

**BIBBY DISTRIBUTION SERVICES (HOLDINGS) LIMITED**

**DIRECTORS:**

S P Sherrard - Chairman  
A J Palmer - Managing Director  
N J Higgs  
S Hunter  
G Watson  
K. Hassett (Resigned 30.6.95)

**BANKERS:**

Bank of Scotland	Midland Bank Plc
PO Box No.5	City Branch
The Mound	4 Dale Street
Edinburgh	Liverpool
EH1 1YZ	L69 2BZ

**AUDITORS:**

Price Waterhouse  
Silkhouse Court  
Tithebarn Street  
Liverpool  
L2 2LJ

**SECRETARY:**

Bibby Bros & Co (Management) Limited

**REGISTERED OFFICE:**

105 Duke Street  
Liverpool  
L1 5JQ

Incorporated in England and Wales  
Registered No. 2005619



# **BIBBY DISTRIBUTION SERVICES (HOLDINGS) LIMITED**

## **NOTICE OF MEETING**

Notice is hereby given that the Annual General Meeting of the Company will be held on 2 May 1996 at 105 Duke Street, Liverpool for the following purposes:

To approve the Directors' Report and Accounts for the year ended 31 December 1995.

To re-elect the retiring Directors.

To re-appoint Price Waterhouse as Auditors of the Company for the ensuing year.

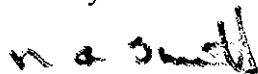
To transact any other ordinary business.

A member of the Company entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member.

By order of the Board

Bibby Bros & Co (Management) Limited

Secretary



**Duly Authorised Signatory  
For and on behalf of  
Bibby Bros. & Co.  
(Management) Limited**

Dated 1 April 1996

# **BIBBY DISTRIBUTION SERVICES (HOLDINGS) LIMITED**

## **REPORT OF THE DIRECTORS**

The Directors present their report together with the audited accounts for the year ended 31 December 1995.

## **PRINCIPAL ACTIVITIES AND REVIEW OF THE YEAR**

The principal activities of the Group are contract distribution, warehousing and transport.

During the year, the Group was successful in securing and implementing new dedicated contract business and investment was directly linked to these developments.

On 1 November 1995 the Group acquired the contract distribution business of Inter Forward Limited. This business consisted of the following Companies: Inter Forward Logistics Limited, Bondelivery Limited, Inter Forward (Avonmouth) Limited and Inter Forward Logistics Contract Services Limited.

The Group has continued to improve the quality and value of the services provided to all of its customers whilst maintaining strong pressure to reduce operating costs.

In the current year, the Group will actively seek opportunities to expand and develop its business through the winning of new dedicated contract business, the further development of shared-user services through the depot network and appropriate acquisition of contract-based businesses.

## **TRADING RESULTS AND REVIEW OF THE YEAR**

The results of the Group for the year are set out in the profit and loss account on page 7.

The Directors do not recommend the payment of a dividend.

## **DIRECTORS AND DIRECTORS' INTERESTS**

The Directors during the year were:-

S P Sherrard	-	Chairman
A J Palmer	-	Managing Director
N J Higgs		
S Hunter		
G Watson		
K Hassett	-	(Resigned 30.6.95)

## **BIBBY DISTRIBUTION SERVICES (HOLDINGS) LIMITED**

### **REPORT OF THE DIRECTORS (Continued)**

The only interests of the Directors in shares of the Bibby Group Companies were in shares of Bibby Line Group Limited.

The interests of Mr S P Sherrard and Mr A J Palmer in the shares of Bibby Line Group Limited are disclosed in the Directors' Report of that company.

Insurance has been taken out under Section 10(3) of the Companies Act 1985, for the Company's officers against liabilities in relation to the Company.

### **STATEMENT OF THE 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 and the Group and of the profit or loss of the Company and the Group for that period. 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 keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and of the Group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **FIXED ASSETS**

Information relating to changes in tangible fixed assets during the year is given in note 8 to these accounts.

### **EMPLOYEE INVOLVEMENT**

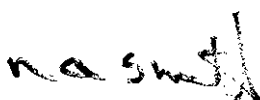
The Group has maintained procedures to involve depot managers and other employees, at all levels, to improve performance and inform them of developments in the Group's overall business.

