

COMPANY REGISTRATION NUMBER 4466321

**MDW (EUROPE) LIMITED**  
**ABBREVIATED ACCOUNTS**  
**31ST AUGUST 2003**



**WALTER HUNTER & CO**  
Chartered Accountants & Registered Auditors  
24 Bridge Street,  
Newport,  
Gwent.  
NP20 4SF

# **MDW (EUROPE) LIMITED**

## **ABBREVIATED ACCOUNTS**

**PERIOD FROM 20TH JUNE 2002 TO 31ST AUGUST 2003**

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# **MDW (EUROPE) LIMITED**

## **THE DIRECTORS' REPORT**

### **PERIOD FROM 20TH JUNE 2002 TO 31ST AUGUST 2003**

The directors have pleasure in presenting their report and the financial statements of the company for the period from 20th June 2002 to 31st August 2003.

#### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activity of the company during the period was that of haulage contractors, plant leasing and other related activities.

The profit for the period is satisfactory.

The company commenced trade on 1st April 2003 when the business and assets of MDW (Wales) Limited (excluding the business, contracts and assets relating to the Department of Environment Food and Rural Affairs) were acquired without limitation at book value.

#### **RESULTS AND DIVIDENDS**

The trading results for the period, and the company's financial position at the end of the period are shown in the attached financial statements.

The directors have not recommended a dividend.

#### **THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE PARENT COMPANY**

The directors who served the company during the period together with their beneficial interests in the shares of the parent company were as follows:

		<b>ordinary in the parent company</b>	
		<b>At</b>	<b>At</b>
		<b>31 August 2003</b>	<b>20 June 2002 or later date of appointment</b>
Mark D.W. Hazell	(Appointed 20 June 2002)	<b>102</b>	102
Lucinda A. Hazell	(Appointed 20 June 2002)	<b>—</b>	—

#### **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 at the end of the period and of the profit or loss for the period then ended. In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on pages 9 to 10, and then apply them consistently;

make judgements and estimates that are reasonable and prudent; and

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

# MDW (EUROPE) LIMITED

## THE DIRECTORS' REPORT *(continued)*

### PERIOD FROM 20TH JUNE 2002 TO 31ST AUGUST 2003

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. The directors 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.

#### DONATIONS

During the period the company made the following contributions:

Charitable

£  
660

#### AUDITORS

A resolution to re-appoint WALTER HUNTER & CO as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:  
Nash Road  
Newport  
South Wales  
NP18 2BS

Signed by order of the directors

*L.A. Hazell*

LUCINDA A. HAZELL  
Company Secretary

Approved by the directors on 4th March 2004

# **MDW (EUROPE) LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE COMPANY**

### **PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages 6 to 15, together with the financial statements of the company for the period from 20th June 2002 to 31st August 2003 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

#### **RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS**

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

#### **BASIS OF OPINION**

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

#### **OPINION**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act, and the abbreviated accounts on pages 6 to 15 are properly prepared in accordance with those provisions.

#### **OTHER INFORMATION**

On 4th March 2004 we reported, as auditors of the company, to the shareholders on the financial statements prepared under Section 226 of the Companies Act 1985 for the period from 20th June 2002 to 31st August 2003, and the full text of our audit report is reproduced on pages 4 to 5 of these financial statements.

24 Bridge Street,  
Newport,  
Gwent.  
NP20 4SF

4th March 2004

WALTER HUNTER & CO  
Chartered Accountants  
& Registered Auditors

*Walter Hunter & Co*

**MDW (EUROPE) LIMITED**  
**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS**  
**PERIOD FROM 20TH JUNE 2002 TO 31ST AUGUST 2003**

We have audited the financial statements on pages 5 to 14 which have been prepared under the historical cost convention and the accounting policies set out on pages 8 to 9.

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders 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 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.

# MDW (EUROPE) LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS *(continued)*

PERIOD FROM 20TH JUNE 2002 TO 31ST AUGUST 2003

### OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st August 2003 and of its profit for the period then ended, and have been properly prepared in accordance with the Companies Act 1985.

24 Bridge Street,  
Newport,  
Gwent.  
NP20 4SF

4th March 2004

WALTER HUNTER & CO  
Chartered Accountants  
& Registered Auditors

*Walter Hunter & Co*

**MDW (EUROPE) LIMITED**  
**ABBREVIATED PROFIT AND LOSS ACCOUNT**  
**PERIOD FROM 20TH JUNE 2002 TO 31ST AUGUST 2003**

	Note	Period from 20 Jun 02 to 31 Aug 03 £
<b>GROSS PROFIT</b>		<b>443,847</b>
Administrative expenses		<u>152,958</u>
<b>OPERATING PROFIT</b>	<b>2</b>	<b>290,889</b>
Interest receivable		<u>1,104</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>291,993</b>
Tax on profit on ordinary activities	<b>4</b>	<u>162,268</u>
<b>RETAINED PROFIT FOR THE FINANCIAL PERIOD</b>		<b><u>129,725</u></b>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the period as set out above.

