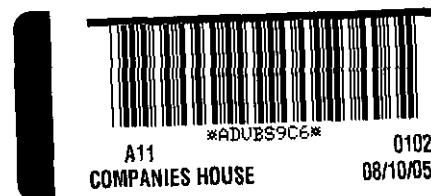


Company Registration No. 3504203 (England and Wales)

**FURNESS LOGISTICS UK LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**



# FURNESS LOGISTICS UK LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	G Ellison M Geurts
<b>Secretary</b>	K V Harrowing
<b>Company number</b>	3504203
<b>Registered office</b>	36 North Quay Road Great Yarmouth Norfolk Great Britain NR30 1JE
<b>Auditors</b>	Larking Gowen King Street House 15 Upper King Street Norwich NR3 1RB
<b>Bankers</b>	Barclays Bank Plc 15 Hall Quay Great Yarmouth Norfolk NR30 1HL
<b>Solicitors</b>	Eversheds Holland Court The Close Norwich NR1 4DX

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# FURNESS LOGISTICS UK LIMITED

## CONTENTS

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	<b>Page</b>
Directors' report	1 - 2
Independent auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 15

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# FURNESS LOGISTICS UK LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2004

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The directors present their report and financial statements for the year ended 31 December 2004.

### Principal activities and review of the business

The principal activity of the company is the provision of high quality value added logistical services for customers distributing goods in the UK market.

The Directors are pleased with the continued progression of turnover in 2004 resulting from the Widnes operation being brought fully on line and the introduction of a new dedicated customer at the Milton Keynes operation taking it from a multi user to a sole user site. This has contributed to the margin improving from 71.0% in 2003 to 80.1% in 2004.

Despite this, the Widnes operation has continued to contribute a significant loss resulting in staff and operational re-structuring taking place in 2004 and further discussions with the customer being implemented.

It is anticipated that an improvement will be seen in 2005 in respect of the underlying results.

### Results and dividends

The results for the year are set out on page 5.

The directors recommend that a dividend of £Nil (2003: £Nil) is paid.

### Directors

The following directors have held office since 1 January 2004:

M Doran	(Resigned 1 July 2004)
G Ellison	
M Geurts	

### Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 December 2004	1 January 2004
G Ellison	-	-
M Geurts	-	-

### Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Larking Gowen be reappointed as auditors of the company will be put to the Annual General Meeting.

# FURNESS LOGISTICS UK LIMITED

## DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

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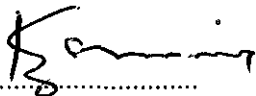
### Directors' responsibilities

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;
- 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.

By order of the board



.....  
K V Harrowing

Secretary

31/11/05.....



CHARTERED  
ACCOUNTANTS

## FURNESS LOGISTICS UK LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FURNESS LOGISTICS UK LIMITED

We have audited the financial statements of Furness Logistics UK Limited on pages 5 to 15 for the year ended 31 December 2004. These financial statements have been prepared under the historical cost convention and 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom 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 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 with the company 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 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 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.



CHARTERED  
ACCOUNTANTS

## FURNESS LOGISTICS UK LIMITED

### INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE SHAREHOLDERS OF FURNESS LOGISTICS UK LIMITED

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#### 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 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Larking Gowen

Chartered Accountants

Registered Auditors

Norwich

31/1/05

# FURNESS LOGISTICS UK LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2004

	Notes	2004 £	2003 £
Turnover	2	3,629,679	2,970,949
Cost of sales		(696,560)	(862,231)
Gross profit		2,933,119	2,108,718
Administrative expenses		(4,048,934)	(3,004,393)
Other operating income		931	5,916
Operating loss	3	(1,114,884)	(889,759)
Interest payable and similar charges	4	(210,678)	(66,602)
Loss on ordinary activities before taxation		(1,325,562)	(956,361)
Tax on loss on ordinary activities	5	359,198	266,981
Loss on ordinary activities after taxation	13	(966,364)	(689,380)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

