

Furness Logistics UK Limited

**Directors' report and financial
statements**

Registered number 3504203

31 December 2007

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Directors' report

The directors present their directors' report and financial statements for the year ended 31 December 2007

Principal activities

The company's principal activity is the provision of high quality storage, value added services and distribution for customers distributing goods in the UK market

The Company is a subsidiary of Frans Maas (UK) Limited

Business review

Aims and Objectives

DSV's global mission is to create value for its shareholders

The Company's aims are as follows

- To maintain and increase its profitability
- To increase turnover by developing business relationships with new clients
- To generate a solid cash flow
- To be a responsible employer, providing an attractive workplace for employees
- To provide quality service to customers
- To be a professional partner for its subcontractors and agents

Risk

The Company is exposed to normal market and economic conditions and therefore risk. A DSV policy is to lease rather than own equipment. It is the belief of the Directors that this policy improves the Company's ability to adapt pragmatically to the forces of demand and supply.

The Company is a service provider and as such rely on their ability to recruit and retain experienced and committed staff. The Company aims to attract and retain staff through the application of positive recruitment and retention policies.

Most of the Company's trade is conducted in sterling but as some of the trade involves international transportation, some transactions are exposed to a small degree of foreign currency risk.

The Companies' credit risk relates primarily to its trade debtors. The Company operates well established credit control procedures.

Performance

The underlying financial performance of the operation was in line with expectations.

Furness Logistics UK Ltd's main challenge during 2007 was to ensure that the major customer adhered to payment terms. This proved very difficult and after concluding the bad debt exposure risk was too high, the Company made an agreement with the customer to terminate the contract.

Post balance sheet event

The trade, assets and liabilities will be transferred to DSV Solutions Ltd, a fellow subsidiary of the DSV A/S group of companies.

Directors' report *(continued)*

Proposed dividend

The directors do not recommend the payment of a dividend (2006 £nil)

Directors

The directors who held office during the year were as follows

J B Andersen

J P P Nielsen (appointed 30 November 2007)

R F Olesen (appointed 26 October 2007)

G M Ridsdale

Disabled Employees

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members becoming disabled, every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee Consultation

The company places considerable value on the involvement of its employees and has continued its practice of keeping them informed on matters affecting them as employees and on the various factors affecting the performance of the company. The parent company of the DSV Group of companies, DSV A/S, produces a periodic newsletter of the group activities for all employees.

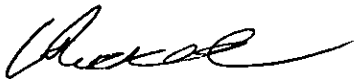
Political and charitable contributions

The Company made no political or charitable donations or incurred any political expenditure during the year (2006 £nil)

Disclosure of information to auditors

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

By order of the board



G M Ridsdale
Director

Scandinavia House
Parkeston
Harwich
Essex
CO12 4QG

Date 29 October 2008

Statement of directors' responsibilities in respect of the directors' report and the financial statements

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 they have elected to prepare the financial statements in accordance with IFRSs as adopted by the EU and applicable laws.

The financial statements are required by law to present fairly the financial position and the performance of the company. The Companies Act 1985 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether they have been prepared in accordance with IFRSs as adopted by the EU, 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 disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. 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.



KPMG LLP

6 Lower Brook Street
Ipswich
IP4 1AP
United Kingdom

Independent auditors' report to the members of Furness Logistics UK Limited

We have audited the financial statements of Furness Logistics UK Limited for the year ended 31 December 2007 which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement, the Statement of Recognised Income and Expense and the related notes. These financial statements have been prepared under 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 directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU are set out in the Statement of Directors' Responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' 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 International Standards on Auditing (UK and Ireland) 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 judgments 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.