# **BIBBY DISTRIBUTION SERVICES (HOLDINGS) LIMITED**

## **REPORT OF THE DIRECTORS (Continued)**

### **AUDITORS**

Price Waterhouse have indicated their willingness to continue in office and a resolution proposing their re-appointment will be submitted at the Annual General Meeting.



By order of the Board **Duly Authorised Signatory  
For and on behalf of  
Bibby Bros. & Co.  
(Management) Limited**

Bibby Bros & Co (Management) Limited

Secretary

Date: 1 April 1996

# **BIBBY DISTRIBUTION SERVICES (HOLDINGS) LIMITED**

## **AUDITORS' REPORT**

We have audited the financial statements on pages 7 to 23 which have been prepared under the historical cost convention and the accounting policies set out on pages 10 and 11.

### **Respective Responsibilities of Directors and Auditors**

As described in the Directors' Report the Company's Directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

### **Basis of Opinion**

We conducted our audit in accordance with 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 and Group'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 mis-statement, 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.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and the Group at 31 December 1995 and of the loss of the Company and the profit of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PRICE WATERHOUSE

Chartered Accountants  
and Registered Auditors  
Liverpool

Silkhouse Court  
Tithebarn Street  
Liverpool  
1 April 1996

**BIBBY DISTRIBUTION SERVICES (HOLDINGS) LIMITED****GROUP PROFIT AND LOSS ACCOUNT - YEAR ENDED 31 DECEMBER 1995**

	Note	1995 £000's	1994 £000's
Turnover:			
Continuing operations	(2)	37,275	34,224
Acquisition		<u>5,216</u>	<u>-</u>
		42,491	34,224
Cost of Sales		<u>(34,567)</u>	<u>(27,238)</u>
Gross Profit		7,924	6,986
Administrative expenses		<u>(6,175)</u>	<u>(4,505)</u>
Operating Profit:		1,749	2,481
Amortisation of Goodwill	(9)	(47)	(47)
Profit on disposal of fixed assets		<u>159</u>	<u>159</u>
Profit on Ordinary Activities before Interest		1,861	2,593
Interest payable and similar charges	(3)	(428)	(413)
Interest receivable/interest income		<u>136</u>	<u>62</u>
Profit on ordinary activities before taxation	(4)	1,569	2,242
Taxation charge	(5)	<u>(465)</u>	<u>(679)</u>
Profit for the financial year	(16)	<u>1,104</u>	<u>1,563</u>

The notes on pages 10 to 23 form an integral part of these accounts.

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

There are no recognised gains or losses in 1995 or 1994 other than the profit for the year.

The turnover and profit on ordinary activities all derive from continuing activities.

**BIBBY DISTRIBUTION SERVICES (HOLDINGS) LIMITED****PARENT COMPANY PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31  
DECEMBER 1995**

	Note	1995 £000	1994 £000
Operating costs		(399)	(347)
Operating loss		<u>(399)</u>	<u>(347)</u>
Amortisation of goodwill	(9)	<u>(47)</u>	<u>(47)</u>
Loss on ordinary activities before interest		(446)	(394)
Interest receivable/interest income		<u>36</u>	<u>142</u>
Loss on ordinary activities before taxation	(4)	(410)	(252)
Taxation credit	(5)	<u>108</u>	<u>62</u>
Loss for the financial year	(16)	<u><u>(302)</u></u>	<u><u>(190)</u></u>

The notes on pages 10 to 23 form an integral part of these accounts.



