Secretary

Date 20/10/00

MEGA TRUCKING COMPANY LIMITED

Report of the auditors

To the shareholders of Mega Trucking Company Limited

We have audited the financial statements on pages 4 to 10 which have been prepared under the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards 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 of the state of the company's affairs as at 31 December 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BDO Stoy Hayward

BDO STOY HAYWARD

*Chartered Accountants
and Registered Auditors
Chelmsford*

30 October 2000

MEGA TRUCKING COMPANY LIMITED**Profit and loss account for the year ended 31 December 1999**

	Note	1999 £	1998 £
Turnover	2	2,538,962	2,296,150
Cost of sales		2,329,173	2,162,762
Gross profit		209,789	133,388
Administrative expenses		90,531	104,755
Operating profit	4	119,258	28,633
Interest payable and similar charges	5	4,751	4,025
Profit on ordinary activities before taxation		114,507	24,608
Taxation on profit from ordinary activities	6	35,406	7,195
Profit on ordinary activities after taxation		79,101	17,413
Retained profit brought forward		143,109	125,696
Retained profit carried forward		222,210	143,109

All amounts relate to continuing activities.

There were no recognised gains or losses during the year other than the profit for the year.

The notes on pages 6 to 10 form part of these financial statements.

MEGA TRUCKING COMPANY LIMITED

Balance sheet at 31 December 1999

	Note	1999	1998
		£	£
Fixed assets			
Tangible assets	7	12,500	17,866
Current assets			
Debtors	8	588,521	369,776
Cash at bank and in hand		65	95
		<u>588,586</u>	<u>369,871</u>
Creditors: amounts falling due within one year	9	368,482	233,744
Net current assets		<u>220,104</u>	<u>136,127</u>
Total assets less current liabilities		<u>232,604</u>	<u>153,993</u>
Provision for liabilities and charges	10	394	884
Net assets		<u>232,210</u>	<u>153,109</u>
Capital and reserves			
Called up share capital	11	10,000	10,000
Profit and loss account		222,210	143,109
Shareholders' funds		<u>232,210</u>	<u>153,109</u>

All amounts relate to equity interests.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on

J A M Biermans
Director

20/10/00

The notes on pages 6 to 10 form part of these financial statements.

MEGA TRUCKING COMPANY LIMITED

Notes forming part of the financial statements for the year ended 31 December 1999

1 Accounting policies

Basis of accounts

These financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Depreciation

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Plant and machinery, fixtures and fittings - 1-5 years

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components. The interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balances of capital repayments outstanding. The capital element reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight line basis over the term of the lease.

Pension costs

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 fund. The pension cost charge represents annual contributions payable by the company to the fund and amounted to £16,984 (1998 - £9,330). No material amounts were due to or from the fund at the year end.

Deferred taxation

Provision is made using the liability method in respect of all material timing differences to the extent that in the opinion of the directors it is probable that a liability will crystallise.

2 Turnover

Turnover is wholly attributable to the principal activity of the company. The amount of turnover attributable to each geographical market has not been given, as in the opinion of the directors, this disclosure would be prejudicial to the company's interests.

MEGA TRUCKING COMPANY LIMITED

Notes forming part of the financial statements for the year ended 31 December 1999 (Continued)

3 Employees	1999	1998
	£	£
Staff costs consist of:		
Wages and salaries	628,875	576,048
Social security costs	62,888	53,347
Other pension costs	16,984	9,330
	<u>708,747</u>	<u>638,725</u>
	<u><u>708,747</u></u>	<u><u>638,725</u></u>
The average number of employees, including directors, during the year was 39 (1998 - 34).		
	1999	1998
	£	£
Directors emoluments consist of:		
Management fees	-	9,224
Compensation for loss of office	-	10,000
	<u>-</u>	<u>19,224</u>
	<u><u>-</u></u>	<u><u>19,224</u></u>
4 Operating profit		
This has been arrived at after charging:		
Depreciation	5,366	8,866
Hire of other assets - operating leases	478,361	442,531
Auditors' remuneration - audit services	2,500	2,500
	<u>486,227</u>	<u>453,897</u>
	<u><u>486,227</u></u>	<u><u>453,897</u></u>
5 Interest payable and similar charges		
Bank overdraft	4,156	3,005
Finance leases	595	1,020
	<u>4,751</u>	<u>4,025</u>
	<u><u>4,751</u></u>	<u><u>4,025</u></u>
6 Taxation on profit from ordinary activities		
UK corporation tax	35,750	9,250
Transfer from deferred taxation	(490)	(1,236)
Under/(over) provision in respect of prior years	146	(819)
	<u>35,406</u>	<u>7,195</u>
	<u><u>35,406</u></u>	<u><u>7,195</u></u>

