

REGISTERED NUMBER: 1317989 (England and Wales)

REPORT OF THE DIRECTOR AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007
FOR
DORNACK INTERNATIONAL LIMITED

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DORNACK INTERNATIONAL LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2007

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DORNACK INTERNATIONAL LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2007

DIRECTOR: Mr P E M Hoornaert

SECRETARY: Mrs E M L Pintelon

REGISTERED OFFICE: 65 Butts Green Road
Hornchurch
Essex
RM11 2JS

REGISTERED NUMBER: 1317989 (England and Wales)

AUDITORS: Chakko Harris
Registered Auditors
Chartered Accountants
Interwood House
Stafford Avenue
Hornchurch
Essex RM11 2ER

DORNACK INTERNATIONAL LIMITED

REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31 DECEMBER 2007

The director presents his report with the financial statements of the company for the year ended 31 December 2007.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of freight forwarding and transportation.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

The directors' are satisfied with the company's trading activity in the year.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2007.

FIXED ASSETS

In the opinion of the directors the market value of land and buildings is in excess of the value shown in the financial statements.

DIRECTORS

Mr P E M Hoornaert has held office during the whole of the period from 1 January 2007 to the date of this report.

Other changes in directors holding office are as follows:

Mr A R Ziegler - resigned 1 July 2007

A E Ziegler - resigned 1 July 2007

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 director is 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DORNACK INTERNATIONAL LIMITED

REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31 DECEMBER 2007

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:

Mr P E M Hoornaert - Director

A handwritten signature in black ink, appearing to be 'P E M Hoornaert', written over the printed name.

15 December 2008

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
DORNACK INTERNATIONAL LIMITED

We have audited the financial statements of Dornack International Limited for the year ended 31 December 2007 on pages six to seventeen. 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 director and auditors

The director's responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page two.

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 are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Director 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 director's remuneration and other transactions is not disclosed.

We read the Report of the Director 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 judgements made by the director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
DORNACK INTERNATIONAL LIMITED

Qualified opinion arising from disagreement about accounting treatment

Included in the investment on the balance sheet is a loan and investment totalling £275,017 in Simba Logistics (H.K.) limited. The last accounts available to 31st March 2007 indicate a total net liability of approximately £900,000. The company has no security in respect of the loan. In our opinion, a full provision should be made for £275,017 against the profit for the year.

Except for the financial effect of not making the provision referred to in the preceding paragraph, in our opinion the financial statement:

-give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs at 31st December 2007 and of its profit for the year then ended; and

-the financial statements have been prepared in accordance with the Companies Act 1985; and

-the information given in the Report of the Directors is consistent with the financial statements.

In our opinion the information given in the Report of the Director is consistent with the financial statements.



Chakko Harris
Registered Auditors
Chartered Accountants
Interwood House
Stafford Avenue
Hornchurch
Essex RM11 2ER

15 December 2008

DORNACK INTERNATIONAL LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2007

	Notes	2007 £	£	2006 £	£
TURNOVER	2		12,016,202		11,384,850
Cost of sales			9,846,049		9,671,966
GROSS PROFIT			2,170,153		1,712,884
Administrative expenses			1,484,811		1,301,373
OPERATING PROFIT	4		685,342		411,511
Loan to related company written off	5		403,322		300,000
			282,020		111,511
Income from shares in group undertakings	6	3,401		-	
Interest receivable and similar income	7	167,002		119,360	
			170,403		119,360
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			452,423		230,871
Tax on profit on ordinary activities	8		239,055		132,237
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			213,368		98,634

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

DORNACK INTERNATIONAL LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2007

	2007	2006
	£	£
PROFIT FOR THE FINANCIAL YEAR	213,368	98,634
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	213,368	98,634
Prior year adjustment		
	32,950	
TOTAL GAINS AND LOSSES RECOGNISED SINCE LAST ANNUAL REPORT	246,318	