# BIBBY DISTRIBUTION SERVICES (HOLDINGS) LIMITED

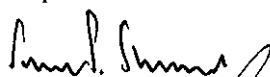
## BALANCE SHEETS AS AT 31 DECEMBER 1995

	Note	Parent Company		Group	
		1995	1994	1995	1994
		£ 000's	£ 000's	£ 000's	£ 000's
<b>Fixed Assets:</b>					
Tangible assets:					
Owned	(8)(a)	-	-	12,586	6,141
Leased	(8)(b)	-	-	242	478
Investments in subsidiary undertakings	(20)	3,901	2,078	-	-
Intangible assets	(9)	-	-	375	422
		<u>3,901</u>	<u>2,078</u>	<u>13,203</u>	<u>7,041</u>
<b>Current Assets:</b>					
Stocks	(10)	-	-	1,859	120
Debtors	(11)	4,677	7,019	12,940	5,185
Cash at bank and in hand		-	-	1,944	2,702
		<u>4,677</u>	<u>7,019</u>	<u>16,743</u>	<u>8,007</u>
Creditors (amounts falling due within one year)	(12)	(3,427)	(3,704)	(16,119)	(7,669)
Net current assets		<u>1,250</u>	<u>3,315</u>	<u>624</u>	<u>338</u>
Total assets less current liabilities		<u>5,151</u>	<u>5,393</u>	<u>13,827</u>	<u>7,379</u>
Creditors (amounts falling due after more than one year)	(13)	2,409	2,336	3,112	3,085
Provisions for liabilities and charges	(14)	-	13	5,823	514
		<u>2,409</u>	<u>2,349</u>	<u>8,935</u>	<u>3,599</u>
<b>Capital and Reserves</b>					
Called up share capital	(15)	6,000	6,000	6,000	6,000
Profit and loss account	(16)	(3,258)	(2,956)	(1,108)	(2,220)
Shareholders' funds	(19)	<u>2,742</u>	<u>3,044</u>	<u>4,892</u>	<u>3,780</u>
		<u>5,151</u>	<u>5,393</u>	<u>13,827</u>	<u>7,379</u>

The notes on pages 10 to 23 form an integral part of these accounts.

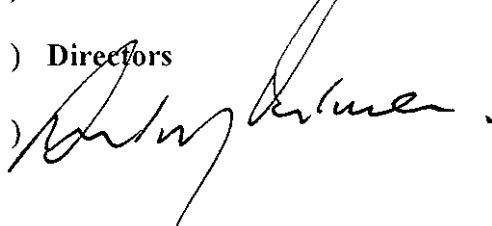
Approved by the Board on 1 April 1996.

S P Sherrard

) 

) Directors

A J Palmer

) 

# **BIBBY DISTRIBUTION SERVICES (HOLDINGS) LIMITED**

## **NOTES TO THE ACCOUNTS - YEAR ENDED 31 DECEMBER 1995**

### **1 ACCOUNTING POLICIES**

#### **(a) Accounting Convention and Basis of Consolidation**

These accounts are prepared under the historical cost convention and in accordance with applicable Accounting Standards, using the audited accounts for the period ended 31 December 1995 of Bibby Distribution Services Limited, Nisaway Limited, Alexandra-Molyneux Haulage Limited, Bibby Distribution Limited (name changed from Inter Forward Logistics Limited on 1 January 1996), Bondelivery Limited, Bibby Distribution (Avonmouth) Limited (name changed from Inter Forward (Avonmouth) Limited on 1 January 1996) and Bibby Logistics Limited (name changed from Inter Forward Logistics Contract Services Limited on 1 January 1996).

#### **(b) Fixed Assets and Depreciation**

Fixed assets are stated in the balance sheet at cost less depreciation provided to date. Depreciation is provided in equal annual instalments over the estimated useful life of the asset, on the original cost of the asset.

The rates of depreciation are as follows:-

Leasehold land and buildings:-

Long	2%
Short	The life of the lease
Vehicles and Equipment	Varying rates from 10% - 25%

#### **(c) Leased Assets - Vehicles and Equipment**

##### **(i) Assets held under Finance Leases**

The capital element of leasing repayments is treated as a separate category within fixed assets. The outstanding commitment to repay these sums is shown separately within creditors in notes 12 and 13.

Interest is allocated to accounting periods by a method which produces a constant periodic rate of charge on the remaining balances outstanding.

Leased vehicles and equipment are depreciated at rates varying between 12.5% - 20%.

##### **(ii) Assets held under Operating Leases**

Payments made under operating leases are charged to the profit and loss account in the period to which they relate.

