

**DORNACK INTERNATIONAL LIMITED**

- 1317909

**REPORTS and ACCOUNTS**

**31st DECEMBER 2003**



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COMPANIES HOUSE

\*R01KL00E\*

0471  
28/10/04

**ABIDIN & COMPANY**

**Chartered Accountants**

28/10/04

# **DORNACK INTERNATIONAL LIMITED**

## **London Office**

609 London Road  
Grays  
Essex RM 20 3BJ

## **Dover Office**

Dornack House  
Channel View Road  
Dover  
Kent CT17 9PP

## **Felixstowe Office / Shipping Division**

The Routemaster Building  
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## **Birmingham Office**

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Walsall  
West Midlands WS9

## **Manchester office**

Unit 4, Albion Park  
Warrington Road  
Glasebury  
Cheshire, WA3 5PG

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The following page does not form part of the statutory Accounts.

13.	Profit and Loss Account
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**DORNACK INTERNATIONAL LIMITED**

**Directors**

A.E. Ziegler  
R.A. Ziegler  
P.E. Hoornaert  
A.R. Ziegler

**Secretary**

E. Pintelon

**Bankers**

Fortis Bank  
23 Camomile Street  
London, EC3A 7PP

**Auditors**

Abidin & Company  
Chartered Accountants  
65 Butts Green Road  
Hornchurch  
Essex RM11 2JS

**Registered Office**

65 Butts Green Road  
Hornchurch  
Essex RM11 2JS

**DORNACK INTERNATIONAL LIMITED**

**REPORT of the DIRECTORS**

The Directors have pleasure in presenting their Report and the Audited Accounts of the Company for the year ended 31st December 2003.

**Review of the Business**

The principal activity of the Company in the year under review was that of Freight Forwarding and Transporting. There were no significant changes in the Company's activities during the year.

The Directors consider the state of affairs of the Company to be satisfactory.

**Results and Dividends**

The Profit and Loss Account is set out on page 5 and shows the results of the Company for the year.

The Directors do not recommend the payment of a dividend for the year (2002: None).

**Fixed Assets**

Movement in the Fixed Assets during the year are shown in the Notes to the Accounts.

**Directors**

The Directors in office throughout the year were:

A.E. Ziegler  
R.A. Ziegler  
P.E. Hoornaert  
A.R. Ziegler

The Directors do not retire by rotation.

**Shareholders**

The shareholders of the Company are:

	<b><u>2003</u></b>	<b><u>2002</u></b>
Dornach GMBH (Switzerland)	500,000 Shares	500,000 Shares
Balspeed SA (Switzerland)	500,000 Shares	500,000 Shares

**DORNACK INTERNATIONAL LIMITED**

**REPORT of the DIRECTORS (Continued)**

**Directors' Responsibility Statement**

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 as at the end of that year and of the profit or loss for that year. 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;
- State whether applicable 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 maintaining 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 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.

**Auditors**

The Auditors, Messrs. Abidin & Co., Chartered Accountants, will be proposed for re-appointment at the forthcoming Annual General Meeting in accordance with the Companies Act 1985

By order of the Bóard.

  
**Secretary**

13th September 2004

**DORNACK INTERNATIONAL LIMITED**  
**REPORT of the AUDITORS to the MEMBERS of**  
**DORNACK INTERNATIONAL LIMITED**

We have audited the Accounts of Dornack International Limited for the year ended 31<sup>st</sup> December 2003 which comprise pages 5 to 12. The Accounts have been prepared under the historical cost convention and the Accounting policies set out therein.

**Respective Responsibility of the Directors and Auditors**

As described in the Statement of the Directors' Responsibilities the Company's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts 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 accounts, 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**

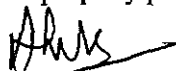
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluate the overall adequacy of the presentation of information in the accounts.

**Opinion**

Included in the debtors shown on the Balance Sheet is an amount of £1,256,902 due from Balspeed Holding Nederland B.V. The Company has confirmed to us that "due to its current solvency position the loan will not be repaid for the next few years". Dornack International Limited has no security for the debt. In our opinion the Company is unlikely to receive any payment and full provision of £1,256,902 should have been made, reducing profit after tax and net assets by that amount.

