

**SIGNED**

Registration number 2005619

# Bibby Distribution Services (Holdings) Limited

Directors' Report and Consolidated Financial Statements  
for the Year Ended 31 December 2011

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**Bibby Distribution Services (Holdings) Limited**  
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**Bibby Distribution Services (Holdings) Limited**  
**Officers and Advisers**

<b>Chairman</b>	Sir Michael Bibby, bt
<b>Directors</b>	P A Cullingford I A Speak Sir Michael Bibby, bt J Haymer P A Byrne
<b>Secretary</b>	Bibby Bros & Co (Management) Limited
<b>Registered office</b>	105 Duke Street Liverpool L1 5JQ
<b>Bankers</b>	Bank of Scotland 40 Spring Gardens Manchester M2 1EN  Barclays Bank Market Place Crackenedge Lane Dewsbury WF13 1DN  Lloyds TSB City Office Orchard Brae Edinburgh EH4 1PF
<b>Auditor</b>	Deloitte LLP Chartered Accountants and Statutory Auditor Liverpool United Kingdom

## **Bibby Distribution Services (Holdings) Limited**

### **Directors' Report for the Year Ended 31 December 2011**

The directors present their report and the audited consolidated financial statements for the year ended 31 December 2011

#### **Business review and principal activities**

Bibby Distribution Services (Holdings) Ltd is a wholly-owned subsidiary of Bibby Line Group Limited and acts as the holding company for Bibby Line Group's Distribution division ("the Group")

The Group's principal activities continue to be contract distribution, warehousing and distribution, freight forwarding, training and agency recruitment. The directors are not, at the date of this report, aware of any likely major changes in the Group's activities in the next year and expect the general level of activity to continue.

The Group seeks investment opportunities, both organically and through acquisition, in existing and new business areas with a view to implementing its policy of expansion and business growth.

As shown in the profit and loss account on page 8, the Group's turnover has increased by 8%, from £230.2m to £247.6m whereas profit before taxation has reduced by 44% from £7.0m to £3.9m. The reduction in profit before tax has been caused by the loss of a major contract during the year in contract distribution and losses incurred in respect of post acquisition integration issues in the Group's training business. The Group acquired Atchison Topeka during the year in line with the Group's declared growth strategy and this, in conjunction with organic new business wins within existing business lines has put the Group in a strong position for the coming year. The Group also envisages strong growth prospects for its returnable plastic packaging operations in the future. The Directors are committed to further growth going forward. Return on Capital Employed (ROCE) as measured by profit after tax over opening shareholders' funds is 8.3% (2010 – 18.2%).

The balance sheet on page 9 of the financial statements shows that the net assets of the Group are £24.7m (2010 - £24.8m) and cash at bank and in hand has increased to £1.5m (2010 - £0.5m). On 29 July 2011 a new bank loan was entered into.

The average number of employees decreased from 2,917 to 2,597 due to the loss of the distribution contract.

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

Competitive pressure in the logistics market is a continuing risk for the Group. To manage this risk the Group strives to maintain efficient utilisation of its operating assets and exercise strong cost control at all times.

The Group is a major user of diesel fuel and is therefore exposed to movements in the price of fuel. This risk is mitigated wherever possible by means of fuel price regulator agreements with customers to pass on any changes in fuel prices. The Group's principal financial instruments comprise bank balances, trade debtors, trade creditors, loans to the business and finance lease agreements. The main purpose of these instruments is to finance the Group's operations.

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Group uses a mixture of long-term and short-term debt finance. Further details regarding the liquidity risk can be found in the Going Concern section on page 3 of the financial statements.

The Group has interest bearing liabilities. On 29 July 2011 a Base Rate Interest Swap agreement worth £5 million was entered into with a rate of 2% over LIBOR. This has an interest rate swap giving a fixed rate of 1.78% with a 2% margin. During the year the Group took out an interest rate swap contract which matures in line with the expected maturity of the term loan. At 31 December 2011 the fair value of the contract was a liability of £176,000 (2010-£nil). The directors will revisit this policy should the Group's operations change in size or nature.

Trade debtors are managed in respect of credit and cash flow risk policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. The amounts presented in the balance sheet are net of allowances for doubtful debtors.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due. The Group manages the liquidity risk by ensuring that there are sufficient funds to meet payments by managing its debtors and through a loan facility which is in place for the next two years.

**Bibby Distribution Services (Holdings) Limited**  
**Directors' Report for the Year Ended 31 December 2011**

**Results and dividend**

The results for the group are set out in the financial statements

During the course of the year interim dividends of £2,039,000 (2010 - £1,783,000) were paid. A dividend of £200,000 was paid after the year end (2010 - £1,000,000)

**Disclosure of information to auditor**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware, and each director has taken all steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This statement is given and should be interpreted in accordance with s418 of the Companies Act 2006

**Creditor payment policy**

The Group does not follow a specific standard or code for the payment of creditors. It agrees payment terms with its suppliers when it enters into purchase contracts. It then seeks to adhere to these arrangements providing it is satisfied that the supplier has provided the goods or services in accordance with the agreed terms and conditions.

The amounts owed to the Group's trade creditors at the year end represented 60 days (2010 - 42 days) as a proportion of the total amounts invoiced by suppliers during the year.

**Going Concern**

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business review.

At 31 December 2011, the Group had net current assets of £10,525,000, a cash position of £1,555,000 and an overall loan facility position of £19,416,000.

On 29 June 2011 the Group signed a new credit facility with Lloyds Bank which gives significant headroom for the Group's acquisition strategy and is secured on trade debtors which had a value of £32m at year end. On 29 of July 2011, the Group entered into a Base Rate Interest Swap agreement of £5 million with a rate of 2% over LIBOR with an interest rate swap giving a fixed rate of 1.78% with a 2% margin.