# **BIBBY DISTRIBUTION SERVICES (HOLDINGS) LIMITED**

## **NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 1995 (Continued)**

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

#### **(d) Deferred Taxation**

Provision for deferred taxation resulting from accelerated tax depreciation allowances and other timing differences is made where a corporation tax liability is expected to arise within the foreseeable future.

#### **(e) Stocks**

Stocks are stated at the lower of weighted cost or estimated net realisable value.

#### **(f) Turnover**

Turnover represents the total amount receivable in the ordinary course of business for services provided excluding value added tax. All turnover relates to continuing operations.

#### **(g) Pension Costs**

The cost of providing pensions is charged against profit on a systematic basis with pension surpluses or deficits arising allocated over the expected remaining service lives of current employees. Differences between the amounts charged in the profit and loss account and payments made to the pension scheme are treated as assets or liabilities.

#### **(h) Goodwill**

Goodwill arising on consolidation is considered separately for each acquisition. In the case where goodwill is considered to have continuing value it is amortised on a straight line basis over its useful economic life through the profit and loss account. In those cases where the goodwill is considered to have no continuing value it is accounted for immediately on acquisition by write off against reserves.

#### **(i) Cash Flow Statements**

A statement of the Group's cash flow has been included in the consolidated accounts presented by the ultimate parent undertaking. Accordingly no statement is presented with these accounts.

### **2 SEGMENTAL INFORMATION**

The Directors are of the opinion that there is only one business, that of contract distribution and warehousing.

<b>Geographical Analysis</b>	<b>1995</b>	<b>1994</b>
	<b>£000's</b>	<b>£000's</b>
United Kingdom	42,367	34,166
France	41	50
Italy	-	5
Germany	11	1
Holland	63	2
Austria	6	-
Belgium	3	-
	<u>42,491</u>	<u>34,224</u>

# **BIBBY DISTRIBUTION SERVICES (HOLDINGS) LIMITED**

## **NOTES TO THE ACCOUNTS - YEAR ENDED 31 DECEMBER 1995 (Continued)**

### **3 INTEREST PAYABLE AND SIMILAR CHARGES**

	Parent Company		Group	
	1995	1994	1995	1994
	£ 000's	£ 000's	£ 000's	£ 000's
Interest payable on bank and other borrowings repayable within five years	-	-	317	265
Finance charges payable on finance leases and HP agreements	-	-	111	148
	<u>-</u>	<u>-</u>	<u>428</u>	<u>413</u>
	=====	=====	=====	=====

### **4 PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION**

Profit/(Loss) on Ordinary Activities before taxation is stated after charging (crediting) the following amounts:

	Parent Company		Group	
	1995	1994	1995	1994
	£ 000's	£ 000's	£ 000's	£ 000's
Wages and salaries	339	287	12,875	10,592
Social security costs	36	26	1,203	864
Other pension costs	22	13	359	208
Employee Costs	<u>397</u>	<u>326</u>	<u>14,437</u>	<u>11,664</u>
	=====	=====	=====	=====
Depreciation of owned assets	-	-	2,635	1,336
Depreciation of assets held under finance leases	-	-	257	410
Auditors' remuneration - audit services	2	2	30	29
Hire of plant and machinery	-	-	294	562
Lease rentals - property	-	-	3,193	2,535
Lease rentals - other	-	-	300	-
(Profit) on sale of tangible assets -	-	-	(159)	(88)
	=====	=====	=====	=====

# BIBBY DISTRIBUTION SERVICES (HOLDINGS) LIMITED

## NOTES TO THE ACCOUNTS - YEAR ENDED 31 DECEMBER 1995 (Continued)

### 4 PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION (contd.)

#### Lease Rentals

The following amounts are in respect of operating leases which are charged on a straight line basis over the lease term.

The annual commitments of existing leases are:-

	Parent Company		Group	
	1995	1994	1995	1994
	£ 000's	£ 000's	£ 000's	£ 000's
<u>Expiry date</u>				
Within 1 year	-	-	409	-
After 1 year but within 5 years	-	-	2,059	354
After 5 years	-	-	3,723	2,933
	<u>-</u>	<u>-</u>	<u>6,191</u>	<u>3,287</u>
	=====	=====	=====	=====

The majority of these commitments relate to properties.

