


2681656

Mega Trucking Company Limited

Report and Financial Statements

31 December 2003

 **ERNST & YOUNG**



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Mega Trucking Company Limited

Registered No: 2681656

Director

MCV Trucking Holding BV

Secretary

B Ewals

Auditors

Ernst & Young LLP
Compass House
80 Newmarket Road
Cambridge
CB5 8DZ

Bankers

Fortis Bank SA-NV
23 Camomile Street
London
EC3A 7PP

Registered office

66 Broomfield Road
Chelmsford
Essex
CM1 1SW

Director's report

The director presents his report and financial statements for the year ended 31 December 2003.

Results and dividends

The loss for the year, after taxation, amounted to £241,290. The director does not recommend the payment of any dividends.

Principal activities and review of the business

The principal activity of the company during the year was operating in a trucking capacity to logistics providers

The first half of 2003 showed pressure on gross margins. This pressure was alleviated in July 2003 by rate improvements and an increase in the number of trucks on the fleet. The second half of the financial year witnessed a sustained improvement in gross margins which stemmed the trading losses to June 2003. Although there is continued pressure on margins the director is confident that the trading improvement noted above will be maintained into 2004.

Director

The director who served the company during the year was as follows:

MCV Trucking Holding BV

There are no director's interests requiring disclosure under the Companies Act 1985. **Auditors**

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

Signed by

MCV Trucking Holding BV

Director

18 November 2004

Statement of director's responsibilities in respect of the financial statements

Company law requires the director 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 director is 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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 Mega Trucking Company Limited

We have audited the company's financial statements for the year ended 31 December 2003 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 18. These financial statements have been prepared on the basis of 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 director and auditors

As described in the Statement of Director's Responsibilities the company's director is responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the Director's Report is not consistent with the financial statements, if 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 director's remuneration and transactions with the company is not disclosed.

We read the Director's 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 United Kingdom 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 director 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.

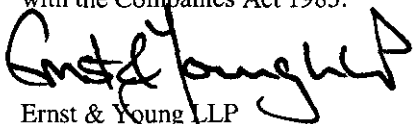
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity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

Independent auditors' report

to the members of Mega Trucking Company Limited (continued)

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP
Registered Auditor
Cambridge

18 November 2004

Profit and loss account

for the year ended 31 December 2003

	Notes	2003 £	2002 £
Turnover	2	2,465,411	2,551,712
Cost of sales		1,781,445	2,424,815
Gross profit		683,966	126,897
Administrative expenses		899,635	135,119
Operating loss	3	(215,669)	(8,222)
Bank interest receivable	5	–	3,144
Interest payable and similar charges	6	(19,469)	–
		(19,469)	3,144
Loss on ordinary activities before taxation		(235,138)	(5,078)
Tax on loss on ordinary activities	7	6,152	(22,635)
(Loss)/profit on ordinary activities after taxation		(241,290)	17,557
Dividends:			
ordinary dividends on equity shares	8	–	165,000
Loss for the financial year		(241,290)	(147,443)

Statement of total recognised gains and losses

There are no recognised gains or losses other than the loss of £241,290 attributable to the shareholders for the year ended 31 December 2003 (2002 - profit of £17,557).

Balance sheet

at 31 December 2003

	Notes	2003 £	2002 £
Fixed assets			
Tangible assets	9	3,807	2,779
Current assets			
Stocks	10	20,248	12,508
Debtors	11	679,643	295,034
Cash at bank and in hand		27	10,732
		699,918	318,274
Creditors: amounts falling due within one year	12	912,441	288,479
Net current (liabilities)/assets		(212,523)	29,795
Total assets less current liabilities		(208,716)	32,574
Capital and reserves			
Called up share capital	16	10,000	10,000
Profit and loss account	17	(218,716)	22,574
Equity shareholders' funds	17	(208,716)	32,574

ERNST & YOUNG

MCV Trucking Holding BV
Director

18 November 2004

Notes to the financial statements

at 31 December 2003

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention.

The directors of MCV Trucking Holding BV have indicated that they will provide ongoing financial support for the Company and the financial statements have therefore been prepared on a going concern basis.

Cash flow statement

The director has taken advantage of the exemption in Financial Reporting Standard No 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 MCV Trucking Holdings 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 MCV Trucking 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, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows:

Plant & Machinery - 20% to 33%

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition, as follows:

Raw materials, consumables and goods for resale - purchase cost on a first-in, first-out basis.

Work in progress and finished goods - cost of direct materials and labour plus attributable overheads based on a normal level of activity.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Notes to the financial statements

at 31 December 2003

1. Accounting policies (continued)

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 a 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

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.

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.

