

Wilson Logistics UK Limited

(Registered Number: 621547)

Annual Report

For The Year Ended 31 December 2001



Wilson Logistics UK Limited

Annual Report For The Year Ended 31 December 2001

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Wilson Logistics UK Limited

Directors And Advisors For The Year Ended 31 December 2001

Directors

J A Simpson
H A Von Sydow
J B Gerdrup
B M Wyeth
M Carr
O E Rohmann

Secretary

M Carr

Registered Office

Units 5 & 6
Parkway Trading Estate
Cranford
Hounslow
Middlesex
TW5 9QA

Auditors

PricewaterhouseCoopers
Harman House
1 George Street
Uxbridge
UB8 1QQ

Bankers

Skandinaviska Enskilda Banken
2 Cannon Street
London
EC4M 6XX

Wilson Logistics UK Limited

Directors' Report For The Year Ended 31 December 2001

The directors present their report and the audited financial statements for the year ended 31 December 2001.

Principal Activity

The principal activity of the company is international freight forwarding by land, sea and air.

Review Of Business And Future Developments

The Company's performance reflected the slowdown in UK manufactured exports offset, in part, by stronger importing activity. Global trading was adversely affected particularly in the last quarter of the year. The Company continues to reduce its costs and improve efficiency. The Directors forecast improvements in the Company's prospects during the coming year.

The profit and loss account for the year is set out on page 5.

Directors And Directors' Interests

The following directors held office during the year under review:

J A Simpson
H A Von Sydow
J B Gerdrup
B M Wyeth
M Carr
O E Rohmann

No director held any interest in the shares at 31 December 2001 or at any time during the year (2000; nil)

Dividends And Transfers To Reserves

The directors are unable to recommend the payment of a dividend (2000:£nil). The loss for the year of £366,000 (2000: £2,310,000) will be added to the accumulated deficit.

Wilson Logistics UK Limited

Directors Report

For The Year Ended 31 December 2001 (Continued)

Statement Of Directors' Responsibilities

The directors are required by UK company law to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the company as at the end of the financial period and of the profit or loss of the company for that period.

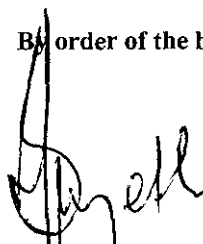
The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 December 2001. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records that 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.

Auditors

A resolution to reappoint PricewaterhouseCoopers as auditors to the company will be proposed at the annual general meeting.

By order of the board



Brian Wyeth
Director

12 June 2002

Wilson Logistics UK Limited

Auditors' report to the members of Wilson Logistics UK Limited

We have audited the financial statements on pages 5 to 15 which have been prepared under the historical cost convention and the accounting policies set out on page 7 and 8.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the annual report. As described on page 3, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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. We also report to you if, in our opinion, the directors' 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 directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

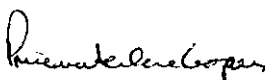
Basis of audit opinion

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 affairs of the company at 31 December 2001 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
West London

12 June 2002

Wilson Logistics UK Limited

Profit And Loss Account For The Year Ended 31 December 2001

	<i>Note</i>	2001 £000	2000 £000
Turnover	2	26,442	29,042
Cost of sales		(21,311)	(23,815)
Gross profit		5,131	5,227
Net operating expenses	3	(5,515)	(6,293)
Exceptional operating cost	4	-	(960)
Operating loss		(384)	(2,026)
Interest receivable and similar income		73	3
Interest payable and similar charges	7	(55)	(287)
Loss on ordinary activities before and after tax	8	(366)	(2,310)

The company has no recognised gains or losses other than the loss above and therefore no separate statement of total recognised losses has been prepared.

There is no difference between the loss on ordinary activities before taxation and the retained loss for the year stated above, and their historical cost equivalents.

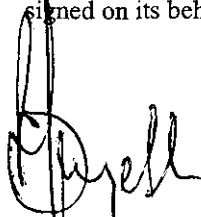
All operations are continuing.

Wilson Logistics UK Limited

Balance Sheet At 31 December 2001

	<i>Note</i>	2001 £000	2000 £000
Fixed assets			
Intangible assets	<i>10</i>	24	37
Tangible assets	<i>11</i>	418	606
Investments	<i>12</i>	10	-
		452	643
Current assets			
Debtors	<i>13</i>	4,694	7,166
Cash at bank and in hand		43	62
		4,737	7,228
Creditors - amounts falling due within one year	<i>14</i>	(4,304)	(6,620)
Net current assets/(liabilities)		433	608
Net assets/(liabilities)		885	1,251
Capital and reserves			
Called up share capital	<i>15</i>	4,700	4,700
Other Reserves	<i>16</i>	4,500	4,500
Profit and loss account	<i>16</i>	(8,315)	(7,949)
Equity shareholders' funds	<i>16</i>	885	1,251

The financial statements on pages 5 to 15 were approved by the Board on 12 June 2002 and were signed on its behalf by



Brian M Wyeth
Director

The notes on pages 7 to 15 form part of these accounts.