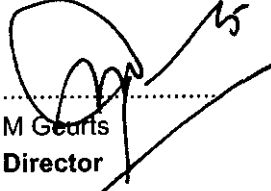


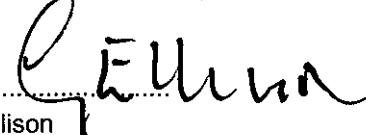
# FURNESS LOGISTICS UK LIMITED

## BALANCE SHEET AS AT 31 DECEMBER 2004

	Notes	2004 £	£	2003 £	£
<b>Fixed assets</b>					
Tangible assets	6		798,234		955,785
<b>Current assets</b>					
Debtors: amounts falling due within one year	7	1,724,392		1,449,356	
Debtors: amounts falling due after more than one year	7	-		142,409	
Investments	8	456,508		590,140	
Cash at bank and in hand		537		172	
		<u>2,181,437</u>		<u>2,182,077</u>	
<b>Creditors: amounts falling due within one year</b>	9	<u>(4,539,938)</u>		<u>(3,731,765)</u>	
<b>Net current liabilities</b>			<u>(2,358,501)</u>		<u>(1,549,688)</u>
<b>Total assets less current liabilities</b>			<u>(1,560,267)</u>		<u>(593,903)</u>
<b>Creditors: amounts falling due after more than one year</b>	10		<u>(861,157)</u>		<u>(861,157)</u>
			<u>(2,421,424)</u>		<u>(1,455,060)</u>
<b>Capital and reserves</b>					
Called up share capital	12		100		100
Profit and loss account	13		<u>(2,421,524)</u>		<u>(1,455,160)</u>
<b>Shareholders' funds - equity interests</b>	14		<u>(2,421,424)</u>		<u>(1,455,060)</u>

The financial statements were approved by the Board on 31/1/05

  
M Geurts  
Director

  
G Ellison  
Director

# FURNESS LOGISTICS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company continues to receive financial support from both its parent and ultimate parent undertakings. The ultimate parent undertaking has indicated that it will continue to support the company for the next twelve months. On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments that would result from a withdrawal of the financial support by the ultimate parent undertaking.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

#### 1.2 Turnover

Turnover represents the value of goods and services invoiced to customers, less returns, after deducting trade and other discounts and excluding value added tax.

#### 1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land & Buildings	20 % Straight line basis
Computer equipment	20 - 33 1/3% Straight line basis
Fixtures, fittings and equipment	10% - 20% Straight line basis

#### 1.4 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### 1.5 Investments

Current asset investments are stated at the lower of cost and net realisable value.

#### 1.6 Pensions

The company operates a defined benefit pension scheme, under which contributions by employees and by the company are held in trust funds separated from the company's finances.

The pension cost is assessed in accordance with the advice of qualified actuaries and it is charged to the profit and loss account so as to spread the cost of pensions over the service lives of employees in the scheme as a constant percentage of pensionable payroll.

#### 1.7 Deferred taxation

The charge for taxation is based on the results for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. In accordance with Financial Reporting Standard 19 "Deferred taxation", provision is made for deferred taxation in respect of all timing differences that have originated but not reversed by the balance sheet date. Provision is not made for deferred tax assets unless there is a reasonable certainty of their recovery against future taxable profits. The deferred tax balance has not been discounted.

# FURNESS LOGISTICS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

### 1 Accounting policies

(continued)

#### 1.8 Related party transactions

The company has taken advantage of the exemptions available to subsidiary companies under Financial Reporting Standard No. 8 - Related Party Disclosures, and has not disclosed details of the transactions with its parent undertaking, the ultimate parent undertaking of the group and its subsidiaries.