Independent auditors' report to the members of Furness Logistics UK Limited*(continued)*

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with IFRSs as adopted by the EU, of the state of the company's affairs as at 31 December 2007 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

KPMG LLP

KPMG LLP

*Chartered Accountants
Registered Auditor*

Date 30 October 2008

Income Statement
for year ended 31 December 2007

	<i>Note</i>	2007 £000	2006 £000
Revenue		1,070	1,197
Cost of sales		(506)	(656)
		<hr/>	<hr/>
Gross profit		564	541
Administrative expenses		(440)	(1,461)
		<hr/>	<hr/>
Operating profit	2,3	124	(920)
Financial income	4	22	16
Financial expenses	4	(158)	(74)
		<hr/>	<hr/>
Net financing costs		(136)	(58)
		<hr/>	<hr/>
Loss before tax		(12)	(978)
Taxation	5	(17)	250
		<hr/>	<hr/>
Loss for the year		(29)	(728)
		<hr/>	<hr/>

The above results were derived from discontinuing operations

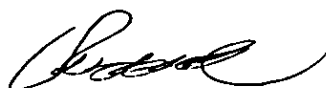
Statement of Recognised Income and Expense
for year ended 31 December 2007

	<i>Note</i>	2007 £000	2006 £000
Actuarial gains and losses on defined benefit pension plans	<i>13</i>	14	7
Tax recognised on income and expenses recognised directly in equity		(4)	-
Net income recognised directly in equity		10	7
Profit for the year		(29)	(728)
Total recognised income and expense	<i>14</i>	(19)	(721)

Balance Sheet
at 31 December 2007

	<i>Note</i>	2007 £000	2006 £000
Non-current assets			
Property, plant and equipment	6	570	687
Deferred tax assets	7	43	64
		<hr/> 613	<hr/> 751
Current assets			
Tax receivable	9	248	248
Trade and other receivables	8	719	601
Cash and cash equivalents	10	-	4
		<hr/> 967	<hr/> 853
Total assets		<hr/> 1,580	<hr/> 1,604
Current liabilities			
Bank overdraft	10	3	-
Trade and other payables	11	1,522	1,311
		<hr/> 1,525	<hr/> 1,311
Non-current liabilities			
Employee benefits	13	15	115
Other financial liabilities	12	599	718
		<hr/> 614	<hr/> 833
Total liabilities		<hr/> 2,139	<hr/> 2,144
Net assets		<hr/> (559)	<hr/> (540)
Equity			
Share capital	14	-	-
Retained earnings	14	(559)	(540)
Total equity		<hr/> (559)	<hr/> (540)

These financial statements were approved by the board of directors on 29 October 2008 and were signed on its behalf by



G M Ridsdale
Director

Cash Flow Statement
for year ended 31 December 2007

	<i>Note</i>	2007 £000	2006 £000
Cash flows from operating activities			
Profit for the year		(29)	(728)
<i>Adjustments for</i>			
Depreciation		117	117
Financial income		(22)	(16)
Financial expense		158	74
Taxation		17	(250)
		<hr/>	<hr/>
		241	(803)
(Increase)/decrease in trade and other receivables		(118)	17
(Decrease)/increase in trade and other payables		211	942
(Decrease)/increase in provisions and employee benefits		(88)	115
Decrease/(increase) in deferred taxation		-	(56)
		<hr/>	<hr/>
		246	215
Interest paid		(137)	(74)
Tax paid		-	2
		<hr/>	<hr/>
Net cash from operating activities		109	143
		<hr/>	<hr/>
Cash flows from investing activities			
Interest received		3	16
Acquisition of property, plant and equipment	6	-	(5)
		<hr/>	<hr/>
Net cash from investing activities		3	11
		<hr/>	<hr/>
Cash flows from financing activities			
Finance lease payments		(119)	(119)
		<hr/>	<hr/>
		(119)	(119)
		<hr/>	<hr/>
Net (decrease)/increase in cash and cash equivalents		(7)	42
Cash and cash equivalents at 1 January		4	(38)
		<hr/>	<hr/>
Cash and cash equivalents at 31 December	10	(3)	4
		<hr/>	<hr/>

Notes

(forming part of the financial statements)

1 Accounting policies

Furness Logistics UK Limited (the "Company") is a company incorporated in the UK

The company financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs")

The company is a wholly owned subsidiary of Frans Maas (UK) Limited. The consolidated financial statements for DSV A/S, within which the company is included, can be obtained from the address given in note 19

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements

In these financial statements the following Adopted IFRSs are effective for the first time and comparatives have been restated accordingly

- IFRS 7 'Financial Instruments Disclosure'

Where the application of these Adopted IFRSs for the first time has had a material effect on the financial statements, those effects have been described under the 'Change in accounting policy' heading below