MEGA TRUCKING COMPANY LIMITED

Notes forming part of the financial statements for the year ended 31 December 1999 (*Continued*)

7 Tangible assets

	Plant and machinery £	Fixtures, and fittings £	Total £
<i>Cost</i>			
At 1 January 1999 and 31 December 1999	46,513	5,475	51,988
<i>Depreciation</i>			
At 1 January 1999	29,013	5,109	34,122
Provided for the year	5,000	366	5,366
At 31 December 1999	34,013	5,475	39,488
<i>Net book value</i>			
At 31 December 1999	12,500	-	12,500
At 31 December 1998	17,500	366	17,866

Assets held under finance leases are included in tangible fixed assets. As at 31 December 1999 the net book value of such assets was £Nil (1998 - £17,500) and the depreciation charge for the year was £Nil (1998 - £5,000).

8 Debtors

	1999 £	1998 £
Trade debtors	9,008	3,477
Prepayments and accrued income	19,453	28,242
Amounts due from fellow subsidiaries	555,288	313,424
Other debtors	4,772	24,633
	588,521	369,776

All amounts shown under debtors fall due for payment within one year.

MEGA TRUCKING COMPANY LIMITED

Notes forming part of the financial statements for the year ended 31 December 1999 *(Continued)*

9 Creditors: amounts falling due within one year

	1999 £	1998 £
Bank overdraft (secured)	147,844	61,443
Trade creditors	77,286	71,635
Taxation and social security	80,864	61,881
Corporation tax	35,750	9,250
Obligations under finance leases	-	5,833
Accruals	26,738	23,702
	<u>368,482</u>	<u>233,744</u>

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

10 Deferred taxation

	1999 Unprovided £	1999 Provided in accounts £	1998 Unprovided £	1998 Provided in accounts £
Accelerated capital allowances	-	394	-	884
	<u>-</u>	<u>394</u>	<u>-</u>	<u>884</u>

11 Share capital

	Authorised		Allotted, called up and fully paid	
	1999 £	1998 £	1999 £	1998 £
Ordinary shares of £1 each	100,000	100,000	10,000	10,000
	<u>100,000</u>	<u>100,000</u>	<u>10,000</u>	<u>10,000</u>

MEGA TRUCKING COMPANY LIMITED

Notes forming part of the financial statements for the year ended 31 December 1999 (Continued)

12 Commitments under operating leases

As at 31 December 1999, the company had annual commitments under non-cancellable operating leases as set out below:

	Vehicle hire	
	1999	1998
	£	£
Operating leases which expire:		
Within one year	55,250	57,875
In two to five years	108,531	236,052
Over five years	150,300	-
	<u>314,081</u>	<u>293,927</u>

13 Related party transactions

Ewals Cargo Care Limited is a fellow wholly owned subsidiary undertaking, and as such, transactions with this company are exempt from disclosure under Financial Reporting Standard 8.

Rimaco Limited is considered to be a related party by virtue of being a director of Mega Trucking Company Limited in the previous year. During the year Rimaco Limited was paid management fees of £Nil (1998 - £19,224) as included in the note 3 disclosure above. At 31 December 1999 there was a balance due to Rimaco Limited of £Nil (1998 - £834).

European Logistic Services (UK) Limited is considered to be a related party due to common control. During the year European Logistic Services Limited was paid management fees of £60,000 (1998 - £60,000). At 31 December 1999 there was a balance due from European Logistic Services (UK) Limited of £2,918 (1998 - £Nil).

The ultimate controlling party is considered to be Mr H W G Ewals.

14 Cash flow statement

The company has used the exemption under Financial Reporting Standard 1, "Cash Flow Statements", not to prepare a cash flow statement as the directors believe the company is "small" under the Companies Act 1985.

15 Ultimate parent company

The company's immediate parent company is Ewals Cargo Care Holding BV but the directors regard Ewals Holding BV, Ariensstraat 63, Tegelen, incorporated in the Netherlands, as the company's ultimate parent company. 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 above address.