The majority of the Group's borrowings are in place for the next two years and have certain covenant restrictions. No covenant breaches have occurred in the current year, or are forecast for the next 12 months.

The Group's forecasts and projections, taking into account reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facility and meet its covenant requirements.

After making enquiries the Directors have a reasonable expectation that the company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual accounts.

## **Bibby Distribution Services (Holdings) Limited**

### **Directors' Report for the Year Ended 31 December 2011**

#### **Corporate governance**

The Group strives to maintain the highest standards in corporate governance and bases its actions on the principals of openness, integrity and accountability. Audit and Remuneration committees exist within Bibby Line Group Limited, which also covers the activities of the Group. Where relevant and practical for a privately-owned group of its size, the Board seeks to implement the Combined Code on Corporate Governance prescribed for publicly quoted companies.

#### **Environment**

The Group recognises the importance of its environmental responsibilities. The Group consumes resources and it produces waste, both of which have an effect on the environment. During the year we have looked at ways of reducing the impact of both activities through recycling and reducing energy consumption.

#### **Employees**

The Group is committed to the continuing development of effective employee communication, consultation and involvement, including the regular publication of employee magazines.

The policy of the Group is to give full and fair consideration to applications for employment made by disabled persons. If an employee becomes disabled whilst employed by a Group Company, every effort is made to find suitable continuing employment, with retraining as necessary. Disabled persons share equally in the opportunities available for training, career development and promotion.

The Group participates in a defined benefit pension scheme and a money purchase pension scheme operated by Bibby Line Group Limited. The Group also made contributions to a number of private money purchase schemes.

#### **Post-balance sheet events**

A dividend of £200,000 was paid to Bibby Line Group Limited on the 3<sup>rd</sup> of January 2012.

#### **Directors**

The directors who held office during the year were as follows:

- Sir Michael Bibby, Bt
- P A Cullingford
- I A Speak
- J Haymer
- A J Paterson (resigned 31 October 2011)
- P A Byrne

#### **Directors' Indemnities**

The Company has made qualifying third party indemnity provisions for the benefit of its directors, which were made during the year and remain in force at the date of this report.

#### **Auditor**

The auditor, Deloitte LLP, will be proposed for re-appointment in accordance with section 487 of the Companies Act 2006.

**Bibby Distribution Services (Holdings) Limited**  
**Directors' Report for the Year Ended 31 December 2011**

**Directors' responsibilities statement**

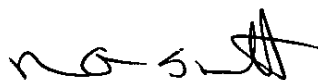
The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare 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 at the end of the financial year and of the profit and loss of the company for the period ending on that date. In preparing these financial statements, directors are required to:

- select suitable accounting policies and 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business

The directors are responsible for keeping proper 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 enable them to ensure the financial statements comply with the 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 general responsibility for taking such steps as are reasonably open to fraud and other irregularities.

Approved by the Board on 26 April 2012 and signed on its behalf by



Bibby Bros & Co (Management) Limited  
Company Secretary

## **Independent Auditor's Report to the Members of Bibby Distribution Services (Holdings) Limited**

We have audited the financial statements of Bibby Distribution Services (Holdings) Limited for the year ended 31 December 2011, which comprise the consolidated Profit and Loss account, the consolidated Balance Sheet, the company balance sheet, the Statement of Total Recognised Gains and Losses, the consolidated Cash Flow Statement and the related notes 1 to 32. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standard (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement, 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.

### **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 group's and parent 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 of the financial and non-financial information in the annual report 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 group's and of the parent company's affairs as at 31 December 2011 and of the group's profit 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.



**Independent Auditor's Report to the Members of  
Bibby Distribution Services (Holdings) Limited**

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



**William Smith MA ACA**  
**Senior Statutory Auditor**  
**for and on behalf of**  
**Deloitte LLP**  
Chartered Accountants and Statutory Auditor  
Liverpool  
United Kingdom

26 April 2012

**Bibby Distribution Services (Holdings) Limited**  
**Consolidated Profit and Loss Account for the Year Ended 31 December 2011**

	Note	2011 £ 000	2010 £ 000
Turnover	2	247,646	230,217
Cost of sales		(201,667)	(181,394)
<b>Gross profit</b>		<u>45,979</u>	<u>48,823</u>
Administrative expenses		(41,588)	(41,715)
Other operating income	3	87	115
<b>Operating profit</b>		<u>4,478</u>	<u>7,223</u>
Interest receivable and similar income		2	13
Interest payable and similar charges	7	(592)	(191)
<b>Profit on ordinary activities before taxation</b>	4	<u>3,888</u>	<u>7,045</u>
Tax on profit on ordinary activities	8	(1,961)	(2,882)
<b>Profit on ordinary activities after taxation</b>		<u>1,927</u>	<u>4,163</u>
Minority interests	22	210	(84)
<b>Profit for the financial year</b>	21	<u><u>2,137</u></u>	<u><u>4,079</u></u>

Turnover and operating profit derive wholly from continuing operations. Results derived from acquisitions in the year are disclosed in note 2.

The group has no recognised gains or losses for the current and prior year other than the results above and accordingly a separate statement of total recognised gains and losses has not been prepared.