Except for the absence of this provision, in our opinion the accounts give a true and fair view of the state of the Company's affairs as at 31<sup>st</sup> December 2003 and of its profit for the year ended and have been properly prepared in accordance with the Companies Act 1985.



**ABIDIN & COMPANY**  
Chartered Accountants and  
Registered Auditors  
65 Butts Green Road  
Hornchurch  
Essex RM11 2JS

13th September 2004

**DORNACK INTERNATIONAL LIMITED****PROFIT and LOSS ACCOUNT****for the YEAR ended 31st DECEMBER 2003**

	<b><u>Notes</u></b>	<b><u>2003</u></b>	<b><u>2002</u></b>
<b><u>Turnover</u></b>	1b/2	8,849,783	8,166,868
Cost of Sales	1c	7,400,646	6,685,509
		-----	-----
<b><u>Gross Profit</u></b>		1,449,137	1,481,359
Administrative Expenses		1,142,772	1,133,056
		-----	-----
<b><u>Operating Profit</u></b>	3	306,365	348,303
Interest Receivable	5	100,634	60,985
		-----	-----
<b><u>Profit on Ordinary Activities before Taxation</u></b>		406,999	409,288
Taxation	6	127,507	129,269
		-----	-----
<b><u>Profit on Ordinary Activities after Taxation</u></b>		279,492	280,019
<b><u>Extra-Ordinary Item</u></b>			
Loan written off	10	420,000	-
		-----	-----
<b><u>Retained (Loss) Profit for the Year</u></b>		(140,508)	280,019
Retained Profit Brought forward		1,383,125	1,103,106
		-----	-----
<b><u>Retained Profit Carried Forward</u></b>		<u>£1,242,617</u>	<u>£1,383,125</u>

There were no discontinued operations during the year.

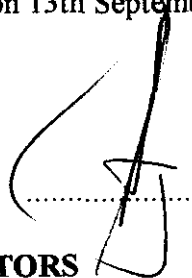
There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above.

**DORNACK INTERNATIONAL LIMITED****BALANCE SHEET as at 31st DECEMBER 2003**

	<u>Notes</u>	<u>2003</u>	<u>2002</u>
<b><u>Fixed Assets</u></b>			
Tangible Assets	7	568,208	534,835
Intangible Assets	8	25,000	25,000
Investments	9	63,918	-
		-----	-----
		657,126	559,835
<b><u>Current Assets</u></b>			
Debtors	10	3,033,473	3,101,567
Cash at Bank and in Hand		971,428	727,675
		-----	-----
		4,004,901	3,829,242
<b><u>Creditors</u></b>			
Amounts falling due within one year	11	2,419,410	2,005,952
		-----	-----
<b><u>Net Current Assets</u></b>		1,585,491	1,823,290
		-----	-----
		£2,242,617	£2,383,125
		=====	=====
<b><u>Capital and Reserves</u></b>			
Called up Share Capital	12	1,000,000	1,000,000
Profit and Loss Account		1,242,617	1,383,125
		-----	-----
<b><u>Shareholder's Equity</u></b>	13	£2,242,617	£2,383,125
		=====	=====

The accounts were approved by the Board on 13th September 2004.





**DIRECTORS**



**DORNACK INTERNATIONAL LIMITED****CASH FLOW STATEMENT****for the YEAR ended 31st DECEMBER 2003**

	<b><u>2003</u></b>	<b><u>2002</u></b>
<b><u>Net Cash Flow from Operating Activities</u></b>		
Operating Profit	306,365	348,303
Depreciation	47,307	47,126
Extra-Ordinary Item	(420,000)	-
Decrease / (Increase) in Debtors	68,094	(818,373)
(Decrease) / Increase in Creditors	410,044	(87,575)
	-----	-----
	411,810	(510,519)
<b><u>Net Cash in Flow from Return on Investments and Servicing Finance</u></b>		
Interest Received	100,634	60,985
	-----	-----
	512,444	(449,534)
<b><u>Investing Activities</u></b>		
Long Term Investment	(63,918)	-
Purchase of Fixed Assets	(80,680)	(165,025)
	-----	-----
	367,846	(614,559)
<b><u>Taxation</u></b>		
Corporation Tax Paid	(124,093)	(125,360)
	-----	-----
<b><u>(Decrease) / Increase in cash at Bank and in Hand</u></b>	<b><u>£243,753</u></b>	<b><u>£(739,919)</u></b>

