

**EUROWAY VEHICLE CONTRACTS LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2012**

Registered number. 02881721



# **Euroway Vehicle Contracts Limited**

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# **Euroway Vehicle Contracts Limited**

## **Directors' report**

### **Year ended 31 December 2012**

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The directors submit their audited financial statements for the year ended 31 December 2012

#### **Activities**

The company's principal activity during the year was contract hiring of commercial vehicles and trailers

#### **Business review**

On 1 August 2012, Ryder Limited (a subsidiary of Ryder System Inc ) acquired control of 100% of the share capital of the following companies trading as the Euroway Group of Companies

- Euroway Vehicle Management Limited,
- Euroway Vehicle Contracts Limited,
- Euroway Vehicle Engineering Limited,
- Euroway Vehicle Rental Limited,
- Euroway Group Holdings Limited, and
- Euroway Group Limited

As part of the Ryder Group, the Company now has access to more cost effective sources of funding, supplier relationships, and a national network of Ryder maintenance workshops

The Company made a pre-tax loss of £4,139,084 (2011 £1,317,859) Turnover was behind that of the prior year at £10,693,016 (2011 £11,967,964)

Following the acquisition by Ryder Limited, several of the banks funding the Company agreed to release the Company from its liability to continue leasing certain revenue earning vehicles Ryder Limited then purchased the related vehicles directly from the banks in question, subsequently leasing these vehicles back to the Company in order to provide an uninterrupted service to customers The loss reported is after recognising an exceptional cost of £2,088,326, resulting from the net write-off of these finance lease liabilities and the related fixed assets, now owned by Ryder Limited

#### **Future developments**

The Company has a wide customer base, all of whom will be subject to current economic trends The Company continues to monitor and review the actual and potential impact and adjust its operations accordingly The Company and its parent Ryder Limited are committed to continuing to maintain and develop their range of products and services

#### **Principal risks and uncertainties**

The Company's operational risks include maintenance, health and safety and disaster recovery specifically around technology All of these areas are coordinated by Ryder Limited on behalf of the Company

Ryder Limited invests in the policies, procedures and people to ensure that its customers' vehicles are maintained to the highest standards, which are reviewed by an independent internal audit group This control is reflected in the fact that Ryder Limited consistently out performs the national average for, and is in the upper quartile for the Vehicle & Operator Services Agency's (VOSA) national MOT first rate passes The management of health and safety risk includes a dedicated health and safety team, risk assessments and operational standard procedures

In addition Ryder has developed proactive safety systems, which are monitored by online reporting systems and site audits, to ensure that it achieves the highest standard of safety for its employees and customers Ryder Limited's proactive management of health and safety issues continues to develop within the global business

Key commercial risks include unprofitable contracts, bad debt and asset utilisation These risks are mitigated by strong internal controls Potential new business undergoes a comprehensive profit study with senior management review, while credit assessment is independently co-ordinated

# **Euroway Vehicle Contracts Limited**

## **Directors' report (continued)**

### **Year ended 31 December 2012**

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#### **Principal risks and uncertainties (continued)**

Asset management is monitored centrally with utilisation being a key measure. Decision-making is supported via an integrated operating system with timely management reporting.

#### **Financial risk management**

From a financial risk perspective the management of debt finance and hence interest rate risk is co-ordinated via the treasury department of the Group's ultimate parent undertaking, Ryder System Inc (incorporated in Florida, USA, and whose financial statements are publicly available), who are able to utilise debt markets available to the larger group. The two relevant risks are liquidity and interest rate risk.

The debt financing of the Company was reviewed at the date of acquisition by Ryder Limited, with the majority of previously existing debt being settled (see above). On an ongoing basis funding will be supplied via Ryder Limited. Ryder Limited actively maintains a mixture of long-term and short-term debt finance that is designed to ensure the Company has sufficient available funds for operations and planned expansions. Credit lines are available via a global revolving credit facility provided via the parent company and other group financing arrangements. The revolving credit facility was renewed on 9 June 2011 for a 5 year period.