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 20

Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: financial instruments classified as fair value through the profit or loss or as available-for-sale. Non-current assets and disposal groups held for sale are stated at the lower of previous carrying amount and fair value less costs to sell

Classification of financial instruments issued by the Company

Following the adoption of IAS 32, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions

- they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company, and
- where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares

Finance payments associated with financial liabilities are dealt with as part of finance expenses. Finance payments associated with financial instruments that are classified in equity are treated as dividends and are recorded directly in equity

Intra-group financial instruments

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company considers these to be insurance arrangements and accounts for them as such. In this respect, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee

Notes (continued)

1 Accounting policies (continued)

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Where land and buildings are held under leases the accounting treatment of the land is considered separately from that of the buildings. Leased assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses. Lease payments are accounted for as described below.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives are as follows:

- leasehold improvements 10 years
- plant and equipment 3 - 10 years

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the statement of cash flows.

Impairment excluding deferred tax assets

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

For goodwill, assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis. A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Goodwill, assets that have an indefinite useful life and intangible assets that are not yet available for use were tested for impairment as at 1 January 2005, the date of transition to Adopted IFRSs, even though no indication of impairment existed.

Notes (continued)

1 Accounting policies (continued)

Calculation of recoverable amount

The recoverable amount of the Company's investments in held-to-maturity securities and receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of goodwill is not reversed.

In respect of other assets, an impairment loss is reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement as incurred.

Defined benefit plans

The Company's net obligation in respect of defined benefit pension plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) is deducted. The liability discount rate is the yield at the balance sheet date on AA credit rated bonds that have maturity dates approximating to the terms of the Company's obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised as an expense in the income statement on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in the income statement.

All actuarial gains and losses as at 1 January 2005, the date of transition to Adopted IFRSs, were recognised. In respect of actuarial gains and losses that arise subsequent to that date the Company recognises them in the period they occur directly into equity through the statement of recognised income and expense.

The Company's employees are members of a group wide defined benefit pension plan. The net defined benefit cost of the plan is charged to participating entities on the following basis: number of members as at 31 December 2007.

Notes (continued)

1 Accounting policies (continued)

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected, risk adjusted, future cash flows at a pre-tax risk-free rate.

Revenue

Revenue is calculated on a cost plus basis and is recognised based on the date of services rendered.

Expenses

Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

Finance lease payments

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Net financing costs

Net financing costs comprise interest payable, interest receivable on funds invested, foreign exchange gains and losses that are recognised in the income statement.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the income statement on the date the entity's right to receive payments is established.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Notes (continued)

1 Accounting policies (continued)

Adopted IFRS not yet applied

The following Adopted IFRSs were available for early application but have not been applied by the Company in these financial statements. Their adoption is not expected to have a material affect on the financial statements unless otherwise indicated.

- IFRIC 11 'IFRS 2 – Group and Treasury Share Transactions' (mandatory for the year commencing on or after 1 March 2007)
- IFRIC 14 'The Limit on a Defined Benefit Asset Minimum Funding Requirements and their Interaction' (mandatory for the year commencing on or after 1 January 2008)

2 Expenses and auditors' remuneration

Operating profit after charging

	2007 £000	2006 £000
Operating profit after charging / crediting		
Depreciation	117	117
Operating lease charges		
Land and buildings	-	-
Other	259	247
	<u>259</u>	<u>247</u>

Auditors' remuneration

	2007 £000	2006 £000
Audit of these financial statements	1	1
Amounts receivable by the auditors and their associates in respect of		
Other services relating to taxation	2	4
	<u>2</u>	<u>4</u>

Notes (continued)

3 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows

	Number of employees	
	2007	2006
	No	No
Operations	5	5
Administration	1	1
	<hr/>	<hr/>
	6	6
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows

	2007	2006
	£000	£000
Wages and salaries	126	197
Social security costs	11	11
Other pension costs	6	5
	<hr/>	<hr/>
	143	213
	<hr/>	<hr/>

None of the directors were remunerated primarily for their services to the Company during current or previous year. The directors are employed by DSV Road Limited, a fellow subsidiary undertaking, and the emoluments are disclosed within the financial statements of that company.