The notes form part of these financial statements

DORNACK INTERNATIONAL LIMITED

BALANCE SHEET
31 DECEMBER 2007

	Notes	2007 £	2006 £
FIXED ASSETS			
Intangible assets	10	22,500	25,000
Tangible assets	11	555,654	525,914
Investments	12	338,935	63,918
		<u>917,089</u>	<u>614,832</u>
CURRENT ASSETS			
Debtors	13	2,629,897	2,789,329
Cash at bank		1,783,510	1,105,897
		<u>4,413,407</u>	<u>3,895,226</u>
CREDITORS			
Amounts falling due within one year	14	2,854,324	2,247,254
NET CURRENT ASSETS		<u>1,559,083</u>	<u>1,647,972</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>2,476,172</u></u>	<u><u>2,262,804</u></u>
CAPITAL AND RESERVES			
Called up share capital	16	1,000,000	1,000,000
Profit and loss account	17	1,476,172	1,262,804
SHAREHOLDERS' FUNDS	22	<u><u>2,476,172</u></u>	<u><u>2,262,804</u></u>

The financial statements were approved by the director on 15 December 2008 and were signed by:

Mr P E M Hoornaert - Director



The notes form part of these financial statements

DORNACK INTERNATIONAL LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007

	Notes	2007 £	2006 £
Net cash inflow from operating activities	1	1,030,753	115,286
Returns on investments and servicing of finance	2	170,403	119,360
Taxation		(165,187)	(162,108)
Capital expenditure and financial investment	2	(358,356)	(49,260)
Increase in cash in the period		<u>677,613</u>	<u>23,278</u>
<hr/>			
Reconciliation of net cash flow to movement in net funds	3		
Increase in cash in the period		<u>677,613</u>	<u>23,278</u>
Change in net funds resulting from cash flows		<u>677,613</u>	<u>23,278</u>
Movement in net funds in the period		677,613	23,278
Net funds at 1 January		<u>1,105,897</u>	<u>1,082,619</u>
Net funds at 31 December		<u>1,783,510</u>	<u>1,105,897</u>

The notes form part of these financial statements

DORNACK INTERNATIONAL LIMITED

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2007 £	2006 £
Operating profit	685,342	411,511
Depreciation charges	56,099	52,667
Loan to related company written off	(403,322)	(300,000)
Decrease/(Increase) in debtors	159,862	(23,908)
Increase/(Decrease) in creditors	532,772	(24,984)
Net cash inflow from operating activities	1,030,753	115,286

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2007 £	2006 £
Returns on investments and servicing of finance		
Interest received	167,002	119,360
Dividends received	3,401	-
Net cash inflow for returns on investments and servicing of finance	170,403	119,360
 Capital expenditure and financial investment		
Purchase of tangible fixed assets	(83,339)	(49,260)
Fixed asset investments & loan notes	(275,017)	-
Net cash outflow for capital expenditure and financial investment	(358,356)	(49,260)

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.07 £	Cash flow £	At 31.12.07 £
Net cash:			
Cash at bank	1,105,897	677,613	1,783,510
	<u>1,105,897</u>	<u>677,613</u>	<u>1,783,510</u>
 Total	 <u>1,105,897</u>	 <u>677,613</u>	 <u>1,783,510</u>

The notes form part of these financial statements

DORNACK INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

The turnover in the financial statements represents outputs of services net of vat and excludes recharges of duty and vat paid on behalf of customers.

Goodwill

Goodwill, being the amount paid in connection with the purchase of a business in 1999, is now considered to have an estimated value over the next ten years and is therefore being written off over this period.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- not provided
Fixtures and fittings	- Over 2 to 4 years
Motor vehicles	- 25% on cost

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. A deferred tax asset is recognised to the extent that it is regarded more likely than not that it will be recovered.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

2. TURNOVER

The turnover of the company for the year has been derived from its principle activity undertaken in the United Kingdom.