#### **Key performance indicators**

KPI's used to monitor the performance of the business include the following:

- Turnover,
- Contract Contribution,
- Costs Per unit,
- Revenue Per Unit,
- Return On Capital,
- Project Return (IRR & NPV),
- Asset Utilisation,
- Bad Debt Provision,
- Health & Safety statistics,
- Employee headcount, turnover and absence,
- Service Levels with customers, and
- Service Levels with suppliers

Financial performance measures are compared to plan and prior year on a regular basis.

#### **Directors**

The directors who served during the year and up to the date of signing these financial statements were as follows:

Victoria Green (resigned 1 August 2012)

Sanford Hodes (appointed 1 August 2012)

David Hunt (appointed 1 August 2012)

Justin Lochhead (resigned 1 August 2012)

#### **Directors' indemnities**

The Company maintains liability insurance for its directors and officers.

#### **Dividend**

No interim dividend was declared (2011: £nil). The directors do not recommend the payment of a final dividend (2011: £nil).

# **Euroway Vehicle Contracts Limited**

## **Directors' report (continued)**

**Year ended 31 December 2012**

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### **Disclosure of information to auditors**

Each of the persons who is a director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- each director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

### **Independent auditors**

During the year Pearce Aitchison resigned as auditors to the Company, and the directors have appointed PricewaterhouseCoopers LLP

By order of the board on 16 December 2013



David Hunt  
Director  
Euroway Vehicle Contracts Limited (Registered number 02881721)  
Unit 1-3, Prince Maurice Court  
Hambleton Avenue, Devizes, SN10 2RT

## **Euroway Vehicle Contracts Limited**

### **Statement of directors' responsibilities**

**Year ended 31 December 2012**

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The directors are responsible for preparing the Directors' report 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 judgements and accounting 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 are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time, the financial position of the Company and to enable them to ensure that its financial statements comply with 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.

On behalf of the board on 16 December 2013



David Hunt  
Director  
Euroway Vehicle Contracts Limited (Registered number 02881721)

## **Euroway Vehicle Contracts Limited**

### **Independent auditors' report to the members of Euroway Vehicle Contracts Limited**

**Year ended 31 December 2012**

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We have audited the Company's financial statements (the "financial statements") of Euroway Vehicle Contracts Limited for the year ended 31 December 2012 which comprise the Profit and loss account, the 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).

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

As explained more fully in the Statement of directors' responsibilities set out on page 6 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 and express an opinion on 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 Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **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 December 2012 and of its loss 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.

#### **Opinion on other matter 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.

## **Euroway Vehicle Contracts Limited**

### **Independent auditors' report to the members of Euroway Vehicle Contracts Limited (continued)**

**Year ended 31 December 2012**

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#### **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, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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

Nicholas Gower (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Manchester  
Date 16 December 2013

## **Euroway Vehicle Contracts Limited**

### **Profit and loss account**

**Year ended 31 December 2012**

|                                                      | Note | 2012<br>£         | £                   | 2011<br>£         | £                   |
|------------------------------------------------------|------|-------------------|---------------------|-------------------|---------------------|
| <b>Turnover</b>                                      | 2    |                   | <b>10,693,016</b>   |                   | <b>11,967,964</b>   |
| <b>Cost of sales</b>                                 |      | <b>10,560,260</b> |                     | <b>10,910,263</b> |                     |
| <b>Cost of sales – exceptional items</b>             | 4    | <b>2,088,326</b>  |                     | <b>-</b>          |                     |
|                                                      |      |                   | <b>(12,648,586)</b> |                   | <b>(10,910,263)</b> |
| <b>Gross (loss)/profit</b>                           |      |                   | <b>(1,955,570)</b>  |                   | <b>1,057,701</b>    |
| <b>Administrative expenses</b>                       |      |                   | <b>(2,142,974)</b>  |                   | <b>(2,340,601)</b>  |
| <b>Operating loss</b>                                | 3    |                   | <b>(4,098,544)</b>  |                   | <b>(1,282,900)</b>  |
| <b>Interest payable and similar charges</b>          | 7    |                   | <b>(40,540)</b>     |                   | <b>(34,959)</b>     |
| <b>Loss from ordinary activities before taxation</b> |      |                   | <b>(4,139,084)</b>  |                   | <b>(1,317,859)</b>  |
| <b>Tax on loss from ordinary activities</b>          | 8    |                   | <b>-</b>            |                   | <b>(105,806)</b>    |
| <b>Loss for the financial year</b>                   | 14   |                   | <b>(4,139,084)</b>  |                   | <b>(1,212,053)</b>  |