4 Finance income and expense

	2007	2006
	£000	£000
Interest income from group company	3	-
Other interest receivable	-	16
Expected return on defined benefit pension plan assets	19	-
	<hr/>	<hr/>
Financial income	22	16
	<hr/>	<hr/>
Other interest payable	(137)	(74)
Interest on defined benefit pension plan obligation	(21)	-
	<hr/>	<hr/>
Financial expenses	(158)	(74)
	<hr/>	<hr/>

Notes (continued)

5 Taxation

Recognised in the income statement

	2007 £000	2006 £000
<i>Current tax expense</i>		
Current year	-	(233)
	<hr/>	<hr/>
	-	(233)
Deferred tax expense		
Origination and reversal of temporary differences	17	(17)
	<hr/>	<hr/>
	17	(17)
	<hr/>	<hr/>
Total tax in income statement	17	(250)
	<hr/>	<hr/>

Reconciliation of effective tax rate

	2007 £000	2006 £000
Profit before taxation	(12)	(978)
	<hr/>	<hr/>
Tax using the UK corporation tax rate of 30% (2006 30%)	(4)	(293)
	<hr/>	<hr/>
Non-deductible expenses	1	-
Change in corporation tax rate	4	-
Other timing differences	16	43
	<hr/>	<hr/>
Total tax expense	17	(250)
	<hr/>	<hr/>

Notes (continued)

6 Property, plant and equipment

	Furniture, fittings & equipment £000	Leasehold improvements £000	Total £000
Cost			
Balance at 1 January 2006	165	1,533	1,698
Additions	5	-	5
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2006	170	1,533	1,703
	<hr/>	<hr/>	<hr/>
Balance at 1 January 2007	170	1,533	1,703
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2007	170	1,533	1,703
	<hr/>	<hr/>	<hr/>
Depreciation and impairment			
Balance at 1 January 2006	124	775	899
Depreciation charge for the year	14	103	117
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2006	138	878	1,016
	<hr/>	<hr/>	<hr/>
Balance at 1 January 2007	138	878	1,016
Depreciation charge for the year	15	102	117
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2007	153	980	1,133
	<hr/>	<hr/>	<hr/>
Net book value			
At 1 January 2006	41	758	799
	<hr/>	<hr/>	<hr/>
At 31 December 2006 and 1 January 2007	32	655	687
	<hr/>	<hr/>	<hr/>
At 31 December 2007	17	553	570
	<hr/>	<hr/>	<hr/>

Notes (continued)

7 Deferred tax assets

Recognised deferred tax assets

Deferred tax assets are attributable to the following

	Assets 2007 £000	2006 £000
Property, plant and equipment	39	30
Employee benefits	4	34
	<hr/>	<hr/>
Net tax assets	43	64
	<hr/>	<hr/>

Movement in deferred tax during the year

	1 January 2007 £000	Recognised in income £000	Recognised in equity £000	31 December 2007 £000
Property, plant and equipment	30	9	-	39
Employee benefits	34	(26)	(4)	4
	<hr/>	<hr/>	<hr/>	<hr/>
	64	(17)	(4)	43
	<hr/>	<hr/>	<hr/>	<hr/>

Movement in deferred tax during the prior year

	1 January 2006 £000	Recognised in income £000	Recognised in equity £000	31 December 2006 £000
Property, plant and equipment	(8)	38	-	30
Employee benefits	16	18	-	34
	<hr/>	<hr/>	<hr/>	<hr/>
	8	56	-	64
	<hr/>	<hr/>	<hr/>	<hr/>

Notes (continued)

8 Trade and other receivables

	2007 £000	2006 £000
Trade receivables	444	446
Other trade receivables and prepayments	91	28
Amounts owed by group companies	184	127
	<u>719</u>	<u>601</u>

There is no allowance for doubtful debts against trade receivables (2006 £nil) The directors consider the carrying value of trade and other receivables to approximate fair value

9 Tax receivable

	2007 £000	2006 £000
Corporation tax	248	248
	<u>248</u>	<u>248</u>

10 Cash and cash equivalents/ bank overdrafts

	2007 £000	2006 £000
Cash and cash equivalents per balance sheet	-	4
Bank overdrafts	(3)	-
	<u>(3)</u>	<u>4</u>
Cash and cash equivalents per cash flow statements	(3)	4