The notes on pages 9 to 15 form part of these abbreviated accounts.




**MDW (EUROPE) LIMITED**  
**ABBREVIATED BALANCE SHEET**  
**31ST AUGUST 2003**

	Note	31 Aug 03 £	£
<b>FIXED ASSETS</b>			
Tangible assets	5		915,441
<b>CURRENT ASSETS</b>			
Stocks	6	36,125	
Debtors	7	1,030,609	
Cash at bank and in hand		<u>354,768</u>	
		1,421,502	
<b>CREDITORS: Amounts falling due within one year</b>	8	<u>2,087,287</u>	
<b>NET CURRENT LIABILITIES</b>			(665,785)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			249,656
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			
Deferred taxation	9		<u>119,929</u>
			<u>129,727</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	10		2
Profit and loss account			<u>129,725</u>
<b>SHAREHOLDERS' FUNDS</b>	11		<u>129,727</u>

These abbreviated financial statements have been prepared in accordance with the special provisions for medium-sized companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors on the 4th March 2004 and are signed on their behalf by:

MARK D.W. HAZELL  
Director



The notes on pages 9 to 15 form part of these abbreviated accounts.

# MDW (EUROPE) LIMITED

## CASH FLOW STATEMENT

PERIOD FROM 20TH JUNE 2002 TO 31ST AUGUST 2003

	Note	Period from 20 Jun 02 to 31 Aug 03 £	£
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>12</b>		<b>1,281,860</b>
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>			
Interest received		<u>1,104</u>	
<b>NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>			<b>1,104</b>
<b>TAXATION</b>			<b>60,927</b>
<b>CAPITAL EXPENDITURE</b>			
Payments to acquire tangible fixed assets		<u>(632,546)</u>	
Receipts from sale of fixed assets		<u>18,000</u>	
<b>NET CASH OUTFLOW FROM CAPITAL EXPENDITURE</b>			<b>(614,546)</b>
<b>CASH INFLOW BEFORE FINANCING</b>			<b>729,345</b>
<b>FINANCING</b>			
Issue of equity share capital		<u>2</u>	
<b>NET CASH INFLOW FROM FINANCING</b>			<b>2</b>
<b>INCREASE IN CASH</b>	<b>13</b>		<b><u>729,347</u></b>

Of the increase in cash of £729,347, £374,579 (note 6) relates to the transfer of fixed assets from MDW (Wales) Limited on 1st April 2003 at book value, leaving net funds at 31st August 2003 of £354,768 (notes 15 and 16).

The notes on pages 9 to 15 form part of these abbreviated accounts.

**MDW (EUROPE) LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**PERIOD FROM 20TH JUNE 2002 TO 31ST AUGUST 2003**

**1. ACCOUNTING POLICIES**

**Basis of accounting**

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

**Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the period, exclusive of Value Added Tax.

**Fixed assets**

All fixed assets are initially recorded at cost.

**Depreciation**

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:

Plant and machinery : 15% and 25% per annum straight line basis

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Hire purchase agreements**

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

**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.

# MDW (EUROPE) LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

PERIOD FROM 20TH JUNE 2002 TO 31ST AUGUST 2003

### 1. ACCOUNTING POLICIES *(continued)*

#### Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

### 2. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	Period from 20 Jun 02 to 31 Aug 03 £
Directors' emoluments	—
Depreciation of owned fixed assets	78,186
Profit on disposal of fixed assets	(4,502)
Auditors' remuneration	
- as auditors	<u>4,950</u>

# MDW (EUROPE) LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

PERIOD FROM 20TH JUNE 2002 TO 31ST AUGUST 2003

### 3. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial period amounted to:

	Period from 20 Jun 02 to 31 Aug 03
	No
Number of production staff	32
Number of administrative staff	5
Number of management staff	1
	<u>38</u>

The aggregate payroll costs of the above were:

	Period from 20 Jun 02 to 31 Aug 03
	£
Wages and salaries	335,047
Social security costs	30,084
Other pension costs	3,230
	<u>368,361</u>

### 4. TAX ON PROFIT ON ORDINARY ACTIVITIES

#### (a) Analysis of charge in the period

	Period from 20 Jun 02 to 31 Aug 03
	£
Current tax:	
In respect of the period:	
UK Corporation tax based on the results for the period at 27.76%	48,051
Over/under provision in prior year	<u>(5,712)</u>
Total current tax	42,339
Deferred tax:	
Increase in deferred tax provision (note 9)	
Capital allowances	<u>119,929</u>
Tax on profit on ordinary activities	<u>162,268</u>

# MDW (EUROPE) LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

PERIOD FROM 20TH JUNE 2002 TO 31ST AUGUST 2003

### 4. TAX ON PROFIT ON ORDINARY ACTIVITIES *(continued)*

#### (b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the period is lower than the standard rate of corporation tax in the UK of 27.76%.