There are no recognised gains or losses other than those shown in the profit and loss account

All results derive from continuing operations

There is no material difference between the loss on ordinary activities before taxation and the loss for the financial years stated above and their historical cost equivalents

# Euroway Vehicle Contracts Limited

## Balance sheet

Year ended 31 December 2012

|                                                                | Note | 2012<br>£          | £                  | 2011<br>£          | £                |
|----------------------------------------------------------------|------|--------------------|--------------------|--------------------|------------------|
| <b>Fixed assets</b>                                            |      |                    |                    |                    |                  |
| Tangible assets                                                | 9    |                    | 1,670,986          |                    | 11,817,594       |
| <b>Current assets</b>                                          |      |                    |                    |                    |                  |
| Debtors                                                        | 10   | 893,728            |                    | 2,910,959          |                  |
| Cash at bank and in hand                                       |      | <u>11,865</u>      |                    | <u>4,454</u>       |                  |
|                                                                |      | 905,593            |                    | 2,915,413          |                  |
| <b>Creditors: amounts falling due within one year</b>          | 11   | <u>(6,124,285)</u> |                    | <u>(7,955,347)</u> |                  |
| <b>Net current liabilities</b>                                 |      |                    | (5,218,692)        |                    | (5,039,934)      |
| <b>Total assets less current liabilities</b>                   |      |                    | <u>(3,547,706)</u> |                    | <u>6,777,660</u> |
| <b>Creditors: amounts falling due after more than one year</b> | 12   |                    | (173,766)          |                    | (6,360,048)      |
| <b>Net (liabilities)/assets</b>                                |      |                    | <u>(3,721,472)</u> |                    | <u>417,612</u>   |
| <b>Capital and reserves</b>                                    |      |                    |                    |                    |                  |
| Called up share capital                                        | 13   |                    | 1,204              |                    | 1,204            |
| Share premium                                                  |      |                    | 199,796            |                    | 199,796          |
| Profit and loss account                                        |      |                    | <u>(3,922,472)</u> |                    | <u>216,612</u>   |
| <b>Total (deficit)/shareholders' funds</b>                     | 14   |                    | <u>(3,721,472)</u> |                    | <u>417,612</u>   |

The notes on pages 11 to 17 form an integral part of these financial statements

The financial statements on pages 9 to 17 were approved by the board of directors on 16 December 2013



David Hunt  
Director  
Euroway Vehicle Contracts Limited (Registered number 02881721)

# **Euroway Vehicle Contracts Limited**

## **Notes to the financial statements**

**Year ended 31 December 2012**

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### **1. Principal accounting policies**

The following accounting policies have been applied consistently throughout the year in dealing with items which are considered material in relation to the financial statements

#### **Basis of preparation**

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below

#### **Going concern**

The directors believe that preparing the accounts on the going concern basis is appropriate due to the continued financial support of the ultimate parent company Ryder System Inc (see note 18). The directors have received confirmation that Ryder System Inc intends to support the company for at least one year after these financial statements are signed.

#### **Cash flow**

The Company has taken the exemption available within FRS 1 not to prepare a cash flow on the grounds that the results of the Company are included in the consolidated financial statements of the ultimate parent company, Ryder System Inc, which are publicly available from the address given in note 18.

#### **Turnover**

Turnover represents amounts net of trade discounts and rebates derived from the hiring of commercial vehicles and trailers in the UK during the year, excluding Value Added Tax. Turnover is recognised as contractual services are provided or goods sold, and when the amount of turnover can be measured reliably, and receipt of payment is probable.