3. STAFF COSTS

	2007	2006
	£	£
Wages and salaries	613,109	537,160
Social security costs	59,632	63,116
Other pension costs	23,639	28,232
	<u>696,380</u>	<u>628,508</u>

The average monthly number of employees during the year was as follows:

	2007	2006
Office and management	6	8
Sales	16	17
	<u>22</u>	<u>25</u>

DORNACK INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2007

4. OPERATING PROFIT

The operating profit is stated after charging:

	2007	2006
	£	£
Depreciation - owned assets	53,599	52,667
Goodwill amortisation	2,500	-
Auditors' remuneration	8,000	5,000
Management charges	<u>266,453</u>	<u>180,020</u>
Directors' emoluments	<u>-</u>	<u>-</u>

5. EXCEPTIONAL ITEMS

These amounts represent the write down of the balance of the loans together with accrued interest made to a related company, Balspeed Holdings Nederland BV, prior to 2003.

6. INCOME FROM INVESTMENTS

The dividend received is from the wholly owned subsidiary Ziegler Logistics Limited.

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	2007	2006
	£	£
Deposit account interest	90,356	42,714
Interest on loan to related company - Note 5	<u>76,646</u>	<u>76,646</u>
	<u>167,002</u>	<u>119,360</u>

8. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2007	2006
	£	£
Current tax:		
UK corporation tax	239,485	165,187
Deferred tax	<u>(430)</u>	<u>(32,950)</u>
Tax on profit on ordinary activities	<u>239,055</u>	<u>132,237</u>

9. PRIOR YEAR ADJUSTMENT

This reflects a change in the accounting policy following the adoption of the Financial Reporting Standard No. 19 which requires the recognition of deferred tax assets in the accounts. The accounts for the previous year have been restated to incorporate the deferred tax credit in the profit and loss account of £32,950 and deferred tax asset of £32,950 in the balance sheet.

DORNACK INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2007

10. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 January 2007	
and 31 December 2007	<u>25,000</u>
AMORTISATION	
Amortisation for year	<u>2,500</u>
At 31 December 2007	<u>2,500</u>
NET BOOK VALUE	
At 31 December 2007	<u><u>22,500</u></u>
At 31 December 2006	<u><u>25,000</u></u>

11. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 January 2007	471,109	41,015	171,157	683,281
Additions	-	36,410	46,929	83,339
Disposals	-	(3,485)	(24,711)	(28,196)
At 31 December 2007	<u>471,109</u>	<u>73,940</u>	<u>193,375</u>	<u>738,424</u>
DEPRECIATION				
At 1 January 2007	-	20,451	136,916	157,367
Charge for year	-	18,677	34,922	53,599
Eliminated on disposal	-	(3,485)	(24,711)	(28,196)
At 31 December 2007	<u>-</u>	<u>35,643</u>	<u>147,127</u>	<u>182,770</u>
NET BOOK VALUE				
At 31 December 2007	<u><u>471,109</u></u>	<u><u>38,297</u></u>	<u><u>46,248</u></u>	<u><u>555,654</u></u>
At 31 December 2006	<u><u>471,109</u></u>	<u><u>20,564</u></u>	<u><u>34,241</u></u>	<u><u>525,914</u></u>

Depreciation has not been provided on the freehold buildings as the directors' are of the opinion that these are maintained to a sufficiently high standard so that their value is not less than as stated in the accounts.

12. FIXED ASSET INVESTMENTS

	2007 £	2006 £
Shares in group undertakings	65,083	63,918
Loans to group undertakings	273,852	-
	<u><u>338,935</u></u>	<u><u>63,918</u></u>

DORNACK INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2007

12. FIXED ASSET INVESTMENTS - continued

Additional information is as follows:

	Shares in group undertakings £
COST	
At 1 January 2007	63,918
Additions	1,165
	<hr/>
At 31 December 2007	65,083
	<hr/>
NET BOOK VALUE	
At 31 December 2007	65,083
	<hr/>
At 31 December 2006	63,918
	<hr/>

The company's investments at the balance sheet date in the share capital of companies include the following:

Ziegler Logistics Limited

Country of incorporation: Ireland

Nature of business: Freight forwarding and transportation

	%		
Class of shares:	holding		
Ordinary Shares	100.00		
		31.12.07	31.12.06
		£	£
Aggregate capital and reserves		1,380,335	945,997
Profit for the year		352,473	374,283
		<hr/>	<hr/>

Simba Logistics (H.K.) Limited

Country of incorporation: Hong Kong

Nature of business: Freight forwarding and agency services

	%
Class of shares:	holding
Ordinary shares of HK\$ 1 each	51.00

The 51% shareholding in Simba Logistics (H.K.) Limited was acquired on 5th September 2007. The accounts of this company for the period ended 31st December 2007 had not been prepared at the date of approval of these accounts. The last balance sheet at 31st March 2007 indicates that there is a net deficit of approximately £900,000. The directors are of the opinion that the company will return to profitability and that no provision is required against the shares or the loan notes totalling £275,017.