#### 1.9 Foreign currency

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

### 2 Turnover

#### Geographical market

	Turnover	
	2004	2003
	£	£
Within Great Britain to:		
Group undertaking	17,475	25,347
Unconnected business	3,612,204	2,945,602
	<u>3,629,679</u>	<u>2,970,949</u>

### 3 Operating loss

	2004	2003
	£	£
Operating loss is stated after charging:		
Depreciation of tangible assets	236,864	90,870
Operating lease rentals	576,767	563,108
Auditors' remuneration	2,242	2,935
	<u>815,873</u>	<u>656,913</u>

### 4 Interest payable and similar charges

	2004	2003
	£	£
On bank loans and overdrafts	<u>210,678</u>	<u>66,602</u>

# FURNESS LOGISTICS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

5	Taxation	2004 £	2003 £
	<b>Domestic current year tax</b>		
	Receipt in respect of group relief	(455,697)	(257,937)
	<b>Current tax credit</b>	(455,697)	(257,937)
	<b>Deferred tax</b>		
	Deferred tax credit current year	96,499	(9,044)
		(359,198)	(266,981)
	<b>Factors affecting the tax charge for the year</b>		
	Loss on ordinary activities before taxation	(1,325,562)	(956,361)
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2003: 30.00%)	(397,669)	(286,908)
	Effects of:		
	Non deductible expenses	575	1,710
	Depreciation	11,927	27,261
	Adjustments to previous periods	(70,168)	-
	Other tax adjustments	(362)	-
		(58,028)	28,971
	<b>Current tax credit</b>	(455,697)	(257,937)

The company has losses of £474,697 (2003: £474,697) available for carry forward against future trading profits.

# FURNESS LOGISTICS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

### 6 Tangible fixed assets

	Land & Buildings £	Fixtures, fittings and equipment £	Total £
<b>Cost</b>			
At 1 January 2004	59,703	1,082,501	1,142,204
Additions	3,380	106,151	109,531
Disposals	-	(44,406)	(44,406)
At 31 December 2004	63,083	1,144,246	1,207,329
<b>Depreciation</b>			
At 1 January 2004	6,349	180,070	186,419
On disposals	-	(14,188)	(14,188)
Charge for the year	12,053	224,811	236,864
At 31 December 2004	18,402	390,693	409,095
<b>Net book value</b>			
At 31 December 2004	44,681	753,553	798,234
At 31 December 2003	53,354	902,431	955,785

# FURNESS LOGISTICS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

<b>7 Debtors</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Trade debtors	716,047	954,823
Other debtors	713,634	257,937
Prepayments and accrued income	248,801	236,596
Deferred tax asset	45,910	142,409
	<u>1,724,392</u>	<u>1,591,765</u>

Amounts falling due after more than one year and included in the debtors above are:

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Deferred tax asset	-	142,409
	<u>-</u>	<u>142,409</u>

### Deferred tax

	<b>2004</b>
	<b>£</b>
Balance at 1 January 2004	142,409
Profit and loss account	(96,499)
	<u>45,910</u>
Balance at 31 December 2004	<u>45,910</u>

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Tax losses available	<u>45,910</u>	<u>142,409</u>

<b>8 Current asset investments</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Project start up costs	<u>456,508</u>	<u>590,140</u>

# FURNESS LOGISTICS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

<b>9 Creditors: amounts falling due within one year</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	15,877	71,169
Trade creditors	548,132	510,481
Amounts owed to parent and fellow subsidiary undertakings	3,760,673	2,964,384
Other creditors	86,936	71,283
Accruals and deferred income	128,320	114,448
	<u>4,539,938</u>	<u>3,731,765</u>

The bank overdraft is repayable on demand, not by instalments and is secured by a cross guarantee, see note 15.

<b>10 Creditors: amounts falling due after more than one year</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Amounts owed to group undertakings	<u>861,157</u>	<u>861,157</u>
<b>Analysis of loans</b>		
Not wholly repayable within five years other than by instalments:	-	(861,157)
Wholly repayable within five years	<u>861,157</u>	<u>1,722,314</u>
	<u>861,157</u>	<u>861,157</u>
<b>Loan maturity analysis</b>		
In more than five years	<u>-</u>	<u>861,157</u>

Amounts owed to group undertakings are unsecured with no set repayment date.

# FURNESS LOGISTICS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

### 11 Retirement Benefits

The company participates in a defined benefit contribution scheme providing benefits based principally on final pensionable pay. The company is unable to identify its share of the underlying assets and liabilities of the pension scheme.