11 Trade and other payables

	2007 £000	2006 £000
Trade payables	100	68
Amounts owed to group companies	2	19
Current portion of finance lease liabilities	119	119
Non-trade payables and accrued expenses	1,301	1,105
	<u>1,522</u>	<u>1,311</u>

Notes (continued)

12 Other interest bearing loans and borrowings

	2007 £000	2006 £000
Obligations under finance leases	599	718

Finance lease liabilities

Finance lease liabilities are payable as follows

	Minimum lease payments 2007 £000	Interest 2007 £000	Principal 2007 £000	Minimum lease payments 2006 £000	Interest 2006 £000	Principal 2006 £000
Less than one year	119	42	77	119	47	72
Between one and five years	406	79	327	406	113	293
More than five years	193	9	184	312	32	280
	<u>718</u>	<u>130</u>	<u>588</u>	<u>837</u>	<u>192</u>	<u>645</u>

13 Employee benefits

Pension schemes

The company operated both defined benefit and defined contribution schemes

Defined benefit scheme arrangements

The group operated two defined benefit plans until 1 November 2007, the DSV UK Group Pension Plan and the Frans Maas (UK) Limited Retirement Benefit Scheme. The latter was merged into the former with effect from 1 November 2007 and the scheme was renamed the DSV UK Group Pension Scheme. The cost of providing pensions under the defined benefit plans are calculated using the projected unit method and spread over the period during which benefit is expected to be derived from the employees' services, in accordance with the advice of an independent professionally qualified actuary. Pension obligations are measured as the present value of estimated future cash flows discounted at rates reflecting the yields on high quality corporate bonds, based on the iBoxx over 15 year AA index.

Formal, independent, actuarial valuations of the Group's main scheme, the DSV UK Group Pension Scheme, are undertaken regularly, normally at least every three years, in order to determine the rate of contributions paid by the participating employers. The latest valuation was performed on 31 December 2007. The assets of the Scheme are held in a separately administered trust. Assets are invested in different classes in order to maintain a balance between risk and return. Investments are diversified to limit the financial effect of the failure of any individual investment. During 2007, the target asset allocations applying to the defined benefits section of the Scheme were 60% Equities, 33% Bonds, 7% Property.

On 1 October 2005, with the agreement of the Trustee, the Group made a number of changes to the scheme. With effect from that date, the further accrual of defined benefit ceased and was replaced with a new defined contributions section. Existing employee members were offered membership of this new section without a break in their pensionable service. The accrual defined benefits relating to employee members were covered from final salary to a deferred pension which will increase in line with statutory requirements. The group also agreed with the Trustee to provide an additional amount of deferred pension. The scheme was closed to new defined benefit members in 2001.

Notes (continued)

13 Employee benefits (continued)

Pension schemes (continued)

The information below is in respect of the Company only (including the defined contribution section) except where otherwise stated. The Group's contributions to the defined contribution section of the DSV UK Group Pension Scheme are charged to the income statement as incurred. The assets attributable to defined contribution members within the DSV UK Group Pension Scheme are identifiable separately from the other assets of the scheme.

The directors have split the scheme assets and liabilities based on the number of members as at 31 December 2005.

The amounts recognised in the balance sheet are as follows:

	2007 £000	2006 £000
Present value of funded defined benefit obligations	415	409
Fair value of scheme assets	(400)	(294)
Net obligations	15	115
Recognised liability for defined benefit obligations	15	115
Total employee benefits	15	115

Movements in present value of defined benefit obligation

	2007 £000	2006 £000
At 1 January	409	381
Current service cost	4	8
Interest cost	21	18
Curtailment gains	-	(11)
Benefits paid	(13)	(8)
Actuarial (losses)/gains	(8)	17
Contributions by members	2	7
Expenses	-	(3)
At 31 December	415	409

Notes (continued)

13 Employee benefits (continued)

Pension schemes (continued)