#### **Leasing of equipment**

- (1) Lessee accounting - Lease agreements for revenue earning vehicles, service vehicles and office equipment under finance leases that confer rights and obligations similar to those of owned assets are included in the amounts shown in fixed assets in the balance sheet under their respective headings. The assets are depreciated over the shorter of the lease term or their useful economic lives. The interest element of the leasing cost is amortised so as to produce a constant periodic rate of charge on the remaining balance of the obligation for each accounting period. The rental costs of other leased assets are charged to the profit and loss account on a straight-line basis over the lease term.

Future instalments under finance leases, net of finance charges are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element, which reduces the outstanding obligation for future instalments.

- (2) Lessor accounting - The rentals receivable under full service operating lease agreements with customers are taken to profit as they fall due over the term of the leases. Assets used in full service operating lease agreements are recorded in the balance sheet as tangible fixed assets and depreciated over their expected useful economic lives or the term of the lease, whichever is shorter.

#### **Exceptional items**

Items that derive from events or transactions that fall within the ordinary activities of the Group and which individually or, if of a similar type, in aggregate, need to be disclosed by virtue of their size or incidence if the financial statements are to give a true and fair view. The directors are of the opinion that the separate recording of exceptional items provides helpful information about the Group's underlying business performance. Events which may give rise to the classification of items as exceptional include, but are not restricted to, restructuring of the business, and profits or losses on disposals of fixed assets.

# Euroway Vehicle Contracts Limited

## Notes to the financial statements (continued)

### Year ended 31 December 2012

#### 1. Principal accounting policies (continued)

##### Pension cost - defined contribution

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

##### Tangible fixed assets

Tangible fixed assets are stated at cost. Cost comprises purchase price and, in the case of property, professional fees incurred on acquisition. No depreciation is provided on freehold land. Depreciation of revenue earning vehicles is calculated to write down the vehicles to their estimated residual value over the length of the lease term ranging from three to five years on a straight line basis.

Depreciation of other fixed assets is calculated to write off the cost to residual value by equal annual instalments over their expected useful economic lives, also on a straight-line basis.

The estimated useful lives are

|                          |                            |
|--------------------------|----------------------------|
| Leasehold property       | - over ten years           |
| Revenue earning vehicles | - over five to seven years |
| Other vehicles           | - over four years          |
| Office equipment         | - over six to seven years  |

The useful lives of the assets and their residual values are periodically reviewed and adjusted when appropriate.

#### 2. Turnover

The analysis of turnover, all of which is derived from the United Kingdom, by activity is as follows

|                                        | 2012<br>£         | 2011<br>£         |
|----------------------------------------|-------------------|-------------------|
| Contract hiring of commercial vehicles |                   |                   |
| Full service operating leases          | 9,034,097         | 10,136,628        |
| Spot hire                              | 603,798           | 715,128           |
| Management charges                     | 948,000           | 982,000           |
| Miscellaneous                          | 107,121           | 134,208           |
|                                        | <u>10,693,016</u> | <u>11,967,964</u> |

#### 3. Operating loss

|                                                                            | 2012<br>£ | 2011<br>£ |
|----------------------------------------------------------------------------|-----------|-----------|
| This is stated after charging.                                             |           |           |
| Current auditors remuneration                                              | 17,658    | -         |
| Previous auditors' remuneration                                            | -         | 8,400     |
| Depreciation of owned assets                                               | 78,953    | 118,302   |
| Depreciation of assets held under hire purchase and finance leases         | 1,700,789 | 3,418,114 |
| Operating lease rentals - revenue earning vehicles                         | 3,325,735 | 2,025,295 |
| - land and buildings                                                       | 55,833    | 49,677    |
| Finance lease and hire purchase charges                                    | 568,696   | 908,999   |
| Loss on disposal of fixed assets (including exceptional item – see note 4) | 9,513,124 | 25,594    |