**Bibby Distribution Services (Holdings) Limited**  
**Consolidated Balance Sheet as at 31 December 2011**

	Note	2011 £ 000	2010 £ 000
<b>Fixed assets</b>			
Intangible assets	10	16,319	16,466
Tangible assets	11	<u>26,355</u>	<u>21,256</u>
		42,674	37,722
<b>Current assets</b>			
Stocks	13	1,072	790
Debtors	14	47,191	42,505
Cash at bank and in hand		<u>1,555</u>	<u>538</u>
		49,818	43,833
<b>Creditors: Amounts falling due within one year</b>	15	(39,293)	(46,878)
<b>Net current assets/(liabilities)</b>		<u>10,525</u>	<u>(3,045)</u>
<b>Total assets less current liabilities</b>		53,199	34,677
<b>Creditors: Amounts falling due after more than one year</b>	16	(25,344)	(7,196)
<b>Provisions for liabilities</b>	18	<u>(3,185)</u>	<u>(2,699)</u>
<b>Net assets</b>		<u>24,670</u>	<u>24,782</u>
<b>Capital and reserves</b>			
Called-up share capital	20	4,288	4,288
Profit and loss reserve	21	<u>20,227</u>	<u>20,129</u>
<b>Equity shareholders' funds</b>		24,515	24,417
<b>Minority interests</b>	22	<u>155</u>	<u>365</u>
<b>Total capital employed</b>		<u>24,670</u>	<u>24,782</u>

The consolidated financial statements of Bibby Distribution Services (Holdings) Limited, registered number 2005619, were approved by the board of directors and authorised for issue on 26 April 2012.


  
P A Cullingford  
Director

The notes on pages 12 to 30 form an integral part of these financial statements

**Bibby Distribution Services (Holdings) Limited**  
**Company Balance Sheet as at 31 December 2011**

	Note	2011 £ 000	2010 £ 000
<b>Fixed assets</b>			
Investments	12	36,214	39,805
<b>Creditors: Amounts falling due within one year</b>	15	(30,241)	(30,659)
<b>Net current liabilities</b>		<u>(30,241)</u>	<u>(30,659)</u>
<b>Total assets less current liabilities</b>		5,973	9,146
<b>Creditors: Amounts falling due after more than one year</b>	16	(987)	(3,330)
<b>Net assets</b>		<u>4,986</u>	<u>5,816</u>
<b>Capital and reserves</b>			
Called-up share capital	20	4,288	4,288
Profit and loss reserve	21	<u>698</u>	<u>1,528</u>
<b>Equity shareholders' funds</b>	23	<u>4,986</u>	<u>5,816</u>

The financial statements of Bibby Distribution Services (Holdings) Limited, registered number 2005619, were approved by the board of directors and authorised for issue on 26 April 2012

  
P A Cullingford  
Director

The notes on pages 12 to 30 form an integral part of these financial statements

**Bibby Distribution Services (Holdings) Limited**  
**Notes to the Financial Statements for the Year Ended 31 December 2011**

		2011	2010
	Note	£000	£000
Net cash from operating activities	26	1,620	13,664
Bank interest paid		(573)	(191)
Interest received		<u>2</u>	<u>13</u>
		(571)	(178)
<b>Taxation</b>			
Group relief paid		(1,409)	(2,368)
Corporation tax paid		<u>(263)</u>	<u>-</u>
		(1,672)	(2,368)
<b>Capital Expenditure</b>			
Purchase of tangible fixed assets		(7,740)	(4,520)
Proceeds from sale of tangible fixed assets		<u>1,001</u>	<u>246</u>
		(6,739)	(4,274)
<b>Acquisitions and disposals</b>			
Purchase of subsidiaries		(6,411)	(10,461)
Deferred consideration paid		(981)	-
Cash/(overdraft) acquired with subsidiaries		<u>1,421</u>	<u>(1,952)</u>
		(5,971)	(12,413)
<b>Equity dividends paid</b>		(2,039)	(1,783)
<b>Net outflow before financing</b>		<u>(15,372)</u>	<u>(7,352)</u>
<b>Financing</b>			
Capital element of finance leases		(1,047)	(2,134)
New loans		19,443	-
Issue costs incurred on new loans		(46)	-
Government grant received		<u>417</u>	<u>-</u>
<b>Increase/(Decrease) in cash</b>	27	<u>3,395</u>	<u>(9,486)</u>

## **Bibby Distribution Services (Holdings) Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2011**

#### **1.Accounting policies**

The principal accounting policies are summarised below

##### **Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. They have all been applied consistently throughout the year and the preceding year.

##### **(a) Basis of consolidation**

The consolidated financial statements included the financial statements of the company and its subsidiary undertakings made up to 31 December 2011. The acquisition method of accounting has been adopted. Under this method the results of the subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal. Under section 408 of the Companies Act 2006 the company is exempt from the requirement to present its own profit and loss account. Its profit for the financial year was £1,209,000 (2010 - £2,588,000).

##### **(b) Going concern**

The Group's business activities, together with the factors likely to affect its future performance, are set out in the business review. After making enquiries as set out on page 3 of the Directors' Report, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

##### **(c) Turnover**

Turnover represents the total amount receivable in the ordinary course of business for services provided excluding value added tax. Income is recognised at the time the relevant services are provided by the Group to the customer.

##### **(d) Tangible 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 less of estimated residual value of the asset.

The rates of depreciation are as follows -

Freehold land	Nil
Freehold buildings	2% on straight-line basis
Short leasehold land & buildings	The life of the lease
Vehicles and equipment	Varying rates from 5% - 25%

Property disposals are recognised on legal completion or on exchange of an unconditional contract if earlier. Residual value is based on values prevailing at the date of acquisition.

##### **(e) Intangible fixed assets**

Goodwill arising on consolidation is considered separately for each acquisition. In the case where goodwill is considered to have continuing value it is amortised to nil by equal annual instalments over a period between 5 and 10 years.

##### **(f) Stocks**

Stocks comprise fuel and are stated at the lower of weighted average cost and net realisable value.

##### **(g) Deferred taxation**

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by FRS 19.