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

Operating lease agreements

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

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

Notes to the financial statements

at 31 December 2003

3. Operating loss

This is stated after charging:

	2003 £	2002 £
Auditors' remuneration - audit services	4,000	2,500
- non-audit services	1,600	2,500
Depreciation of owned fixed assets	1,882	3,125

4. Staff costs

	2003 £	2002 £
Wages and salaries	720,701	804,473
Social security costs	66,076	67,509
Other pension costs (note 13)	16,646	19,268
	803,423	891,250

5. Interest receivable

	2003 £	2002 £
Bank interest receivable	-	3,144

6. Interest payable and similar charges

	2003 £	2002 £
Bank interest payable	19,469	-

7. Taxation on ordinary activities

(a) Tax on loss on ordinary activities

The tax charge/(credit) is made up as follows:

	2003 £	2002 £
<i>Current tax:</i>		
UK corporation tax	-	(16,483)
Total current tax (note 7(b))	-	(16,483)
<i>Deferred tax:</i>		
Origination and reversal of timing differences	6,152	(6,152)
Tax on loss on ordinary activities	6,152	(22,635)

Notes to the financial statements

at 31 December 2003

7. Taxation on ordinary activities (continued)**(b) 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 30% (2002 - 30%). The differences are reconciled below:

	2003 £	2002 £
Loss on ordinary activities before taxation	(235,138)	(5,078)
Profit/(loss) on ordinary activities multiplied by standard rate of tax	(70,541)	(1,523)
Adjustment in respect of prior periods	—	(16,483)
Tax losses	71,065	2,462
Other timing differences	(524)	(939)
Total current tax (note 7(a))	—	(16,483)

(c) Deferred tax

Deferred taxation provided in the financial statements and the amounts not provided are as follows:

	2003		2002	
	<i>Provided</i>	<i>Not provided</i>	<i>Provided</i>	<i>Not provided</i>
	£	£	£	£
Capital allowances in advance of depreciation	—	2,122	2,618	—
Tax losses available	—	65,090	2,462	—
Provision deferred tax; other	—	2,468	1,072	—
Provision for deferred taxation	—	69,680	6,152	—
				£
At 1 January 2003				6,152
Profit and loss account movement arising during the year				(6,152)
At 31 December 2003				—

8. Dividends

No dividend has been recommended for the for the year ended 31 December 2003.

Notes to the financial statements

at 31 December 2003

9. Tangible fixed assets*Plant & Machinery*
£

Cost:

At 1 January 2003

12,215

Additions

2,910

At 31 December 2003

15,125

Depreciation:

At 1 January 2003

9,436

Provided during the year

1,882

At 31 December 2003

11,318

Net book value:

At 31 December 2003

3,807

At 1 January 2003

2,779**10. Stocks**2003 2002
£ £

Raw materials

20,248 12,508**11. Debtors**2003 2002
£ £

Trade debtors

414,416 27,856

Amounts owed by group undertakings

152,871 175,914

Other debtors

92,225 64,873

Prepayments and accrued income

20,131 20,239

Deferred taxation (note 7)

— 6,152

679,643 295,034**12. Creditors: amounts falling due within one year**2003 2002
£ £

Bank overdraft

281,433 —

Trade creditors

296,189 165,413

Amounts owed to group undertakings

215,967 73,435

Corporation tax

5,493 5,493

Other taxation and social security

47,995 18,716

Accruals and deferred income

65,364 25,422

912,441 288,479

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

Notes to the financial statements

at 31 December 2003

13. 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 fund. At the year end unpaid contributions amounted to £2,623 (2002: £nil).

14. Provisions for liabilities and charges

	<i>Deferred taxation</i> £
At 1 January 2003	(6,152)
Profit and Loss Account movement arising during the year	6,152
At 31 December 2003	-

15. Related party transactions

During the year the company entered into the following transactions with companies from the Ewals Cargo Care BV group - a related group of companies.

	<i>Trade sales</i> £	<i>Recharges</i> £	<i>Management fee</i> £	<i>Year end balance</i> £
Ewals Cargo Care NL				615
Ewals Cargo Care BV	1,886,417	410,741		328,141
Ewals Cargo Care Ltd		75,473	(18,000)	27,759
European Logistics			15,000	17,358

16. Share capital

	<i>2003</i> £		<i>Authorised 2002</i> £	
Ordinary shares of £1 each		10,000		10,000

	<i>No.</i>	<i>Allotted, called up and fully paid 2003</i> £	<i>No.</i>	<i>2002</i> £
Ordinary shares of £1 each	10,000	10,000	10,000	10,000

17. Reconciliation of shareholders' funds and movement on reserves

	<i>Share capital</i> £	<i>Profit and loss account</i> £	<i>Total share- holders' funds</i> £
At 1 January 2002	10,000	170,017	180,017
Profit for the year	-	17,557	17,557
Dividends	-	(165,000)	(165,000)
At 31 December 2002	10,000	22,574	32,574
Loss for the year	-	(241,290)	(241,290)
At 31 December 2003	10,000	(218,716)	(208,716)

Notes to the financial statements

at 31 December 2003

18. Ultimate parent company

This company's immediate parent company is MCV Trucking Holding B V, Burg, Joannes Strata 43, 5954 B P Beetle, The Netherlands, incorporated in The Netherlands. The largest and smallest group in which the results of the company are consolidated is that of which MCV Trucking 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 BPS Holdings BV, a company incorporated in the Netherlands.