	Loans to group undertakings £
New in year	273,852
	<hr/>
At 31 December 2007	273,852
	<hr/>

DORNACK INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2007

13. DEBTORS

	2007	2006
	£	£
Amounts falling due within one year:		
Trade debtors	2,363,278	2,307,684
Due from group companies	39,998	13,020
Deferred tax asset	33,380	32,950
Other debtors and accrued income	193,241	108,999
	<u>2,629,897</u>	<u>2,462,653</u>
Amounts falling due after more than one year:		
Amounts owed by group undertakings	-	326,676
	<u>-</u>	<u>326,676</u>
Aggregate amounts	<u>2,629,897</u>	<u>2,789,329</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007	2006
	£	£
Trade creditors	1,778,343	1,650,930
Taxation	239,555	165,257
Social security and other taxes	157,469	164,541
Deferred VAT account	399,718	165,523
Due to group companies	242,039	90,613
Accrued expenses	37,200	10,390
	<u>2,854,324</u>	<u>2,247,254</u>

15. DEFERRED TAX ASSET

	£
Balance at 1 January 2007	
Prior year adjustment	(32,950)
As restated	(32,950)
Accelerated depreciation	(430)
Balance at 31 December 2007	<u>(33,380)</u>

16. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:			2007	2006
Number:	Class:	Nominal value:	£	£
1,000,000	Ordinary	£1	<u>1,000,000</u>	<u>1,000,000</u>

DORNACK INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2007

17. RESERVES

	Profit and loss account £
At 1 January 2007	1,229,854
Prior year adjustment	32,950
	<hr/>
Profit for the year	1,262,804
	<hr/>
At 31 December 2007	1,476,172
	<hr/>

18. ULTIMATE PARENT COMPANY

The company's share capital is held equally between Dornach SA and Balspeed SA. Both the companies are incorporated in Switzerland.

19. CONTINGENT LIABILITIES

There is a joint contingent liability, limited to £2,000,000, given by Dornack International Limited, Anglo Overseas Limited, Anglo Overseas (Holdings) Limited and Leman Limited in relation to Duty Deferment Guarantee of Anglo Overseas Limited.

There is an indemnity cover with Euler Hermes in respect of guarantees in favour of H M Customs & Excise for the deferred liability to Duty and VAT for £400,000.

The company is negotiating a settlement following a payroll compliance review the outcome of which was not resolved by the date of the approval of the financial statements.

There were no other contingent liabilities at 31st December 2007 that the directors were aware of.

20. CAPITAL COMMITMENTS

	2007 £	2006 £
Contracted but not provided for in the financial statements	-	-
	<hr/>	<hr/>

DORNACK INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2007

21. RELATED PARTY DISCLOSURES

The Profit and Loss Account includes transactions with the related companies as follows:-

Anglo Overseas Limited - fellow subsidiary
Universal Express BV - fellow subsidiary
Leman Limited - fellow subsidiary
Ziegler Logistics Limited - subsidiary

The transactions were as follows:-

Turnover - £62,535
Interest receivable - £76,646
Purchases & services - £783,595
Management charges - £266,453
Rents payable - £32,266

22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2007	2006
	£	£
Profit for the financial year	213,368	98,634
Net addition to shareholders' funds	213,368	98,634
Opening shareholders' funds (originally £2,229,854 before prior year adjustment of £32,950)	2,262,804	2,164,170
Closing shareholders' funds	2,476,172	2,262,804

23. GROUP ACCOUNTS

The company with its subsidiary companies fall within the definition of a medium sized group under Section 249 Companies Act 1985. Therefore, the company is not required to present consolidated financial statements of the group.