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

## **Bibby Distribution Services (Holdings) Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2011**

#### **(h) Current tax**

Current tax, including corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

#### **(i) Investments**

Investments held as fixed assets are stated at cost less any provision for impairment Investments in subsidiary undertakings are stated at cost less amounts written off

#### **(j) Operating leases**

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term

#### **(k) Hire purchase and finance lease contracts**

Assets held under finance leases, which are leases where substantially all the risks and reward of ownership of the asset have passed to the Group, are capitalised in the balance sheet and are depreciated over their useful lives The capital elements of future obligations under the leases are included as liabilities in the balance sheet The interest element of the rental obligation is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital payments outstanding

Assets acquired under finance leases are treated as tangible fixed assets and depreciation is provided accordingly The capital element of future finance payments is included within creditors Finance charges are allocated to accounting periods over the length of the contract

#### **(l) Pensions**

Bibby Distribution Services (Holdings) Limited is a member of the Bibby Line Group Limited Pension Scheme, a defined benefit scheme, but is unable to identify its share of the underlying assets and liabilities of the Scheme on a consistent and reasonable basis therefore, as required by FRS 17 "Retirement Benefits", Bibby Distribution Services (Holdings) Limited continues to account for the Scheme as if it were a defined contribution scheme As a result, the amount charged to the profit and loss account represents the contributions payable to the Scheme in respect of the accounting period Differences between the amounts charged to the profit and loss accounts and the payments made to the scheme are treated as assets or liabilities The disclosures required by FRS 17 have been incorporated in note 29

#### **(m) Related party transactions**

Under FRS 8, the Company has taken advantage of the exemption not to disclose intra group related party transactions with other group companies where 100% of the voting rights are controlled by the ultimate parent undertaking, Bibby Line Group Limited Transactions with group companies that are not 100% subsidiaries of the ultimate parent undertakings are disclosed in note 30

#### **(n) Foreign currencies**

Transactions in foreign currencies are translated at the exchange rate ruling at the date of transaction Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account

#### **(o) Government grants**

Government grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets by equal annual instalments

Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate

#### **(p) Bank borrowings**

Interest bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs

#### **(q) Derivative financial instruments**

The Group uses derivative financial instruments to reduce exposure to interest rate movements The Group does not hold or use derivative financial instruments for speculative purposes Derivatives are not included at fair value in the financial statements but in accordance with the Companies Act 2006 the fair value is disclosed in note 17

**Bibby Distribution Services (Holdings) Limited**  
**Notes to the Financial Statements for the Year Ended 31 December 2011**

**2 Turnover**

All turnover is derived from the group's principal activities

An analysis of turnover by geographical location is given below

	<b>2011</b>	<b>2010</b>
	<b>£ 000</b>	<b>£ 000</b>
UK	242,374	230,217
European	5,272	-
	<u>247,646</u>	<u>230,217</u>

All turnover is derived in the United Kingdom

Results for the current year can be analysed between acquisitions and existing operations as follows

	<b>2011</b>			<b>2010</b>		
	<b>Acquisitions</b>	<b>Existing</b>	<b>Total</b>	<b>Acquisitions</b>	<b>Existing</b>	<b>Total</b>
	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>
Turnover	10,942	236,704	247,646	24,008	206,209	230,217
Cost of sales	<u>(9,496)</u>	<u>(192,171)</u>	<u>(201,667)</u>	<u>(19,976)</u>	<u>(161,418)</u>	<u>(181,394)</u>
<b>Gross Profit</b>	<b>1,446</b>	<b>44,533</b>	<b>45,979</b>	<b>4,032</b>	<b>44,791</b>	<b>48,823</b>
Administrative expenses	(939)	(40,649)	(41,588)	(2,629)	(39,086)	(41,715)
Other operating income	-	87	87	-	115	115
<b>Operating profit</b>	<u><b>507</b></u>	<u><b>3,971</b></u>	<u><b>4,478</b></u>	<u><b>1,403</b></u>	<u><b>5,820</b></u>	<u><b>7,223</b></u>



**Bibby Distribution Services (Holdings) Limited**  
**Notes to the Financial Statements for the Year Ended 31 December 2011**

**3 Other operating income**

	<b>2011</b>	<b>2010</b>
	<b>£ 000</b>	<b>£ 000</b>
Rental income	47	90
Government grants amortisation	40	25
	<u>87</u>	<u>115</u>

**4 Profit on ordinary activities before taxation**

Profit on ordinary activities before taxation is stated after charging/ (crediting)

	<b>2011</b>	<b>2010</b>
	<b>£000   £ 000</b>	<b>£000   £ 000</b>
Hire of plant and machinery – operating leases	6,594	7,040
Hire of other assets – operating leases	7,548	6,626
<b>Auditor's remuneration</b>		
The audit of the company's annual accounts	3	3
The audit of the company's subsidiaries' annual accounts	59	56
Other services	60	-
	<u>122</u>	<u>59</u>
 (Profit)/loss on disposal of fixed assets	 (516)	 55
Depreciation of tangible fixed assets – owned	4,351	2,830
Depreciation of tangible fixed assets – held under finance leases	1,154	934
Impairment of tangible fixed assets	535	-
Amortisation of goodwill	2,467	2,036
Impairment of goodwill	<u>-</u>	<u>217</u>

## **Bibby Distribution Services (Holdings) Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2011**

#### **5 Particulars of employees**

The average number of persons employed by the Group (including directors) during the year, analysed by category, was as follows

	<b>2011</b>	<b>2010</b>
	<b>No.</b>	<b>No.</b>
Warehouse	643	1,005
Drivers and distribution	1,009	1,108
Managerial and administrative	945	804
	<u>2,597</u>	<u>2,917</u>