Wilson Logistics UK Limited

Notes To The Financial Statements For The Year Ended 31 December 2001

1 Principle accounting Policies

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards in the United Kingdom. The company has taken advantage of Section 228 of the Companies Act 1985 and has not prepared consolidated financial statements as it is a wholly owned subsidiary of Wilson Logistics Holding AB, a company registered in Sweden. A summary of the more important accounting policies, which have been applied consistently, are set out below.

Adoption of new accounting policies

The accounting policies have been received by the Board of Directors in accordance with Financial Reporting Standard ("FRS") 18 "Accounting policies", which applies for the first time this year. No changes have been made as a result of this review FRS 19 "Deferred tax" has been adopted in the period with no impact on the accounts.

Cash Flow Statement

A cash flow statement has not been prepared since the company, being a wholly owned subsidiary undertaking of the ultimate parent Wilson Logistics Holding AB, which publishes consolidated financial statements including this company, is exempt from doing so by Financial Reporting Standard No.1.

Purchased Goodwill

Purchased goodwill is amortised to the realised profit and loss reserve over its estimated useful economic life which does not exceed twenty years.

Tangible Fixed Assets

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition. Depreciation is provided on the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over their estimated useful economic lives as follows:

	Years
Fixtures, fittings and equipment	3 - 10
Motor vehicles	5

Leasehold improvements are amortised over 50 years or, if shorter, the period of the lease.

Investments

Investment in subsidiaries held as fixed assets are stated at cost less any provision for a permanent diminution in value.

Wilson Logistics UK Limited

Notes To The Financial Statements For The Year Ended 31 December 2001 (Continued)

Finance And Operating Leases

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Leasing agreements, which transfer to the company substantially all the benefits and risks of ownership of an asset, are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit in proportion to the reducing capital element outstanding. Assets held under finance leases are depreciated over the shorter of the lease terms and the useful lives of equivalent owned assets.

Turnover

Turnover, which excludes value added tax and duty, represents the invoiced value in respect of freight forwarding services provided.

Pension Scheme Arrangements

The company contributes to a defined contribution pension scheme. Contribution by both employees and the company are made to the pension fund. In line with FRS 17 "Retirement benefits" employer's contributions to the schemes are charged to the profit and loss account in the period in which they become payable.

The company provides no other post retirement benefits to its employees.

Foreign Currencies

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into sterling at the exchange rate ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction and exchange gains or losses arising on transaction are reported as part of the operating results for the year.

2 Turnover

Turnover by geographical area is analysed below:

	2001 £000	2000 £000
United Kingdom	20,396	23,017
Rest of Europe	1,131	1,423
Other	4,915	4,602
	26,442	29,042

Wilson Logistics UK Limited

Notes To The Financial Statements For The Year Ended 31 December 2001 (Continued)

3 Operating Expenses

	2001 £000	2000 £000
Distribution costs	3,171	3,338
Administrative expenses	2,344	2,955
	5,515	6,293

4 Exceptional Operating Cost

	2001 £000	2000 £000
Exceptional operating cost	-	(960)

In 2000 as part of a group reorganisation the company settled intercompany balances on behalf of its fellow subsidiaries. In the opinion of the directors these amounts are not recoverable.

5 Directors' Emoluments

	2001 £000	2000 £000
Aggregate emoluments (including benefits in kind)	213	191
Contributions to money purchase schemes	21	19
	234	210
	2001	2000
Number of directors who are members of a money purchase pension scheme	3	3

There are no other retirement benefits accruing to directors.

Emoluments include amounts paid to:

	2001 £000	2000 £000
The highest paid director:		
Emoluments	93	74
Contributions under money purchase schemes	11	9
	104	83

Wilson Logistics UK Limited

Notes To The Financial Statements For The Year Ended 31 December 2001 (Continued)

6 Employee Information

	2001 £000	2000 £000
Wages and salaries	2,809	3,065
Social security costs	270	350
Other pension costs (see note 17)	154	113
	3,233	3,528

The average weekly number of persons employed by the company, excluding directors during the period was 141 (2000: 143).

7 Interest Payable And Similar Charges

	2001 £000	2000 £000
Bank interest	55	287

8 Loss On Ordinary Activities Before Taxation

Loss on ordinary activities before taxation is stated after charging/(crediting):

	2001 £000	2000 £000
Depreciation		
- owned tangible assets	259	287
Auditors' remuneration for:		
- audit	21	25
- other services	39	47
Operating leases		
- hire of plant and machinery	79	70
- hire of motor vehicles and other assets	195	216
- hire of land and building	581	488
Amortisation of goodwill	13	17
(Profit)/loss on disposal of fixed assets	-	(2)

Wilson Logistics UK Limited

Notes To The Financial Statements For The Year Ended 31 December 2001 (Continued)

9 Taxation

The company does not expect a tax charge due to its current accumulated tax losses for which no deferred tax asset is recognised.