A full actuarial valuation of the scheme was carried out as at 1 January 2003 and updated to 31 December 2004 by a qualified actuary, at which date the net pension scheme liability amounted to £5,304,734

The Trustees and the Company take advice on the funding of the Scheme from the Actuary. The last full funding valuation of the Scheme, as at 1 January 2003, revealed a deficit of £3,720,000 on the actuarial basis then used by the Actuary. The primary reason for the difference between this figure and the balance sheet presented within the financial statements of Frans Maas (UK) Limited is the underlying assumptions based around the returns on corporate bonds and government stocks. It should also be noted that the actuarial basis used for determining the liabilities under the guidance of FRS17 is currently more stringent than that recommended by the Actuary for the funding of the scheme, and that the valuation represents the whole of the Frans Maas (UK) Limited Retirement Benefit Scheme of which Furness Logistics UK Limited is one out of three participating employers in the Scheme.

The pension charge for the year totals £48,967 (2003: £19,913). No prepayments or accruals exist at the year end.

Details of the pension scheme are contained within the financial statements of Frans Maas (UK) Limited, the parent undertaking.

12 Share capital	2004 £	2003 £
<b>Authorised</b>		
1,000 Ordinary shares of £1 each	1,000	1,000
<b>Allotted, called up and fully paid</b>		
100 Ordinary shares of £1 each	100	100

### 13 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2004	(1,455,160)
Retained loss for the year	(966,364)
Balance at 31 December 2004	(2,421,524)



# FURNESS LOGISTICS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

14 Reconciliation of movements in shareholders' funds	2004 £	2003 £
Loss for the financial year	(966,364)	(689,380)
Opening shareholders' funds	(1,455,060)	(765,680)
Closing shareholders' funds	<u>(2,421,424)</u>	<u>(1,455,060)</u>

### 15 Contingent liabilities

The bank overdrafts for Frans Maas Holding (UK) Limited, Frans Maas Logistics (UK) Limited, Frans Maas (UK) Limited and Yare Haulage Limited have been cross guaranteed by Furness Logistics UK Limited, to the extent of their overdrawn balances, if any, at the time the cross guarantee is crystallised.

The bank overdraft of Furness Logistics UK Limited has, itself, been cross guaranteed by Frans Maas Holding (UK) Limited, Frans Maas Logistics (UK) Limited, Frans Maas (UK) Limited and Yare Haulage Limited to the extent of its overdrawn balance existing, if any, at the time the cross guarantee is crystallised.

The company has indemnified AON Trade Credit in respect of a guarantee given by AON Trade Credit in favour of HM Customs and Excise in respect of custom duties, VAT and Excise. The liability of which is limited at any one time to £50,000.

### 16 Financial commitments

At 31 December 2004 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2004 £	2003 £	2004 £	2003 £
Expiry date:				
Within one year	-	-	1,065	15,517
Between two and five years	330,280	330,280	170,562	114,877
In over five years	243,420	243,420	-	-
	<u>573,700</u>	<u>573,700</u>	<u>171,627</u>	<u>130,394</u>

# FURNESS LOGISTICS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

### 17 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was:

	2004 Number	2003 Number
Office	18	10
Warehouse	83	61
Other	1	-
	<u>102</u>	<u>71</u>

#### Employment costs

	£	£
Wages and salaries	1,486,153	990,902
Social security costs	116,639	84,530
Other pension costs	48,967	19,913
	<u>1,651,759</u>	<u>1,095,345</u>

### 18 Control

The company is a wholly owned subsidiary of Frans Maas (UK) Limited, a company incorporated in England and whose ultimate holding company is Koninklijke Frans Maas Groep NV, a company resident in The Netherlands.

The financial statements of Frans Maas (UK) Limited can be obtained from Companies House, Cardiff, CF14 3UZ.

The consolidated financial statements of Koninklijke Frans Maas Groep NV are available from Noorderpoort 15, 5916 PJ Venlo, The Netherlands.