The aggregate payroll costs of these persons were as follows

	<b>2011</b>	<b>2010</b>
	<b>£ 000</b>	<b>£ 000</b>
Wages and salaries	65,582	67,844
Social security costs	6,300	6,857
Other pension costs (note 29)	870	735
	<u>72,752</u>	<u>75,436</u>

#### **6 Directors' emoluments**

The directors' emoluments for the year were as follows

	<b>2011</b>	<b>2010</b>
	<b>£ 000</b>	<b>£ 000</b>
Directors' remuneration (including benefits in kind)	782	761
Amounts receivable under long term incentive schemes	155	300
	<u>937</u>	<u>1,061</u>

The aggregate emoluments and amounts receivable under long term incentive schemes of the highest paid director was £318,000 (2010 - £347,000)

The number of directors to whom retirement benefit was accruing under a defined benefit schemes during the year was 2 (2010 - 2), although this scheme was closed on 30 September 2011. Payments made to this scheme during the year equalled £41,716 (2010 - £53,748)

Compensation for loss of office of £68,000 was paid to a former director

**Bibby Distribution Services (Holdings) Limited**  
**Notes to the Financial Statements for the Year Ended 31 December 2011**

**7 Interest payable and similar charges**

	<b>2011</b>	<b>2010</b>
	<b>£ 000</b>	<b>£ 000</b>
Interest on bank borrowings	249	57
Loan interest	77	43
Other interest payable	16	10
Finance lease and hire purchase interest	231	81
Amortised issue costs on bank loans	19	-
	<u>592</u>	<u>191</u>

**Bibby Distribution Services (Holdings) Limited**  
**Notes to the Financial Statements for the Year Ended 31 December 2011**

**8 Taxation**

	2011 £ 000	2010 £ 000
<b>Current tax</b>		
Corporation tax charge	1,730	2,239
Adjustment in respect of previous year	(8)	42
UK Corporation tax	<u>1,722</u>	<u>2,281</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	239	638
Deferred tax adjustment relating to previous years	-	(37)
<b>Total deferred tax</b>	<u>239</u>	<u>601</u>
<b>Total tax on profit on ordinary activities</b>	<u>1,961</u>	<u>2,882</u>

**Factors affecting current year tax charge**

The current tax assessed on the profit on ordinary activities for the year is higher than (2010 – higher than) the standard rate of corporation tax in the UK of 26.50% (2010 - 28.00%)

The differences are reconciled below

	2011 £ 000	2010 £ 000
Profit on ordinary activities before taxation	<u>3,888</u>	<u>7,045</u>
Standard rate corporation tax charge	1,030	1,973
Expenses not allowable for tax purposes	642	833
Adjustment in respect of previous year	(8)	42
Fixed asset timing differences	58	(567)
	<u>1,722</u>	<u>2,281</u>

The Finance Act 2011, which was substantively enacted in July 2011, included provisions to reduce the rate of corporation tax to 26% with effect from 1 April 2011 and 25% with effect from 1 April 2012. Accordingly, deferred tax balances have been revalued to the lower rate of 25% in these accounts which has resulted in a debit to the profit & loss account of £64k and a credit to reserves of £64k.

On 21 March 2012, the government announced that it intends to further reduce the rate of corporation tax to 24% with effect from 1 April 2012, 23% from 1 April 2013 and 22% from 1 April 2014. As this legislation was not substantively enacted by 31 December 2011, the impact of the anticipated rate changes have not been reported in these accounts. If the deferred tax assets and liabilities of the group were all to reverse after 1 April 2014, the effect of the future changes from 25% to 22% would be to reduce the net deferred tax asset by £256k. To the extent that the deferred tax reverses more quickly than this the impact on the net deferred tax asset will be reduced.

**Bibby Distribution Services (Holdings) Limited**  
**Notes to the Financial Statements for the Year Ended 31 December 2011**

**9 Dividends on equity shares**

	<b>2011</b>	<b>2010</b>
	<b>£ 000</b>	<b>£ 000</b>
Equity dividend paid	2,039	1,783
48 pence per £1 share (2010 – 42 pence per £1 share)		

**10 Intangible fixed assets**

**Group**

	<b>Goodwill</b>
	<b>£ 000</b>
<b>Cost</b>	
As at 1 January 2011	25,763
Additions (see note 19)	4,449
Cash adjustment to acquisitions cost	(57)
Fair value adjustment to acquisitions made	658
Decrease in costs estimate of deferred consideration	(2,730)
As at 31 December 2011	<u>28,083</u>
<b>Amortisation</b>	
As at 1 January 2011	9,297
Charge for the year	2,467
As at 31 December 2011	<u>11,764</u>
<b>Net book value</b>	
As at 31 December 2011	<u>16,319</u>
As at 31 December 2010	<u>16,466</u>

# **Bibby Distribution Services (Holdings) Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2011**

### **11 Tangible fixed assets** **Group**

	<b>Freehold land and buildings £ 000</b>	<b>Short leasehold land and buildings £ 000</b>	<b>Vehicles and equipment £ 000</b>	<b>Total £ 000</b>
<b>Cost</b>				
As at 1 January 2011	5,155	3,705	29,486	38,346
Additions	3,697	1,174	2,869	7,740
Acquired with subsidiaries	-	265	3,733	3,998
Adjustments to prior year acquisitions	-	-	(114)	(114)
Disposals	-	-	(6,551)	(6,551)
As at 31 December 2011	<u>8,852</u>	<u>5,144</u>	<u>29,423</u>	<u>43,419</u>
<b>Depreciation</b>				
As at 1 January 2011	326	3,310	13,454	17,090
Charge for the year	104	380	5,021	5,505
Impairment	535	-	-	535
Disposals	-	-	(6,066)	(6,066)
As at 31 December 2011	<u>965</u>	<u>3,690</u>	<u>12,409</u>	<u>17,064</u>
<b>Net book value</b>				
As at 31 December 2011	<u>7,887</u>	<u>1,454</u>	<u>17,014</u>	<u>26,355</u>
As at 31 December 2010	<u>4,829</u>	<u>395</u>	<u>16,032</u>	<u>21,256</u>
<b>Net book value of leased assets</b>				
At 31 December 2011	<u>-</u>	<u>-</u>	<u>5,405</u>	<u>5,405</u>
At 31 December 2010	<u>-</u>	<u>-</u>	<u>4,669</u>	<u>4,669</u>

