



Grant Thornton

Financial Statements Eurocontinental Logistics Limited

For the year ended 31 January 2010

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Company No. 1467806

Company information

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| Company registration number | 1467806 |
| Registered office | Mainland House Gladstone Close NORTHAMPTON NN5 7AY |
| Directors | M J Bacon S Meagher J M Kemp |
| Secretary | J M Kemp |
| Bankers | National Westminster Bank plc 41 The Drapery NORTHAMPTON NN1 2EU |
| Solicitors | John Codling Grubbins Grubbins Lane Speen PRINCES RISBOROUGH HP27 0SE |
| Auditor | Grant Thornton UK LLP Grant Thornton House Kettering Parkway Kettering Venture Park KETTERING Northants NN15 6XR |

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Report of the directors

The directors present their report and the financial statements of the company for the year ended 31 January 2010

Principal activity and business review

The company is principally engaged in freight transporting

There was a profit for the year after taxation amounting to £29,924. Particulars of dividends paid are detailed in note 5 to the financial statements.

The directors were satisfied with the result for the year.

Directors

The directors who served the company during the year were as follows:

M J Bacon
S Meagher
J M Kemp

Statement of directors' responsibilities

The directors are responsible for preparing the Report of the Directors 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 the directors have elected to prepare financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to 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 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 applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- 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 adequate accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Statement of directors' responsibilities (continued)

In so far as each of the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

BY ORDER OF THE BOARD



J M Kemp
Secretary

19 May 2010



Independent auditor's report to the members of Eurocontinental Logistics Limited (registered number 1467806)

We have audited the financial statements of Eurocontinental Logistics Limited for the year ended 31 January 2010 which comprise the principal accounting policies, profit and loss account, balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 3 and 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/UKNP.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 January 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.



Independent auditor's report to the members of
Eurocontinental Logistics Limited
(registered number 1467806)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

A handwritten signature in black ink, appearing to read "Steve Robinson".

Steve Robinson
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Kettering

25 May 2010

Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The principal accounting policies of the company have remained unchanged from the previous year and are set out below

Turnover

Turnover is the revenue arising from the sale of services. It is stated at the fair value of the consideration receivable, net of value added tax, rebates and discounts.

Revenue from services provided by the company is recognised when the company has performed its obligations and in exchange obtained the right to consideration.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

| | |
|-----------------------|-------------------|
| Fixtures and fittings | 25% straight line |
| Computer equipment | 35% straight line |

Operating leases

Leases where substantially all of the risks and rewards of ownership are not transferred to the company are treated as operating leases. Rentals under operating leases are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of transactions. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. All exchange differences are dealt with through the profit and loss account.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

The group uses derivative financial instruments, primarily to manage exposures to fluctuations in interest rates. Interest differentials, under which the amounts and periods for which interest rates on borrowings are varied, are reflected as adjustments to interest payable.

Profit and loss account

| | Note | 2010 £ | 2009 £ |
|--|------|------------------|-----------|
| Turnover | 1 | 1,387,287 | 1,921,533 |
| Cost of sales | | 916,037 | 1,375,683 |
| Gross profit | | 471,250 | 545,850 |
| Other operating charges | 2 | 431,057 | 456,041 |
| Operating profit | 3 | 40,193 | 89,809 |
| Interest payable and similar charges | | - | 61 |
| Profit on ordinary activities before taxation | | 40,193 | 89,748 |
| Tax on profit on ordinary activities | 4 | 10,269 | 20,731 |
| Profit for the financial year | 12 | 29,924 | 69,017 |

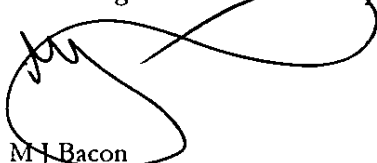
The accompanying accounting policies and notes form part of these financial statements.

Balance sheet

| | Note | 2010 £ | 2009 £ |
|---|------|-----------|-----------|
| Fixed assets | | | |
| Tangible assets | 6 | - | 158 |
| Current assets | | | |
| Debtors | 7 | 266,042 | 334,490 |
| Cash at bank | | 119,964 | 117,294 |
| | | 386,006 | 451,784 |
| Creditors, amounts falling due within one year | 8 | 279,061 | 374,921 |
| Net current assets | | 106,945 | 76,863 |
| Total assets less current liabilities | | 106,945 | 77,021 |
| Capital and reserves | | | |
| Called-up equity share capital | 10 | 100 | 100 |
| Profit and loss account | 11 | 106,845 | 76,921 |
| Shareholders' funds | 12 | 106,945 | 77,021 |

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

These financial statements were approved by the board of directors and authorised for issue on 19 MAY 2010 and are signed on their behalf by



M.J. Bacon
 Director

Notes to the financial statements

1 Turnover

The percentage of turnover attributable to Europe was 8.5% (2009 - 10.8%)

2 Other operating charges

| | 2010 £ | 2009 £ |
|-------------------------|----------------|----------------|
| Administrative expenses | <u>431,057</u> | <u>456,041</u> |

3 Operating profit

Operating profit is stated after charging

| | 2010 £ | 2009 £ |
|--|-----------------|-----------------|
| Directors' emoluments | - | - |
| Staff pension contributions | 1,712 | 1,978 |
| Depreciation of owned fixed assets | 158 | 7,443 |
| Auditor's remuneration | | |
| Statutory audit | 3,000 | 4,200 |
| Taxation fees | 850 | 1,150 |
| Net gain on foreign currency translation | <u>(12,580)</u> | <u>(46,328)</u> |