Movements in fair value of scheme assets

	2007 £000	2006 £000
At 1 January	294	260
Expected return on scheme assets	19	19
Actuarial gains/(losses)	6	11
Contributions by employer	92	8
Contributions by members	2	7
Benefits paid	(13)	(8)
Expenses	-	(3)
	<hr/>	<hr/>
At 31 December	400	294
	<hr/>	<hr/>

Expense recognised in the income statement

	2007 £000	2006 £000
Current service cost	4	7
Interest on defined benefit pension scheme obligation	21	18
Expected return on defined benefit pension scheme assets	(19)	(19)
Gains on curtailment	-	(11)
Actuarial gains and losses	-	5
	<hr/>	<hr/>
Total	6	-
	<hr/>	<hr/>

The expense is recognised in the following line items in the income statement

	2007 £000	2006 £000
Administrative expenses	4	(4)
Finance income	(19)	(19)
Finance expense	21	18
	<hr/>	<hr/>
	6	(5)
	<hr/>	<hr/>

Cumulative actuarial gains/losses reported in the statement of recognised income and expenses since 1 January 2005, the transition date to Adopted IFRSs, are £21,000 (2006 £7,000)

The total amount recognised in Statement of Recognised Income and Expense in respect of actuarial gains and losses are £14,000 (2006 £7,000)

Notes (continued)

13 Employee benefits (continued)

Pension schemes (continued)

The fair value of the scheme assets and the return on those assets were as follows

	2007		2006	
	Fair value		Fair value	
	%	£000	%	£000
Equities	66.50	266	80.62	233
Government debt	-	-	8.31	24
Corporate bonds	27.00	108	3.80	11
Property	3.00	12	-	-
Other	3.50	14	7.27	21
	<u>100.00</u>	<u>400</u>	<u>100.00</u>	<u>289</u>
Actual return on scheme assets		<u>25</u>		<u>31</u>

The expected rates of return on scheme assets are determined by reference to the historical returns, without adjustment, of the portfolio as a whole and not on the sum of the returns on individual asset categories

Principal actuarial assumptions (expressed as weighted averages) at the year end were as follows

	2007	2006
	%	%
Discount rate	5.90	5.20
Expected rate of return on scheme assets	6.57	6.91
Future salary increases	4.50	4.10
Other material assumptions (inflation)	3.50	3.10
Other material assumptions (future pension increases)	3.35	2.95

Pension scheme assets are measured at fair value at the balance sheet date. Actuarial gains and losses, i.e. differences between the actual and expected returns, and the effect of changes in actuarial assumptions are recognised in the statement of recognised income and expense in the year in which they arise. All gains and losses as at 1 January 2005, the date of transition to adopted IFRS, were recognised.

The expected return on assets reflects the portfolio mix – a combination of corporate, UK government index-linked and fixed interest bonds ("Bonds"), UK, North America, Europe, and Far East Equities ("Equities"), and investment in Property. An equity risk premium of between 3% and 4% is added to the yield on UK government fixed interest bonds to establish the return on equities.

The expected return on scheme assets at year-end 2005 was 7.17%

In valuing the liabilities of the pension fund as at 31 December 2007, mortality assumptions have been made as indicated below. If life expectancy had been changed to assume that all members of the fund lived for one year longer, the value of the reported liabilities at 31 December 2007 would have increased by around £615,000 before deferred tax.

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65-year old to live for a number of years as follows:

- Current pensioner aged 65: 21.8 years (male), 24.7 years (female)
- Future retiree upon reaching 65: 21.8 years (male), 24.6 years (female)

Notes (continued)

13 Employee benefits (continued)

Pension schemes (continued)

History of schemes

The history of the schemes for the current and prior periods is as follows

Balance sheet

	2007 £000	2006 £000	2005 £000
Present value of the defined benefit obligation	415	409	381
Fair value of scheme assets	(400)	(294)	(260)
Deficit	15	115	121

The Company expects to contribute approximately £18,000 to its defined benefit scheme in the next financial year

Defined contribution schemes

The Company also operates a defined contribution pension plan

The total expense relating to this scheme in the current year was £4,000 (2006 £4,000)