Net book value of freehold land and buildings which is not depreciated is £2,337,000 (2010 - £537,000)

Included within the net book value of tangible fixed assets is £5,404,837 (2010 - £4,669,000) in respect of assets held under finance lease agreements. Depreciation for the year on these assets was £1,153,617 (2010- £933,800)

The Group has a £5,000,000 (2010-£nil) loan secured against freehold land and buildings

There are no tangible fixed assets in the company

**Bibby Distribution Services (Holdings) Limited**  
**Notes to the Financial Statements for the Year Ended 31 December 2011**

**12 Investments held as fixed assets**

The company has investments in the following subsidiary undertakings

Subsidiary undertaking		Principal activity	Class	%	Year ended
Bibby Distribution Limited	United Kingdom	Contract distribution, warehousing and transport	Ordinary	100	31 December
Bibby International Logistics Limited	United Kingdom	Warehouse rental	Ordinary	100	31 December
Direct Workforce Limited	United Kingdom	Recruitment and temporary worker agency	Ordinary	100	31 December
System Group Limited	United Kingdom	Training Services	Ordinary	76	31 December
Taygroup (UK) Holding Limited	United Kingdom	Distribution	Ordinary	100	31 March
Taylor of Martley (Holdings) Limited	United Kingdom	Distribution	Ordinary	100	31 December
Gullivers Transport Limited	United Kingdom	Distribution	Ordinary	100	26 June
Hargreaves Training Services Limited	United Kingdom	Training Services	Ordinary	76	31 December

**Subsidiary undertakings**

Company	Total £ 000
At 1 January 2011	39,805
Reduction in costs	(73)
Impairment review	(788)
Adjustment to deferred consideration	(2,730)
As at 31 December 2011	<u>36,214</u>

On 29 July 2011 the company acquired the entire ordinary share capital of Gulliver's Transport Limited (See note 19 for further information)

**13 Stocks**

	Group		Company	
	2011	2010	2011	2010
	£ 000	£ 000	£ 000	£ 000
Consumables	<u>1,072</u>	<u>790</u>	<u>-</u>	<u>-</u>

There is no material difference between the balance sheet value of stock and its replacement cost

# **Bibby Distribution Services (Holdings) Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2011**

### **14 Debtors and deferred tax**

	<b>Group</b>		<b>Company</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>
Trade debtors	37,774	33,789	-	-
Other debtors	642	3,032	-	-
Deferred tax	1,307	1,851	-	-
Prepayments and accrued income	7,277	3,833	-	-
Amounts owed by group undertakings	191	-	-	-
	<u>47,191</u>	<u>42,505</u>	<u>-</u>	<u>-</u>

The deferred tax asset is made up as follows

	<b>2011</b>	<b>2010</b>
	<b>£ 000</b>	<b>£ 000</b>
Fixed asset timing differences	<u>1,307</u>	<u>1,851</u>

The movement in the deferred tax asset in the year is as follows

	<b>£ 000</b>
Balance as at 1 January 2011	1,851
Amount transferred on acquisition (note 19)	(305)
Amount charged to Profit & Loss in year (note 8)	(239)
Balance as at 31 December 2011	<u>1,307</u>

A deferred tax asset has been recognised based on the directors' estimate of the future profitability of the relevant group companies between 2012 and 2014. This indicates that the asset can reasonably be expected to be recovered over that timeframe.

### **15 Creditors: Amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>
Bank loans and overdrafts	122	2,378	-	-
Obligations under finance leases and hire purchase contracts	2,201	1,932	-	-
Trade creditors	18,103	10,802	-	-
Deferred consideration	2,272	1,486	-	500
Amounts owed to group undertakings	160	56	30,241	30,159
Corporation tax	1,609	1,705	-	-
Taxation and social security	1,522	5,569	-	-
Other creditors	803	1,821	-	-
Accruals and deferred income	12,445	21,129	-	-
Government Grants	56	-	-	-
	<u>39,293</u>	<u>46,878</u>	<u>30,241</u>	<u>30,659</u>



**Bibby Distribution Services (Holdings) Limited**  
**Notes to the Financial Statements for the Year Ended 31 December 2011**

**16 Creditors: Amounts falling due after more than one year**

	<b>Group</b>		<b>Company</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>
Bank loans and overdrafts	19,294	-	-	-
Obligations under finance leases and hire purchase contracts	2,434	2,059	-	-
Deferred consideration	3,137	4,979	987	3,330
Government grants	479	158	-	-
	<u>25,344</u>	<u>7,196</u>	<u>987</u>	<u>3,330</u>

**17 Maturity of borrowings**

a) The bank loans can be analysed as follows

	<b>2011</b>	<b>2010</b>
	<b>£ 000</b>	<b>£ 000</b>
Bank overdraft	-	2,378
Term loan	4,939	-
Receivable finance agreement	14,504	-
Less issue costs	(27)	-
	<u>19,416</u>	<u>2,378</u>

b) The bank loan has a fixed rate of interest at 1.78% plus a 2% margin, it was taken out in the current year and is repayable in equal quarterly intervals starting in October 2012. It is secured against freehold property.