4 Taxation on ordinary activities

The tax charge represents

| | 2010 £ | 2009 £ |
|--|---------------|---------------|
| UK Corporation tax based on the results for the year at 21% (2009 - 20.836%) | 10,269 | 20,806 |
| (Over)/under provision in respect of previous periods | <u>-</u> | <u>(75)</u> |
| Total current tax | <u>10,269</u> | <u>20,731</u> |

4 Taxation on ordinary activities (continued)

Factors affecting current tax charge

| | 2010 £ | 2009 £ |
|--|---------------|---------------|
| Profit on ordinary activities before taxation | <u>40,193</u> | <u>89,748</u> |
| Profit on ordinary activities multiplied by the standard rate of tax | 8,441 | 18,700 |
| Expenses not deductible for tax purposes | 2,123 | 983 |
| Capital allowances for period in deficit of depreciation | (295) | 1,123 |
| Adjustments to tax charge in respect of previous periods | - | (75) |
| Current tax charge for the year | <u>10,269</u> | <u>20,731</u> |

5 Dividends

| | 2010 £ | 2009 £ |
|--|-----------|---------------|
| Ordinary shares - dividends totalling £nil per share (2009 - £780) | <u>-</u> | <u>78,000</u> |

6 Tangible fixed assets

| | Fixtures & Fittings £ | Equipment £ | Total £ |
|---|-----------------------------|----------------|---------------|
| Cost | | | |
| At 1 February 2009 and at 31 January 2010 | <u>580</u> | <u>23,812</u> | <u>24,392</u> |
| Depreciation | | | |
| At 1 February 2009 | 484 | 23,750 | 24,234 |
| Charge for the year | 96 | 62 | 158 |
| At 31 January 2010 | <u>580</u> | <u>23,812</u> | <u>24,392</u> |
| Net book value | | | |
| At 31 January 2010 | <u>-</u> | <u>-</u> | <u>-</u> |
| At 31 January 2009 | <u>96</u> | <u>62</u> | <u>158</u> |

7 Debtors

| | 2010 | 2009 |
|------------------------------------|----------------|----------------|
| | £ | £ |
| Trade debtors | 177,780 | 273,116 |
| Amounts owed by group undertakings | 74,669 | 25,559 |
| Other debtors | 13,593 | 35,815 |
| | <u>266,042</u> | <u>334,490</u> |

8 Creditors: amounts falling due within one year

| | 2010 | 2009 |
|------------------------------------|----------------|----------------|
| | £ | £ |
| Trade creditors | 87,902 | 124,615 |
| Amounts owed to group undertakings | 45,636 | 51,419 |
| Corporation tax | 10,269 | 20,806 |
| Other taxation | 72,631 | 85,902 |
| Other creditors | 62,623 | 92,179 |
| | <u>279,061</u> | <u>374,921</u> |

9 Pensions

The company operates a defined contribution pension scheme for the benefit of certain employees and directors. The assets of the scheme are administered by trustees in a fund independent from those of the company.

10 Share capital

Authorised share capital

| | 2010 | 2009 |
|--------------------------------|------------|------------|
| | £ | £ |
| 100 Ordinary shares of £1 each | <u>100</u> | <u>100</u> |

Allotted and called up

| | 2010 | | 2009 | |
|----------------------------|------------|------------|------------|------------|
| | No | £ | No | £ |
| Ordinary shares of £1 each | <u>100</u> | <u>100</u> | <u>100</u> | <u>100</u> |

11 Profit and loss account

| | 2010 £ | 2009 £ |
|-------------------------------|----------------|---------------|
| Balance brought forward | 76,921 | 85,904 |
| Profit for the financial year | 29,924 | 69,017 |
| Dividends | - | (78,000) |
| Balance carried forward | <u>106,845</u> | <u>76,921</u> |

12 Reconciliation of movements in shareholders' funds

| | 2010 £ | 2009 £ |
|-------------------------------|----------------|---------------|
| Profit for the financial year | 29,924 | 69,017 |
| Dividends | - | (78,000) |
| Opening shareholders' funds | <u>77,021</u> | <u>86,004</u> |
| Closing shareholders' funds | <u>106,945</u> | <u>77,021</u> |

13 Capital commitments

The directors have confirmed that there were no capital commitments at 31 January 2010 or 31 January 2009

14 Contingent liabilities

The company has given indemnities to H M Revenue and Customs of £240,000 (2009 - £240,000)

The company has given guarantees in respect of the borrowings of Mainland Group Limited amounting to £2,239,407 (2009 - £2,241,049) in favour of National Westminster Bank plc

15 Leasing commitments

Operating lease payments amounting to £27,000 (2009 - £27,000) are due within one year. The leases to which these amounts relate expire as follows:

| | 2010 Land and buildings £ | 2009 Land and buildings £ |
|----------------------------|------------------------------------|------------------------------------|
| Between one and five years | 27,000 | - |
| In five years or more | - | 27,000 |
| | <u>27,000</u> | <u>27,000</u> |

16 Related party transactions

As a wholly owned subsidiary of Mainland Group Limited, the company is exempt from the requirements of FRS8 to disclose transactions with other members of the group headed by Mainland Group Limited.

The largest and smallest group of undertakings for which group accounts have been drawn up is that headed by Mainland Express Limited.

17 Ultimate parent company

The controlling related party is Mainland Group Limited, by virtue of its 100% shareholding in the company. The ultimate parent undertaking is Mainland Express Limited, by virtue of its 100% shareholding in Mainland Group Limited.