# Euroway Vehicle Contracts Limited

## Notes to the financial statements (continued)

Year ended 31 December 2012

### 4. Exceptional item

Following the acquisition by Ryder Limited, several of the banks funding the Company agreed to release the Company from its liability to continue leasing certain revenue earning vehicles. Ryder Limited then purchased the related vehicles directly from the banks in question, subsequently leased them back to the Company in order to provide an uninterrupted service to customers. The resulting transactions recorded by the Company were as follows

|                                                        | 2012<br>£        | 2011<br>£ |
|--------------------------------------------------------|------------------|-----------|
| Net book value of revenue earning vehicles written off | 9,467,671        | -         |
| Finance lease creditor written back                    | (7,379,345)      | -         |
|                                                        | <u>2,088,326</u> | <u>-</u>  |

### 5. Directors' remuneration

|                                                         | 2012<br>£     | 2011<br>£      |
|---------------------------------------------------------|---------------|----------------|
| Aggregate emoluments                                    | 76,171        | 128,506        |
| Company contributions to money purchase pension schemes | 3,500         | 6,000          |
|                                                         | <u>79,671</u> | <u>134,506</u> |

During the year one (2011: one) director was accruing pension benefits under the Company's defined contribution schemes

### 6. Employee numbers and costs

The average monthly number of persons (including directors) employed by the Company during the year was

|                               | 2012<br>Number | 2011<br>Number |
|-------------------------------|----------------|----------------|
| Management and administration | <u>32</u>      | <u>40</u>      |

  

|                                                              | £                | £                |
|--------------------------------------------------------------|------------------|------------------|
| The aggregate payroll costs of these persons were as follows |                  |                  |
| Wages and salaries                                           | 1,231,343        | 1,293,938        |
| Social security                                              | 133,737          | 146,714          |
| Pension costs                                                | 25,665           | 43,466           |
|                                                              | <u>1,390,745</u> | <u>1,484,118</u> |

### 7. Net interest payable and similar charges

|                                         | 2012<br>£     | 2011<br>£     |
|-----------------------------------------|---------------|---------------|
| Finance lease and hire purchase charges | 20,823        | 9,055         |
| Bank loans and overdrafts               | 10,736        | 25,904        |
| Other interest                          | 8,981         | -             |
|                                         | <u>40,540</u> | <u>34,959</u> |

# Euroway Vehicle Contracts Limited

## Notes to the financial statements (continued)

### Year ended 31 December 2012

#### 8. Tax on loss on ordinary activities

|                                                                               | 2012<br>£ | 2011<br>£        |
|-------------------------------------------------------------------------------|-----------|------------------|
| (a) Tax (credit)/charge based on the loss for the year on ordinary activities |           |                  |
| UK current tax                                                                |           |                  |
| Corporation tax                                                               | -         | (87,272)         |
| Deferred taxation                                                             |           |                  |
| Origination/reversal of timing differences                                    | -         | (18,534)         |
|                                                                               | <u>-</u>  | <u>(105,806)</u> |

#### (b) Factors affecting the tax charge for the year

The tax credit for the year is lower (2011 lower) than the standard rate of corporation tax in the UK. The differences are explained below

|                                                                  | 2012<br>£          | 2011<br>£          |
|------------------------------------------------------------------|--------------------|--------------------|
| Current tax reconciliation                                       |                    |                    |
| Loss on ordinary activities before tax                           | <u>(4,139,084)</u> | <u>(1,317,859)</u> |
| Standard rate of corporation tax in the UK of 24.5% (2011 26.5%) | (1,014,076)        | (349,233)          |
| Expenses not deductible for tax purposes                         | 2,647              | 3,274              |
| Depreciation in excess of capital allowances                     | 27,277             | 70,688             |
| Change in rate                                                   | -                  | (4,732)            |
| Small company marginal relief                                    | -                  | 1,043              |
| Unrelieved tax losses                                            | 984,152            | 191,688            |
| Corporation tax (recovery)/charge                                | <u>-</u>           | <u>(87,272)</u>    |

#### (c) Factors that may affect future tax charges

The Finance Bill of 2012 ("the Bill") was given Royal Assent on 17 July 2012 and became Finance Act 2012 ("the Act"). The Act includes legislation to reduce the main rate of Corporation Tax in the UK from 24% to 23% for 1 April 2013.

