

**SIGNED**

**BIBBY DISTRIBUTION SERVICES  
(HOLDINGS) LIMITED**

**DIRECTORS' REPORT AND  
FINANCIAL STATEMENTS**

**YEAR ENDED  
31 DECEMBER 2000**



REGISTERED NUMBER: 2005619

**BIBBY DISTRIBUTION SERVICES (HOLDINGS) LIMITED**

**DIRECTORS**

M J Bibby	Chairman
T de Pencier	Managing Director
P A Cullingford	
I A Speak	
C D Suddes	
J Haymer	
M S Howard	(appointed 1 February 2000)

**BANKERS**

Bank of Scotland  
PO Box No 5  
The Mound  
Edinburgh  
EH1 1YZ

**AUDITORS**

PricewaterhouseCoopers  
8 Princes Parade  
St Nicholas Place  
Liverpool  
L3 1QJ

**SECRETARY**

Bibby Bros. & Co. (Management) Limited

**REGISTERED OFFICE**

105 Duke Street  
Liverpool  
L1 5JQ

**BIBBY DISTRIBUTION SERVICES (HOLDINGS) LIMITED**

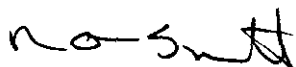
**NOTICE OF MEETING**

Notice is hereby given that the Annual General Meeting of the Company will be held on 14 May 2001 at 105, Duke Street, Liverpool for the following purposes :

- To approve the Directors' Report and Accounts for the year ended 31 December 2000.
- To re-elect Directors.
- To re-appoint PricewaterhouseCoopers as auditors of the Company for the ensuing year.
- To transact any other 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

105 Duke Street  
Liverpool  
L1 5JQ

2 April 2001

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

### **DIRECTORS' REPORT**

The Directors present their report together with the audited accounts for the year ended 31 December 2000.

### **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.

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 RESULT**

The results for the year are set out in the profit and loss account on page 6.

The Directors recommend that no dividend be paid (1999 - 68p per Ordinary Share). The transfer of the consolidated profit for the year to reserves is set out in Note 19.

### **CAPITAL RECONSTRUCTION**

The Group initiated in 1998 a reorganisation of its share capital and reserves in order to simplify the Group structure. This reorganisation progressed during 1999 and 2000 and was completed on 1st January 2001.

The procedures for the above included :-

- Approval by the Court to ensure that the reconstruction will not have any adverse effect on any actual creditors of the Company.
- Transfer of the trades and identified assets and liabilities of the Company's Subsidiary Undertakings to a newly incorporated company.
- Elimination of the deficit on distributable reserves of the Holding Company by reduction in share capital and payment of dividends from Subsidiary Undertakings.

### **DIRECTORS AND DIRECTORS' INTERESTS**

The Directors of the Company during the year were:

T de Pencier  
P A Cullingford  
I A Speak  
C D Suddes  
M J Bibby  
J Haymer  
M S Howard (appointed 1 February 2000)

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

The interests of Mr M J Bibby and Mr J Haymer in the shares of Bibby Line Group Limited are disclosed in the Directors' Report of that company. None of the other directors had any interests.

**BIBBY DISTRIBUTION SERVICES (HOLDINGS) LIMITED**

**DIRECTORS' REPORT (Continued)**

**STATEMENT OF 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 of the profit or loss of the Company 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**FIXED ASSETS**

Information relating to changes in fixed assets during the year is given in Note 9 to the accounts.

**EMPLOYEE INVOLVEMENT**

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

The Group maintains a policy to consider workers for all suitable employment vacancies and to give appropriate training assistance necessary to introduce such workers to their jobs and to develop their skills and capabilities.

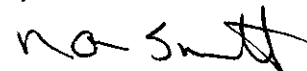
If any employee becomes disabled whilst employed by the Group, every effort is made to find suitable continuing employment, with re-training as necessary.

The Group has maintained a policy of providing, wherever possible, the same employment opportunities to disabled persons as to others.