### 5 TAXATION (CHARGE)/CREDIT

	Parent Company		Group	
	1995	1994	1995	1994
	£ 000's	£ 000's	£ 000's	£ 000's
Taxation based on the profit/(loss) for the year at 33% (1994 - 33%)				
Group relief receivable/(payable)				
- current period	70	61	(392)	(713)
- prior period	38	1	(42)	(72)
	<u>108</u>	<u>62</u>	<u>(434)</u>	<u>(785)</u>
Deferred taxation - (charge)/release @ 33% (note 14)	-	-	(31)	50
Deferred taxation released following acquisition of a subsidiary undertaking	-	-	-	56
	<u>108</u>	<u>62</u>	<u>(465)</u>	<u>(679)</u>
	=====	=====	=====	=====

# **BIBBY DISTRIBUTION SERVICES (HOLDINGS) LIMITED**

## **NOTES TO THE ACCOUNTS - YEAR ENDED 31 DECEMBER 1995 (Continued)**

### **6 DIRECTORS**

	Parent Company		Group	
	1995	1994	1995	1994
	£ 000's	£ 000's	£ 000's	£ 000's
Directors' emoluments	417	372	417	372
	=====	=====	=====	=====

Details of Directors' emoluments  
(excluding pension contributions):

Chairman	NIL	NIL	NIL	NIL
Highest paid Director	129	108	129	108
	=====	=====	=====	=====

Other Directors received remuneration  
within the following bands:

£ NIL - £ 5,000	-	-	-	-
£ 20,001 - £ 25,000	-	-	-	-
£ 30,001 - £ 35,000	-	1	-	1
£ 40,001 - £ 45,000	-	-	-	-
£ 60,001 - £ 65,000	2	-	2	-
£ 65,001 - £ 70,000	2	1	2	1
£ 70,001 - £ 75,000	-	1	-	1
£ 80,001 - £ 85,000	-	1	-	1

### **7 EMPLOYEES**

The average number of persons employed by the Group throughout the year was 910 (1994 - 762).

# **BIBBY DISTRIBUTION SERVICES (HOLDINGS) LIMITED**

## **NOTES TO THE ACCOUNTS - YEAR ENDED 31 DECEMBER 1995 (Continued)**

### **8 TANGIBLE ASSETS** **(a) Owned**

<b>Group</b>	<b>Short Leasehold £000's</b>	<b>Vehicles &amp; Equipment £000's</b>	<b>Total £000's</b>
<b>Cost:</b>			
At 31 December 1994	1,549	7,940	9,489
Additions	3,995	5,242	9,237
Disposals	(4)	(728)	(732)
At 31 December 1995	<u>5,540</u>	<u>12,454</u>	<u>17,994</u>
<b>Accumulated Depreciation:</b>			
At 31 December 1994	538	2,810	3,348
Charge for year	143	2,492	2,635
Disposals	(4)	(571)	(575)
At 31 December 1995	<u>677</u>	<u>4,731</u>	<u>5,408</u>
<b>Net book amount:</b>			
At 31 December 1995	4,863	7,723	12,586
	=====	=====	=====
At 31 December 1994	1,011	5,130	6,141
	=====	=====	=====

# BIBBY DISTRIBUTION SERVICES (HOLDINGS) LIMITED

## NOTES TO THE ACCOUNTS - YEAR ENDED 31 DECEMBER 1995 (Continued)

### 8 TANGIBLE ASSETS (contd.)

#### (b) Leased

	Group Vehicles & Equipment £000's
<b>Cost:</b>	
As at 31 December 1994	3,018
Additions	44
Disposals	(491)
At 31 December 1995	<u>2,571</u>
<b>Accumulated Depreciation:</b>	
As at 31 December 1994	2,540
Charge for year	257
On disposals	(468)
At 31 December 1995	<u>2,329</u>
<b>Net book amount:</b>	
At 31 December 1995	<u>242</u>
At 31 December 1994	<u>375</u>