The receivable finance agreement taken out in the year has an interest rate that varies in line with UK LIBOR rates and is secured against the trade debtors of the group, this agreement is in place until 2013 when it will be reviewed by both parties.

**INTEREST RATE SWAP CONTRACT**

During the year the group took out an interest rate swap contract on the £4,939,000 term loan which matures on 1 August 2017 in line with the expected maturity of the term loan. At 31 December 2011 the contract had a fair value of £176,000 liability. The fair value was calculated based on mid-market values at 31 December 2011. The swap was taken out in order to manage exposure to rate movements on bank borrowings.

# **Bibby Distribution Services (Holdings) Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2011**

### **Group**

#### **Amounts repayable**

	<b>Bank loans and overdrafts</b>	<b>Obligations under finance leases and HP contracts</b>	<b>Total</b>
	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>
<b>As at 31 December 2011</b>			
In one year or less on demand	122	2,201	2,323
Between one and two years	15,900	2,434	18,334
Between two and five years	3,394	-	3,394
	<u>19,416</u>	<u>4,635</u>	<u>24,051</u>
<b>As at 31 December 2010</b>			
In one year or less on demand	2,378	1,932	4,310
Between one and two years	-	2,059	2,059
	<u>2,378</u>	<u>3,991</u>	<u>6,369</u>

### **18 Provisions for liabilities**

<b>Vacant property provision</b>	<b>£ 000</b>
At 1 January 2011	2,699
Utilised during the year	(342)
Provided during the year	828
Balance as at 31 December 2011	<u>3,185</u>

## **Bibby Distribution Services (Holdings) Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2011**

#### **19 Acquisitions**

On 29 July 2011 the entire ordinary share capital of Gulliver's Transport Limited (Trading as Atchison Topeka) was acquired by a subsidiary company

The following table sets out the book values of the identifiable assets and liabilities acquired which is the same as their fair value to the group

	<b>£ 000</b>
<b>Tangible fixed assets</b>	<b>3,998</b>
<b>Current assets</b>	
Stocks	66
Debtors	5,799
Cash at bank and in hand	1,421
<b>Creditors</b>	
Deferred taxation	(305)
Trade creditors	(2,873)
Other creditors	(1,012)
Amounts due under finance leases and hire purchase agreements less than one year	(499)
Accruals and deferred income	(786)
Amounts due under finance leases and hire purchase agreements greater than one year	(1,192)
<b>Net assets</b>	<u>4,617</u>
 Goodwill	 4,449
	<u>9,066</u>
 <b>Details of consideration:</b>	
Cash and acquisition costs	6,411
Deferred consideration	2,655
	<u>9,066</u>

Gulliver's Transport Limited has a year end of 29 June 2011. The business earned a profit after taxation and minority interests of £1,092,802 for the period ended 31 December 2011, of which £30,008 arose in the period from 29 June 2011 to 29 July 2011.

# **Bibby Distribution Services (Holdings) Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2011**

### **19 Acquisitions (continued)**

The summarised profit and loss account the period from the first day of the company's financial year to the date of acquisition, shown on the basis of the accounting policies of Gulliver's Transport Limited prior to acquisition, is as follows:

	<b>£ 000</b>
<b>Turnover</b>	2,498
Cost of sales	<u>(2,176)</u>
<b>Gross Profit</b>	322
Other operating expenses	<u>(292)</u>
<b>Operating profit</b>	30
<b>Profit on ordinary activities before taxation</b>	30
Tax on profit on ordinary activities	(8)
<b>Profit on ordinary activities after taxation</b>	<u><u>22</u></u>

### **20 Called-up share capital**

	<b>2011 £ 000</b>	<b>2010 £ 000</b>
<b>Allotted, called-up and fully paid</b>		
4,288,000 Ordinary shares of £1 each	<u>4,288</u>	<u>4,288</u>

### **21 Reserves**

#### **Group**

	<b>Profit and loss reserve £ 000</b>
Balance at 1 January 2011	20,129
Transfer from profit and loss account for the year	2,137
Dividends	<u>(2,039)</u>
Balance at 31 December 2011	<u><u>20,227</u></u>

#### **Company**

	<b>Profit and loss reserve £ 000</b>
Balance at 1 January 2011	1,528
Transfer from profit and loss account for the year	1,209
Dividends	<u>(2,039)</u>
Balance at 31 December 2011	<u><u>698</u></u>

# **Bibby Distribution Services (Holdings) Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2011**

### **22 Minority interests**

	<b>2011</b>	<b>2010</b>
	<b>£ 000</b>	<b>£ 000</b>
Balance at 1 January	365	747
Retained (loss)/profit for the year	(210)	84
Disposal of subsidiary undertaking	-	(466)
Balance at 31 December	<u>155</u>	<u>365</u>
Equity	155	365
Non-equity	<u>-</u>	<u>-</u>
	<u>155</u>	<u>365</u>

### **23 Reconciliation of movements in shareholders' funds**

	<b>Group</b>		<b>Company</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>
Profit attributable to members of the group/company	2,137	4,079	1,209	2,588
Dividends paid	<u>(2,039)</u>	<u>(1,783)</u>	<u>(2,039)</u>	<u>(1,783)</u>
Net movement in shareholders' funds	98	2,296	(830)	805
Opening shareholders' funds	24,417	22,121	5,816	5,011
Closing shareholders' funds	<u>24,515</u>	<u>24,417</u>	<u>4,986</u>	<u>5,816</u>

### **24 Capital commitments**

Expenditure contracted for but not provided in the financial statements

	<b>2011</b>	<b>2010</b>
	<b>£ 000</b>	<b>£ 000</b>
Capital commitments	<u>1,345</u>	<u>2,879</u>