In addition to the changes in rates of Corporation tax disclosed above, further changes to the UK Corporation tax rates were substantively enacted as part of the Finance Bill 2013 on 2 July 2013. These include reductions to the main rate to reduce the rate to 21% from 1 April 2014 and to 20% from 1 April 2015.

As the changes had not been substantively enacted at the balance sheet date their effects are not included in these financial statements. The Company has unrelieved tax losses at 31 December 2012 of £2,557,000 (2011 £224,000). This loss has not been recognised as a deferred taxation asset, as the extent of recoverability remains uncertain.

# Euroway Vehicle Contracts Limited

## Notes to the financial statements (continued)

Year ended 31 December 2012

### 9. Tangible assets

|                                           | Leasehold<br>property<br>£ | Revenue earning<br>vehicles<br>£ | Other<br>vehicles<br>£ | Office<br>equipment<br>£ | Total<br>£       |
|-------------------------------------------|----------------------------|----------------------------------|------------------------|--------------------------|------------------|
| Cost                                      |                            |                                  |                        |                          |                  |
| Balance at 1 January 2012                 | 9,589                      | 22,984,487                       | 41,862                 | 429,599                  | 23,465,537       |
| Additions                                 | -                          | 964,688                          | -                      | 64,879                   | 1,029,567        |
| Disposals                                 | -                          | (20,992,467)                     | (17,556)               | (2,757)                  | (21,012,780)     |
| <b>Balance at 31 December 2012</b>        | <b>9,589</b>               | <b>2,956,708</b>                 | <b>24,306</b>          | <b>491,721</b>           | <b>3,482,324</b> |
| Accumulated depreciation                  |                            |                                  |                        |                          |                  |
| Balance at 1 January 2012                 | 4,181                      | 11,327,204                       | 25,243                 | 291,315                  | 11,647,943       |
| Depreciation charges                      | 963                        | 1,711,305                        | 5,390                  | 62,084                   | 1,779,742        |
| Disposals                                 | -                          | (11,598,393)                     | (17,556)               | (398)                    | (11,616,347)     |
| <b>Balance at 31 December 2012</b>        | <b>5,144</b>               | <b>1,440,116</b>                 | <b>13,077</b>          | <b>353,001</b>           | <b>1,811,338</b> |
| <b>Net book value at 31 December 2012</b> | <b>4,445</b>               | <b>1,516,592</b>                 | <b>11,229</b>          | <b>138,720</b>           | <b>1,670,986</b> |
| Net book value at 31 December 2011        | 5,408                      | 11,657,283                       | 16,619                 | 138,284                  | 11,817,594       |

Included in the total net book value of tangible fixed assets held at 31 December 2012 was £612,304 (2011 £11,592,370) in respect of assets held under finance leases and hire purchase

### 10. Debtors

|                                           | 2012<br>£      | 2011<br>£        |
|-------------------------------------------|----------------|------------------|
| Trade debtors                             | 647,507        | 381,650          |
| Amounts owed by related party undertaking | -              | 2,020,339        |
| Corporation tax                           | -              | 87,272           |
| Prepayments and accrued income            | 246,221        | 421,698          |
|                                           | <b>893,728</b> | <b>2,910,959</b> |

### 11. Creditors: amounts falling due within one year

|                                                    | 2012<br>£        | 2011<br>£        |
|----------------------------------------------------|------------------|------------------|
| Bank overdraft                                     | -                | 456,624          |
| Bank loan                                          | -                | 139,457          |
| Trade creditors                                    | 97,763           | 1,872,648        |
| Amounts owed to related party undertakings         | -                | 496,710          |
| Amounts owed to fellow subsidiary undertakings     | 421,269          | -                |
| Amounts owed to parent undertaking                 | 4,541,230        | -                |
| Other taxes and social security costs              | 186,646          | 349,710          |
| Deposits held                                      | 288,539          | 195,932          |
| Corporation tax                                    | -                | 87,272           |
| Obligations under finance leases and hire purchase | 125,901          | 3,931,663        |
| Accruals and deferred income                       | 462,937          | 425,331          |
|                                                    | <b>6,124,285</b> | <b>7,955,347</b> |

Amounts due from parent and fellow subsidiary undertakings are unsecured and repayable on demand. No interest is charged on these amounts.