#### (c) Capital Commitments

	1995 £000's	1994 £000's
Capital expenditure contracted for but not provided for in the accounts	<u>134</u>	<u>564</u>

### 9. INTANGIBLE ASSETS

	£000's
<b>Goodwill:</b>	
Cost at 31 December 1994 and 1995	<u>469</u>
<b>Amortisation:</b>	
At 31 December 1994	47
Provision for the year	<u>47</u>
At 31 December 1995	<u>94</u>
<b>Net book amount:</b>	
At 31 December 1995	<u>375</u>
At 31 December 1994	<u>422</u>



# BIBBY DISTRIBUTION SERVICES (HOLDINGS) LIMITED

## NOTES TO THE ACCOUNTS - YEAR ENDED 31 DECEMBER 1995 (Continued)

### 10 STOCKS

	Parent Company		Group	
	1995 £ 000's	1994 £ 000's	1995 £ 000's	1994 £ 000's
Consumables	-	-	1,859	120
	=====	=====	=====	=====

### 11 DEBTORS

	Parent Company		Group	
	1995 £ 000's	1994 £ 000's	1995 £ 000's	1994 £ 000's
Trade Debtors	-	-	10,246	4,325
Group Relief	70	61	-	-
Other debtors	-	-	338	17
Amounts owed by subsidiary undertakings	4,607	6,958	987	109
Prepayments and accrued income	-	-	1,369	734
	4,677	7,019	12,940	5,185
	=====	=====	=====	=====

### 12 CREDITORS

(amounts falling due within one year)

	Parent Company		Group	
	1995 £ 000's	1994 £ 000's	1995 £ 000's	1994 £ 000's
Bank loans	1,745	1,361	1,745	1,361
Bank overdrafts	163	55	2,613	-
Obligations under finance leases and HP	-	-	408	441
Trade Creditors	-	-	4,814	2,383
Taxation and social security	-	-	-	71
Other creditors	-	-	1,747	491
Amounts owed to subsidiary undertakings	1,384	2,219	395	817
Accruals and deferred income	135	69	4,397	2,105
	3,427	3,704	16,119	7,669
	=====	=====	=====	=====

# BIBBY DISTRIBUTION SERVICES (HOLDINGS) LIMITED

## NOTES TO THE ACCOUNTS - YEAR ENDED 31 DECEMBER 1995 (Continued)

### 13 CREDITORS

(amounts falling due after more than one year)

	Parent Company		Group	
	1995	1994	1995	1994
	£ 000's	£ 000's	£ 000's	£ 000's
Bank loans	2,409	2,336	2,409	2,336
Obligations under finance leases and HP	-	-	703	749
	<u>2,409</u>	<u>2,336</u>	<u>3,112</u>	<u>3,085</u>
	=====	=====	=====	=====
Obligations under bank loans are repayable:				
Within one year	1,745	1,361	1,745	1,361
Between one and five years	<u>2,409</u>	<u>2,336</u>	<u>2,409</u>	<u>2,336</u>
	<u>4,154</u>	<u>3,697</u>	<u>4,154</u>	<u>3,697</u>
	=====	=====	=====	=====
Obligations under finance leases and HP are repayable:				
Within one year	-	-	408	441
Between one and five years	<u>-</u>	<u>-</u>	<u>703</u>	<u>749</u>
	<u>-</u>	<u>-</u>	<u>1,111</u>	<u>1,190</u>
	=====	=====	=====	=====

### 14 PROVISIONS FOR LIABILITIES AND CHARGES

	Reorganis- ation £000's	Deferred Taxation £000's	Other Provisions £000's	Total £000's
<b>Parent Company</b>				
At 31 December 1994	-	-	13	13
Paid	-	-	-	-
Profit and Loss account	<u>-</u>	<u>-</u>	<u>(13)</u>	<u>(13)</u>
At 31 December 1995	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	=====	=====	=====	=====
<b>Group</b>				
At 31 December 1994	-	229	285	514
Acquired with new subsidiary (see note 20)	5,308	(1,800)	2,111	5,619
Paid	-	-	(285)	(285)
Profit and Loss account	<u>(66)</u>	<u>31</u>	<u>10</u>	<u>(25)</u>
At 31 December 1995	<u>5,242</u>	<u>(1,540)</u>	<u>2,121</u>	<u>5,823</u>
	=====	=====	=====	=====

Of the provision for deferred taxation, £353,000 (1994 - £292,000) relates to accelerated capital allowances, other timing differences reduce the provision by £93,000 (1994 - £63,000). The potential amount of deferred taxation not provided for at 31 December 1995 is £999,000 (1994 - £153,000).