10 Intangible assets

Goodwill

	2001 £000	2000 £000
Cost		
At 1 January 2001	54	-
Additions	-	54
At 31 December 2001	54	54
Amortisation		
At 1 January 2001	17	-
Amortised in year	13	17
At 31 December 2001	30	17
Net book value		
At 31 December 2001	24	37
At 31 December 2000	37	-

The goodwill arising on acquisition of two businesses is being amortised on a straight- line basis over 4 years. These periods are the periods over which the directors estimate the value of the underlying business acquired are expected to exceed the value of the underlying assets.

Wilson Logistics UK Limited

Notes To The Financial Statements For The Year Ended 31 December 2001 (Continued)

11 Tangible Fixed Assets

	Short Leasehold Properties £000	Fixtures Fittings & Equipment £000	Motor Vehicles £000	Total £000
Cost				
At 1 January 2001	539	1,435	40	2,014
Additions	17	54	-	71
Disposals	(1)	(111)	(13)	(125)
At 31 December 2001	555	1,378	27	1,960
Depreciation				
At 1 January 2001	248	1,126	34	1,408
Charge for period	57	200	2	259
Disposals	(1)	(111)	(13)	(125)
At 31 December 2001	304	1,215	23	1,542
Net book value				
At 31 December 2001	251	163	4	418
At 31 December 2000	291	309	6	606

12 Investments

	£
Cost at 1 January 2001	3
Additions in the year	10,000
Provision in the year	(3)
Net book value at 31 December 2001	10,000

The above investments relate to the following entities:

Entity	Holding	Activity
Combined Logistics (UK) Limited	100%	Non trading
Interloc International Limited	100%	Dormant
Freight International Ltd (acquired in the year)	100%	Non trading

On 1 September 2001, the entire issued share capital, comprising 80,000 ordinary shares of £1 each, of Freight International Limited, was acquired for a cash consideration of £10,000. The directors consider this to be the fair value of the shares acquired.

At the time of signing a proposal to strike off Combined Logistics (UK) Limited and Interloc International Limited was in place. These investments have been provided against.

Wilson Logistics UK Limited

Notes To The Financial Statements

For The Year Ended 31 December 2001 (Continued)

13 Debtors

	2001 £000	2000 £000
Trade debtors	3,687	5,772
Amounts owed by group companies	795	1,087
Other debtors	74	105
Prepayment and accrued income	138	202
	4,694	7,166

14 Creditors: Amounts Falling Due Within One Year

	2001 £000	2000 £000
Bank loans and overdrafts	878	821
Trade creditors	1,573	1,693
Amount owing to group companies	529	1,115
Taxation and social security	104	131
Other creditors	-	112
Accruals and deferred income	1,220	2,748
	4,304	6,620

15 Called Up Share Capital

	2001 £000	2000 £000
Authorised		
4,700,000 ordinary shares of £1 each	4,700	4,700
4,700,000 ordinary shares of £1 each	4,700	4,700

16 Reserves and Reconciliation of Movements In Shareholders' Funds

	Share Capital £000	Other Reserves £000	Profit and Losses £000	Shareholders Fund Total £000
At 1 January 2001	4,700	4,500	(7,949)	1,251
Loss for the year	-	-	(366)	(366)
At 31 December 2001	4,700	4,500	(8,315)	885

Wilson Logistics UK Limited

Notes To The Financial Statements

For The Year Ended 31 December 2001 (Continued)

17 Pension Scheme

The company operates a Money Purchase pension scheme. The assets of the scheme are held and administered by The Standard Life Assurance Company. The total pension cost charge represents contributions payable by the company to the scheme and in the year amounted to £154,000 (2000: £113,334).

18 Financial Commitments

At 31 December 2001, the company had annual commitments under non-cancellable operating leases as follows:

	<u>31 December 2001</u>		<u>31 December 2000</u>	
	<u>Land and Buildings</u>	<u>Other</u>	<u>Land and Buildings</u>	<u>Other</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Expiring within one year	47	7	6	119
Expiring between two and five years inclusive	402	171	80	120
Expiring in over five years	86	-	445	-
	<u>535</u>	<u>178</u>	<u>531</u>	<u>239</u>

19 Contingent Liabilities

The company has given certain indemnities in respect of customs and freight dues totalling £3,140,000 (2000: £10,000).

20 Ultimate And Immediate Parent Companies

The immediate and ultimate parent undertaking is Wilson Logistics Holding AB of Sweden. Wilson Logistics UK Limited is consolidated into the group accounts of Wilson Logistics Holding AB, which may be obtained from Sodra Hamngatan 19-21, F-411 14 Goteburg, Sweden.

Wilson Logistics UK Limited

Notes To The Financial Statements

For The Year Ended 31 December 2001 (Continued)

21 Related Party Transactions

The company has taken advantage of the exemption provided in FRS 8 for subsidiary undertakings, 90% or more of which voting rights are controlled within the group.

Accordingly, transactions with group companies are not disclosed in detail.