	Period from 20 Jun 02 to 31 Aug 03 £
Profit on ordinary activities before taxation	<u>291,993</u>
Profit/(loss) on ord actvs by rate of tax	81,057
Disallowable expenses	231
Excess capital allowances	(33,237)
Over provision for corporation tax in previous period	<u>(5,712)</u>
Total current tax (note 4(a))	<u>42,339</u>

### 5. TANGIBLE FIXED ASSETS

	Plant and machinery £
<b>COST</b>	
Additions	632,546
Disposals	(18,000)
Transfer from MDW (Wales) Limited	<u>424,431</u>
<b>At 31st August 2003</b>	<u><b>1,038,977</b></u>
<b>DEPRECIATION</b>	
Charge for the period	78,186
On disposals	(4,502)
Transfer	<u>49,852</u>
<b>At 31st August 2003</b>	<u><b>123,536</b></u>
<b>NET BOOK VALUE</b>	
<b>At 31st August 2003</b>	<u><b>915,441</b></u>

### 6. STOCKS

	31 Aug 03 £
Stock	<u>36,125</u>

# MDW (EUROPE) LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

PERIOD FROM 20TH JUNE 2002 TO 31ST AUGUST 2003

### 7. DEBTORS

	31 Aug 03 £
Trade debtors	1,013,769
Other debtors	1,547
Prepayments and accrued income	15,293
	<u>1,030,609</u>

### 8. CREDITORS: Amounts falling due within one year

	31 Aug 03 £
Trade creditors	583,624
Amounts owed to group undertakings	1,305,290
Other creditors including taxation and social security:	
Corporation tax	103,266
PAYE and social security	13,995
VAT	<u>16,011</u>
	133,272
Accruals and deferred income	<u>65,101</u>
	<u>2,087,287</u>

### 9. DEFERRED TAXATION

	Period from 20 Jun 02 to 31 Aug 03 £
The movement in the deferred taxation provision during the period was:	
Profit and loss account movement arising during the period	<u>119,929</u>
Provision carried forward	<u>119,929</u>
The provision for deferred taxation consists of the tax effect of timing differences in respect of:	
	31 Aug 03 £
Excess of taxation allowances over depreciation on fixed assets	<u>119,929</u>
	<u>119,929</u>

# MDW (EUROPE) LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

PERIOD FROM 20TH JUNE 2002 TO 31ST AUGUST 2003

### 10. SHARE CAPITAL

Authorised share capital:

	31 Aug 03
	£
2,000 Ordinary shares of £1 each	<u>2,000</u>

Allotted, called up and fully paid:

	No	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>

### 11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 Aug 03
	£
Profit for the financial period	129,725
New equity share capital subscribed	<u>2</u>
Net addition to funds	<u>129,727</u>
Closing shareholders' equity funds	<u>129,727</u>

### 12. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Period from
	20 Jun 02 to
	31 Aug 03
	£
Operating profit	290,889
Depreciation	78,186
Profit on disposal of fixed assets	(4,502)
Increase in stocks	(36,125)
Increase in debtors	(1,030,609)
Increase in creditors	1,984,021
	<u>1,281,860</u>
Net cash inflow from operating activities	<u>1,281,860</u>

### 13. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	31 Aug 03
	£
Increase in cash in the period	<u>729,347</u>
Movement in net funds in the period	<u>729,347</u>
Net funds at 20 June 2002	<u>—</u>
Net funds at 31 August 2003	<u>354,768</u>



# MDW (EUROPE) LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

PERIOD FROM 20TH JUNE 2002 TO 31ST AUGUST 2003

### 14. ANALYSIS OF CHANGES IN NET FUNDS

	At 20 Jun 2002 £	Cash flows £	At 31 Aug 2003 £
Net cash:			
Cash in hand and at bank	<u>-</u>	<u>354,768</u>	<u>354,768</u>
Net funds	<u>-</u>	<u>354,768</u>	<u>354,768</u>

### 15. ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary of MDW Holdings Limited, a company incorporated in the United Kingdom.