**BIBBY DISTRIBUTION SERVICES (HOLDINGS) LIMITED****NOTES TO THE ACCOUNTS - YEAR ENDED 31 DECEMBER 1995 (Continued)****15 CALLED UP SHARE CAPITAL**

	1995 £000's	1994 £ 000's
Authorised, allotted and fully paid Ordinary Shares of £1 each	4,000	4,000
Redeemable Preference Shares of £1 each	2,000	2,000
	<u>6,000</u>	<u>6,000</u>
	=====	=====

The rights attaching to the Preference shares are as follows:

- (a) To be paid out of the profits of the Company a cumulative dividend at a rate to be determined by the Directors of the Company per annum on the capital for the time being paid up, in priority to any payment to the holders of any other class of shares.
- (b) Having no other rights to participate in the profits of the Company whatsoever.
- (c) Carrying the right to one vote per share.

**16 RESERVES**

	Parent Company Profit & Loss 1995 £000's	Group Profit & Loss 1995 £000's
At 1 January 1995 - adverse	(2,956)	(2,220)
(Loss)/Profit for the year	(302)	1,104
Negative Goodwill	-	8
At 31 December 1995 - adverse	<u>(3,258)</u>	<u>(1,108)</u>

The cumulative amount of goodwill written off at 31 December 1995, net of goodwill relating to undertakings disposed of, is £94,000 (1994 - £47,000).

**17 PENSION COSTS**

The Company's employees are members of the Bibby Line Group Scheme which commenced on 1 January 1989. This is a defined benefit pension scheme operated for the Group's employees. The assets of the scheme are held in a separate trustee administered fund. The methods by which the charges to revenue are calculated are explained in the statement of accounting policies.

## BIBBY DISTRIBUTION SERVICES (HOLDINGS) LIMITED

### NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 1995 (Continued)

#### 17 PENSION COSTS (Continued)

The last actuarial valuation was at 6 April 1993 and showed the scheme to be in surplus. Contributions are determined in accordance with independent actuarial advice. Further actuarial information is given in the accounts of Bibby Line Group.

There is a separate scheme that applies to the companies acquired on 1 November 1995. This scheme is a defined benefit scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the companies acquired. Contributions to the scheme are charged to the profit and loss so as to spread the cost of pension over employees estimated working lives in the Company.

In addition Bibby Distribution Services Limited operates a group employee defined contribution scheme established with an insurance company. This scheme is for hourly paid employees originally employed by Alexandra-Molyneux Haulage Limited. The scheme is completely independent of the Company which contributes a fixed percentage of the related payroll cost.

The Group pensions costs for the year were £358,450 (1994 - £207,326).

#### 18 ULTIMATE PARENT UNDERTAKINGS

The Company is a wholly owned subsidiary of Bibby Line Group Limited, the ultimate parent undertaking, a company incorporated in the United Kingdom. Group accounts may be obtained from 105 Duke Street, Liverpool.

Bibby Line Group Limited is the parent undertaking of the largest and smallest group which consolidates these accounts and of which the Company is a member.

#### 19 MOVEMENTS IN SHAREHOLDERS' FUNDS

	Parent Company		Group	
	1995 £ 000's	1994 £ 000's	1995 £ 000's	1994 £ 000's
(Loss)/Profit for the financial year	(302)	(190)	1,104	1,563
Negative goodwill arising on acquisition of subsidiary undertaking (see note 20)	-	-	8	-
Net addition to shareholders' funds	(302)	(190)	1,112	1,563
Opening shareholders' funds	3,044	3,234	3,780	2,217
Closing shareholders' funds	2,742	3,044	4,892	3,780

The share of shareholders' funds attributable to non-equity shareholders is £2,000,000.