**DORNACK INTERNATIONAL LIMITED**

**NOTES to the ACCOUNTS**

**for the YEAR ended 31st DECEMBER 2003**

**1. Accounting Policies**

**(a) Accounting Convention**

The Accounts have been prepared under the historical cost convention.

**(b) Turnover**

Turnover represents the services invoiced to the Customers, excluding duty and value added tax on importation and value added tax on own sales.

**(c) Cost of Sales**

Cost of sales excludes value added tax and duty deferment on behalf of customers.

**(d) Depreciation**

Depreciation is provided on all Tangible Fixed Assets at rates calculated to write off the cost, less estimated residual value, of each asset over their estimated lives. The following rates apply:

Fixtures and Fittings	:	25% per annum on reducing balance basis
Computer Equipment	:	50% per annum on straight line
Motor Vehicles	:	25% per annum on reducing balance basis

No depreciation has been provided for Freehold Properties as the Directors consider that the market value is in excess of book value and the properties are kept in a state of repair.

**(e) Deferred Taxation**

No provision for deferred taxation arising from timing differences in the application of Capital Allowances in advance of the corresponding charge for corporation tax has been nor will be provided, except to the extent that such taxation is considered to become payable in the foreseeable future.

**(f) Foreign Currency Transactions**

Transactions denominated in foreign currencies are translated into sterling and recorded at the rate of exchange ruling at the date of transaction. Assets and liabilities denominated in foreign currencies are translated into sterling rates ruling at the Balance Sheet date. Exchange differences are dealt with in the Profit and Loss Account.

**DORNACK INTERNATIONAL LIMITED****NOTES to the ACCOUNTS****for the YEAR ended 31st DECEMBER 2003****2. Turnover**

The turnover and profit before taxation is attributable to the principal activity of the company in the United Kingdom.

**3. Operating Profit**

	<b><u>2003</u></b>	<b><u>2002</u></b>
This is stated after charging:		
Management Charges	172,273	106,552
Director's Remuneration	-	-
Auditors Remuneration	5,000	5,000
Depreciation	47,307	47,126
	<u>          </u>	<u>          </u>

**4. Staff Costs**

	<b><u>2003</u></b>	<b><u>2002</u></b>
Salaries and wages	456,716	499,326
Social Security Costs	43,473	44,939
Other Pension Costs	15,164	12,399
	<u>          </u>	<u>          </u>
	<b><u>£515,353</u></b>	<b><u>£556,664</u></b>

The average weekly number of persons employed during the year was as follows:

	<b><u>2003</u></b>	<b><u>2002</u></b>
Office and Management	8	9
Production	14	16
	<u>      </u>	<u>      </u>
	22	25
	<u>      </u>	<u>      </u>

**5. Interest Receivable**

	<b><u>2003</u></b>	<b><u>2002</u></b>
On Short Term Deposits	£100,634	£60,985
	<u>          </u>	<u>          </u>

**6. Taxation**

The Company is subject to the close company rules under the provisions of the Income and Corporation Taxes Act 1988.

Taxation based on the adjusted results of the Company for the year was as follows:

	<b><u>2003</u></b>	<b><u>2002</u></b>
Corporation Tax at 30% (2002:30%)	126,012	129,269
Prior Year Adjustment	1,495	-
	<u>          </u>	<u>          </u>
	<b><u>£127,507</u></b>	<b><u>£129,269</u></b>

**DORNACK INTERNATIONAL LIMITED****NOTES to the ACCOUNTS****for the YEAR ended 31st DECEMBER 2003****6. Taxation (Continued)**

No Provision has been made in respect of deferred taxation in accordance with Note 1e.