## Euroway Vehicle Contracts Limited

### Notes to the financial statements (continued)

#### Year ended 31 December 2012

##### 12. Creditors: amounts falling due after more than one year

|                                                    | 2012<br>£      | 2011<br>£        |
|----------------------------------------------------|----------------|------------------|
| Deposits held                                      | 144,498        | 207,399          |
| Obligations under finance leases and hire purchase | 29,268         | 5,964,385        |
| Bank loan                                          | -              | 188,264          |
|                                                    | <u>173,766</u> | <u>6,360,048</u> |

##### 13. Called up share capital

|                                               | 2012<br>£    | 2011<br>£    |
|-----------------------------------------------|--------------|--------------|
| 1,204 (2011 1,204) Ordinary shares of £1 each | <u>1,204</u> | <u>1,204</u> |

##### 14. Reconciliation of movement in shareholders' (deficit)/funds

|                                                         | 2012<br>£          | 2011<br>£          |
|---------------------------------------------------------|--------------------|--------------------|
| Loss for the financial year                             | <u>(4,139,084)</u> | <u>(1,212,053)</u> |
| Net decrease in equity shareholders' funds              | <u>(4,139,084)</u> | <u>(1,212,053)</u> |
| Total shareholders' funds at 1 January 2012             | <u>417,612</u>     | <u>1,629,665</u>   |
| Total (deficit)/shareholders' funds at 31 December 2012 | <u>(3,721,472)</u> | <u>417,612</u>     |

##### 15. Commitments

At 31 December 2012 the company had annual commitments under non-cancellable operating leases as detailed below

|                               | 2012                       |               | 2011                       |                  |
|-------------------------------|----------------------------|---------------|----------------------------|------------------|
|                               | Land and<br>buildings<br>£ | Other<br>£    | Land and<br>buildings<br>£ | Other<br>£       |
| Operating leases which expire |                            |               |                            |                  |
| Within one year               | -                          | -             | 51,144                     | 91,079           |
| Between one and five years    | -                          | 94,716        | -                          | 1,488,055        |
|                               | <u>-</u>                   | <u>94,716</u> | <u>51,144</u>              | <u>1,579,134</u> |

Capital commitments for the Company at 31 December 2012 for which no provision has been made in these financial statements consisted of vehicles purchases of £1,171,342

## **Euroway Vehicle Contracts Limited**

### **Notes to the financial statements (continued)**

#### **Year ended 31 December 2012**

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##### **16. Pension contributions**

The company contributed to defined contribution schemes on behalf of employees. Premiums paid to these schemes during the year amounted to £25,665 (2011 £43,466). At the end of the year a balance of £nil (2011 £4,030) was due to the pension schemes.

##### **17. Related parties**

As the Company is a wholly owned subsidiary of Ryder System Inc, the Company has taken advantage of the exemption contained in paragraph 3 (c) FRS 8 'Related Party Disclosures' and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of Ryder System Inc, within which this Company is included, can be obtained from the address given in note 18.

##### **18. Parent undertaking**

The immediate parent undertaking company is Ryder Limited. On 1 August 2012 Ryder Limited acquired 83% of the share capital of Euroway Vehicle Contracts Limited. The remaining 17% is owned by Euroway Vehicle Management Limited. On the 1 August 2012 Ryder Limited acquired 100% of the share capital of Euroway Vehicle Management Limited.

Ryder Limited, incorporated in England and Wales, is the immediate parent undertaking of the smallest group of undertakings to consolidate these financial statements at 31 December 2012. The consolidated financial statements of Ryder Limited are available from the Company Secretary, Ryder Limited, Unit 1-3, Prince Maurice Court, Hambleton Avenue, Devizes, SN10 2RT.

The ultimate parent undertaking and controlling party is Ryder System Inc, a company incorporated in the State of Florida, U S A. Ryder System Inc is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2012 and the consolidated financial statements of Ryder System Inc are available from Group Director Investor Relations, Ryder System Inc, 11690 NW 105th Street, Miami, Florida, 33178, U S A.