## BIBBY DISTRIBUTION SERVICES (HOLDINGS) LIMITED

### NOTES TO THE ACCOUNTS - YEAR ENDED 31 DECEMBER 1995 (Continued)

#### 20 SUBSIDIARY UNDERTAKINGS

#### Percentage of Equity Share Capital held

Bibby Distribution Services Limited	100
Nisaway Limited	100
Alexandra-Molyneux Haulage Limited	100
Bibby Distribution Limited	100
Bondelivery Limited	100
Bibby Distribution (Avonmouth) Limited	100
Bibby Logistics Limited	100

All subsidiary undertakings are incorporated and operate in the United Kingdom and operate in the transport, distribution and warehousing sector.

On 1 November 1995 the Group acquired the contract distribution business of Inter Forward Limited. This business consisted of the following companies: Inter Forward Logistics Limited, Bondelivery Limited, Inter Forward (Avonmouth) Limited and Inter Forward Logistics Contract Services Limited.

The summarised profit and loss account, per the unaudited management accounts, for this business for the period 1 January 1995 (the beginning of the subsidiaries' financial year) to 31 October 1995 (the date of acquisition) is as follows:-

	£000
Turnover	<u>24,387</u>
Operating loss	<u>(3,510)</u>
Fundamental reorganisation costs	<u>(13,910)</u>
Loss on ordinary activities before taxation	<u>(18,838)</u>
Tax credit on ordinary activities	1,800
Loss on ordinary activities after taxation	<u>(17,038)</u>

The loss on ordinary activities after taxation for the year ended 31 December 1994, as shown by the audited financial statements, was £7,060,000.

The companies had no recognised gains or losses other than the losses above and therefore no separate statement of total recognised gains and losses has been presented.

## BIBBY DISTRIBUTION SERVICES (HOLDINGS) LIMITED

### NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 1995 (Continued)

#### 20 SUBSIDIARY UNDERTAKINGS (contd.)

The assets and liabilities acquired with this business are set out below:

	£000
Tangible fixed assets (book value £7,745,000)	5,945
Current assets:	
Stock	1,747
Debtors	6,499
Cash at bank and in hand	<u>31</u>
Total assets	14,222
Creditors	(5,725)
Bank overdraft	(1,000)
Provisions (including deferred taxation asset)	<u>(5,619)</u>
	1,878
Negative goodwill	(8)
Costs	(270)
Cash consideration	<u>1,600</u>
Costs include £32,000 paid to the Company's auditors.	

The net outflow of cash equivalents in respect of the purchase of the new business is analysed below:

	£000
Cash consideration	1,600
Cash in hand and at bank acquired	(31)
Overdraft acquired	1,000
Acquisition costs paid	<u>186</u>
	<u>2,755</u>

In accordance with the Group's accounting policy, the negative goodwill arising on the acquisition of this business is written off straight to reserves.

Short leasehold properties acquired were revalued as at 1 November 1995 producing a reduction in book value of £1,800,000.

In accordance with the sale and purchase agreement covering the acquisition of Inter Forward Logistics Limited and related companies the consideration is subject to adjustment on finalisation of completion accounts. These accounts remain in dispute. Negotiations between the parties continue but in the absence of agreement the accounts will be referred to an independent expert as provided for in the sale and purchase agreement.

The impact of the acquisition on cash flows was as follows:

The net outflow from operating activities was £737,000, with £15,000 paid in respect of returns on investments and servicing of finance and £162,000 utilised for investing activities.

## **BIBBY DISTRIBUTION SERVICES (HOLDINGS) LIMITED**

### **NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 1995 (Continued)**

#### **21 CONTINGENT LIABILITIES**

On 31 October 1995 the Company entered into a new facility agreement with its bankers. Under this agreement there are debentures in favour of the banks over all the property and undertakings from time to time of the Company and its subsidiaries. There is also a ranking agreement covering the respective debentures and guarantees granted in favour of the Bank of Scotland and Midland Bank plc. The contingent liability thus arising is Nil.