The Potential liability to deferred tax, which is wholly due to accelerated Capital Allowances, not provided for in these Accounts, is as follows:

	<b><u>2003</u></b>	<b><u>2002</u></b>
Deferred Tax at 30% (2002:30%)	£ -	£ -
	=====	=====

<b>7. <u>Tangible Assets</u></b>	<b><u>Freehold Properties</u></b>	<b><u>Motor Vehicles</u></b>	<b><u>Fixtures &amp; Equipment</u></b>	<b><u>Total</u></b>
Cost at 1st Jan.2003	455,817	326,309	356,056	1,138,182
Additions	630	63,401	16,649	80,680
	-----	-----	-----	-----
Cost at 31st Dec. 2003	456,447	389,710	372,705	1,218,862
	-----	-----	-----	-----
Depreciation at 1st Jan 2003	-	264,205	339,142	603,347
Charge for the year	-	31,376	15,931	47,307
	-----	-----	-----	-----
Depreciation at 31st Dec.2003	-	295,581	355,073	650,654
	-----	-----	-----	-----
Net book Value 31st Dec.2003	<u>£456,447</u>	<u>£94,129</u>	<u>£17,632</u>	<u>£568,208</u>
Net Book Value 31st Dec. 2002	<u>£455,817</u>	<u>£62,104</u>	<u>£16,914</u>	<u>£534,835</u>

No depreciation is provided in respect of Freehold Properties in accordance with Note 1(d)

**DORNACK INTERNATIONAL LIMITED****NOTES to the ACCOUNTS****for the YEAR ended 31st DECEMBER 2003****8. Intangible Assets**

In July 1999, the company acquired the Goodwill and the business of AGN Linkways Ltd. from the receivers of the company for £25,000 and in the Director's opinion the Goodwill should not be written off.

**9. Investments**

In October 2002 the Company invested £63,918 (€100,000) in Ziegler Logistics Ireland Limited to acquire 100% of the Company's share capital.

<b><u>10. Debtors</u></b>	<b><u>2003</u></b>	<b><u>2002</u></b>
Trade Debtors	1,541,624	1,445,291
Other Debtors	-	21,540
Prepayment	12,490	29,480
Amounts due from Related Companies	1,479,359	1,605,256
	-----	-----
	<u>£3,033,473</u>	<u>£3,101,567</u>

Amounts due after more than one year included in:

Amounts due from Related Companies	<u>£1,256,902</u>	<u>£1,605,256</u>
------------------------------------	-------------------	-------------------

This represents a loan made to Balspeed Holding Nederland BV between 1998 and 2002 with interest at 5% p/a. During the year a provision of £420,000 was made due to the current solvency position of the Related Company.

**11. Creditors**

Amounts falling due within one year:	<b><u>2003</u></b>	<b><u>2002</u></b>
Trade Creditors	2,022,846	1,560,574
Social Security and other Taxes	48,288	70,539
VAT Deferment	107,321	188,475
Corporation Tax	126,013	122,599
Accruals	114,942	63,765
	-----	-----
	<u>£2,419,410</u>	<u>£2,005,952</u>

**DORNACK INTERNATIONAL LIMITED**

**NOTES to the ACCOUNTS**

**for the YEAR ended 31st DECEMBER 2003**

**12. Called Up Share Capital**

<u>Ordinary Shares of £1 each</u>	<u>2003</u>	<u>2002</u>
Authorised	£1,000,000	£1,000,000
	=====	=====
Issued, Called Up and Fully Paid	£1,000,000	£1,000,000
	=====	=====

**13. Shareholder's Equity**

	<u>2003</u>	<u>2002</u>
B/Forward	2,383,125	2,103,106
Retained (Loss)/Profit for the year	(140,508)	280,019
	-----	-----
C/Forward	£2,242,617	£2,383,125
	=====	=====

**14. Capital Commitment and Contingent Liabilities**

There were no Capital commitments authorised or contracted for by the Company at 31<sup>st</sup> December 2003. (2002: Nil).

There were no contingent liabilities other than in the ordinary course of business as at 31st December 2003 that the Directors were aware of (2002: Nil).

The Company has given a guarantee to its Bankers in favour of related Company's overdraft facilities to a maximum of £2,000,000.