14 Capital and reserves

Reconciliation of movement in capital and reserves

	Share capital £000	Retained earnings £000	Total equity £000
Balance at 1 January 2006	-	181	181
Total recognised income and expense	-	(721)	(721)
Balance at 31 December 2006	-	(540)	(540)
Balance at 1 January 2007	-	(540)	(540)
Total recognised income and expense	-	(19)	(19)
Balance at 31 December 2007	-	(559)	(559)

Notes (continued)

14 Capital and reserves (continued)

The aggregate current and deferred tax relating to items that are charged or credited to equity is £4,000 (2006 £nil)

Share capital

	Ordinary shares	
	2007	2006
	£000	£000
<i>Authorised</i>		
100 ordinary shares of £1 each	-	-
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
100 ordinary shares of £1 each	-	-
	<hr/>	<hr/>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company

Dividends

No dividends have been paid or proposed (2006 £nil)

15 Financial instruments

Credit risk

The company's credit risk is primarily attributed to its trade receivables. The amounts presented in the balance sheet are gross, no allowance for doubtful receivables is judged to be necessary.

The company has only one customer, this presents a concentration of credit risk, but the directors are confident that this is manageable.

The ageing of trade receivables at the year-end date was

	2007	2006
	Fair value	Fair value
	£000	£000
Not past due	444	446
	<hr/>	<hr/>
	444	446
	<hr/>	<hr/>

Liquidity risk

The company's exposure to liquidity risk is considered to be minimal because it can borrow additional funds from group, if required.

Interest rate risk

The company is exposed to no risk in relation to interest rate risk because it has no interest bearing loans.

Foreign currency risk

The company has no exposure to foreign currency risk as all activity is in Sterling.

Non-cancellable operating lease rentals are payable as follows

The Company leases a warehouse and operations facility under an operating lease. Land and buildings have been considered separately for lease classification.

During the year £259,000 was recognised as an expense in the income statement in respect of operating leases (2006 £247,000)

At 31 December 2007 the company had capital commitments of £nil (2006 £nil)

The DSV Group participates in a cash pooling arrangement. Included in amounts owed by group companies is £92,000 (2006: £nil) relating to the cash pool. This balance is owed by DSV Road Holding A/S.

The company is a member of the DSV Road Holding Limited VAT group, along with fellow UK group companies is jointly and severally liable for the VAT liabilities of the other group members. At 31 December 2007 VAT of £469,000 (2006 £651,000) was payable to HMRC in respect of the VAT group.

No director was remunerated for their services to the company during 2007 (2006 £nil) Their remuneration is paid by other group companies

	Sales to		Administrative expenses incurred from	
	2007	2006	2007	2006
	£000	£000	£000	£000
Other related parties	-	-	16	22
	<u>-</u>	<u>-</u>	<u>16</u>	<u>22</u>

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Notes (continued)

19 Ultimate parent company and parent company of larger group

The company is a wholly owned subsidiary undertaking of Frans Maas (UK) Limited. The registered office of the parent company is Scandinavia House, Refinery Road, Parkeston, Harwich, Essex, CO12 4QG.

The smallest and largest group in which the company's results are consolidated is that headed by DSV A/S. Consolidated accounts are available from the registered office Banemarksvej 58, DK-2605 Broendby, Denmark.

Frans Maas (UK) Limited is a wholly owned subsidiary of DSV Road Holding Ltd. The registered office of DSV Road Holding Limited is Scandinavia House, Refinery Road, Parkeston, Harwich, Essex, CO12 4QG.

DSV Road Holding Ltd is a wholly owned subsidiary of DSV Road Holdings A/S. The registered office of DSV Road Holding Limited is Banemarksvej 58, DK-2605 Broendby, Denmark.

The ultimate parent undertaking and controlling party is DSV A/S, which owns 100% of DSV Road Holding A/S. The consolidated accounts of DSV A/S, a company incorporated in Denmark, may be obtained from the registered office at Banemarksvej 58, DK-2605 Broendby, Denmark.

20 Accounting estimates and judgements

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

The most significant area of estimation, uncertainty and critical judgment in applying accounting policies is included in the note 13 employee benefits.

21 Post balance sheet events

Subsequent to the year end the trade and assets of the company have been transferred to DSV Solutions Ltd, a fellow subsidiary of the DSV A/S group of companies.