# **Bibby Distribution Services (Holdings) Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2011**

### **25 Operating lease commitments**

#### **Group**

At the year end the group had annual commitments under non-cancellable operating leases which expire as follows

	<b>Other</b>		<b>Land and buildings</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>
Within one year	1,491	980	994	474
Between two and five years	4,684	4,672	3,895	4,128
After five years	1,712	154	2,058	1,712
	<u>7,887</u>	<u>5,806</u>	<u>6,947</u>	<u>6,314</u>

### **26 Reconciliation of operating profit to cash inflow from operating activities**

	<b>2011</b>		<b>2010</b>	
	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>
Operating profit		4,478		7,223
Depreciation		5,505		3,764
Impairment of fixed assets		535		-
Loss/(profit) on sale of fixed assets		(516)		55
Amortisation of goodwill		2,467		2,036
Impairment of goodwill		-		217
Government grant amortisation		(40)		-
Movement in vacant property provision		486		1,161
Working capital movements				
(Increase) in stocks	(216)		(324)	
(Increase) in debtors	(569)		(4,757)	
(Decrease)/Increase in creditors	(10,510)		4,289	
		<u>(11,295)</u>		<u>(792)</u>
Net cash inflow from operating activities		<u>1,620</u>		<u>13,664</u>

**Bibby Distribution Services (Holdings) Limited**  
**Notes to the Financial Statements for the Year Ended 31 December 2011**

**27 Reconciliation of net cash flow to movement in net funds (debt)**

	2011 £ 000	2010 £ 000
Movement in cash in the year	1,974	(7,534)
Net cash balances acquired with subsidiaries	1,421	(1,952)
	<u>3,395</u>	<u>(9,486)</u>
Movement in lease financing and debt	(18,369)	2,134
Net debt acquired with subsidiaries	(1,691)	(6,125)
	<u>(16,665)</u>	<u>(13,477)</u>
Movement in net debt in year	(16,665)	(13,477)
Net (debt)/funds at 1 January	(5,831)	7,646
	<u>(5,831)</u>	<u>7,646</u>
<b>Net (debt) at 31 December</b>	<b>(22,496)</b>	<b>(5,831)</b>

Subsidiary undertakings acquired in the year contributed £166,000 the Group's net operating cash flows, paid £264,000 in respect of net returns on investment and servicing of finance, paid £nil in respect of taxation and utilised £697,000 for capital expenditure

**28 Analysis of net debt**

	1 January 2011 £ 000	Cash flows £ 000	Acquisitions £ 000	At 31 Dec 2011 £ 000
Cash at bank and in hand	538	(404)	1,421	1,555
Bank overdrafts	(2,378)	2,378	-	-
	<u>(1,840)</u>	<u>1,974</u>	<u>1,421</u>	<u>1,555</u>
Bank loans	-	(19,416)	-	(19,416)
Finance leases	(3,991)	1,047	(1,691)	(4,635)
	<u>(5,831)</u>	<u>(16,395)</u>	<u>(270)</u>	<u>(22,496)</u>
<b>Total</b>	<b>(5,831)</b>	<b>(16,395)</b>	<b>(270)</b>	<b>(22,496)</b>

**29 Pension costs**

The Group participates in the Bibby Line Group Pension Scheme (the "Scheme"), a defined benefit pension scheme. The assets of the Scheme are held separately from those of the sponsoring and participating employers and are invested with an insurance company. The Scheme was closed to new entrants from 1 April 2000 and to future accrual for existing members from 30 September 2011. The Group is unable to identify its share of the underlying assets and liabilities of the Scheme as a significant number of members who are deferred or pensioners within the Scheme relate to businesses that are no longer part of the Group. The contributions made by the Group over the financial year to this Scheme have been £261,591 (2010 - £376,681), equivalent to 18.4% (2010 - 18.4%) of pensionable pay.

## **Bibby Distribution Services (Holdings) Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2011**

#### **29 Pension costs (continued)**

Since 1 April 2000, the Group has participated in a defined contribution scheme for new employees, currently the Bibby Line Group Personal Pension Plan ("the Plan"), which is a defined contribution scheme for new employees. The contributions made by the Group over the financial year to the Plan have been £247,473 (2010 - £358,319).

The Group has also made contributions of £194,626 (2010 - £72,476) to private money purchase pension schemes.

#### **FRS17 Disclosures**

As noted above and under accounting policies (see note 1) the Group participates in the Scheme. As part of the information disclosed under FRS17 in the ultimate holding company's accounts, a net deficit of £12,128,000 (2010 - £10,020,000) is noted. Further information on the Scheme can be found in the financial statements of the ultimate parent company.

#### **30 Related Party Transactions**

During the year Direct Workforce Limited made sales to System Group Limited a fellow subsidiary of Bibby Distribution Services (Holdings) Limited to the value of £19,175 (2010 £11,526). At the balance sheet date the amount owed by System Group Limited to Direct Workforce was £19,175. Bibby Distribution Limited made sales to System Group Limited to the value of £470,428 (2010 - £149,631). At the balance sheet date the amount owed by System Group to Bibby Distribution Limited was £1,566,903 (2010 - £1,192,193).

#### **31 Post balance sheet events**

A dividend of £200,000 was paid to Bibby Line Group Limited on the 3rd of January 2012.

#### **32 Ultimate controlling party**

The Company is a wholly owned subsidiary undertaking of Bibby Line Group Limited, the ultimate controlling party and the ultimate parent undertaking, a company incorporated in the United Kingdom. Group accounts may be obtained from 105 Duke Street, Liverpool, L1 5JQ.

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