**AUDITORS**

PricewaterhouseCoopers have expressed their willingness to continue in office as Auditors and a resolution proposing their re-appointment will be submitted at the Annual General Meeting.

By order of the Board.



Bibby Bros. & Co. (Management) Limited  
Secretary  
105 Duke Street  
Liverpool  
L1 5JQ

2 April 2001

## AUDITORS' REPORT TO THE MEMBERS OF BIBBY DISTRIBUTION SERVICES (HOLDINGS) LIMITED

We have audited the financial statements on pages 6 to 16.

### Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 4, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the United Kingdom Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

### Basis of audit 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 circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### 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 2000 and of the profit of the Company and the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers  
Chartered Accountants and Registered Auditors  
Liverpool

2 April 2001

**BIBBY DISTRIBUTION SERVICES (HOLDINGS) LIMITED**

**PROFIT AND LOSS ACCOUNT  
YEAR ENDED 31 DECEMBER 2000**

	Note	Company		Group	
		2000 £'000	1999 £'000	2000 £'000	1999 £'000
<b>TURNOVER</b>	2	<b>237</b>	<b>447</b>	<b>86,505</b>	<b>72,687</b>
Cost of sales		-	-	(71,295)	(59,869)
<b>GROSS PROFIT</b>		<b>237</b>	<b>447</b>	<b>15,210</b>	<b>12,818</b>
Administrative expenses		-	(10)	(12,793)	(10,700)
<b>OPERATING PROFIT</b>		<b>237</b>	<b>437</b>	<b>2,417</b>	<b>2,118</b>
Interest payable and similar charges	5	(237)	(437)	(984)	(770)
Interest receivable		-	-	75	60
Dividend income from group undertakings		-	2,719	-	-
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	6	<b>-</b>	<b>2,719</b>	<b>1,508</b>	<b>1,408</b>
Taxation	7	-	-	(186)	153
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>-</b>	<b>2,719</b>	<b>1,322</b>	<b>1,561</b>
Dividend proposed	8	-	(2,719)	-	(2,719)
<b>RETAINED PROFIT/(LOSS) FOR THE YEAR</b>	19	<b>-</b>	<b>-</b>	<b>1,322</b>	<b>(1,158)</b>

The notes on pages 8 to 16 form an integral part of these accounts.

There are no recognised gains or losses in 2000 or 1999 other than the result for the year.

The turnover and profit on ordinary activities all derive from continuing activities which are unchanged from the previous year.

**BIBBY DISTRIBUTION SERVICES (HOLDINGS) LIMITED**

**BALANCE SHEET AS AT 31 DECEMBER 2000**

	Note	Company		Group	
		2000	1999	2000	1999
		£'000	£'000	£'000	£'000
<b>FIXED ASSETS</b>					
Tangible assets	9	-	-	18,782	17,356
Investment in subsidiary undertakings	10	27,081	23,901	-	-
Intangible assets	11	-	-	2,202	187
		<u>27,081</u>	<u>23,901</u>	<u>20,984</u>	<u>17,543</u>
<b>CURRENT ASSETS</b>					
Stocks	12	-	-	300	253
Debtors	13	4,678	6,572	16,820	12,998
Cash at bank and in hand		-	-	8	7,791
		<u>4,678</u>	<u>6,572</u>	<u>17,128</u>	<u>21,042</u>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	14	<u>(25,931)</u>	<u>(23,609)</u>	<u>(15,508)</u>	<u>(14,773)</u>
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		<u>(21,253)</u>	<u>(17,037)</u>	<u>1,620</u>	<u>6,269</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>5,828</u>	<u>6,864</u>	<u>22,604</u>	<u>23,812</u>
<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>					
	15	1,540	2,576	8,542	10,937
<b>PROVISION FOR LIABILITIES AND CHARGES</b>	17	-	-	434	569
		<u>1,540</u>	<u>2,576</u>	<u>8,976</u>	<u>11,506</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	18	4,288	4,288	4,288	4,288
Profit and loss account	19	-	-	9,340	8,018
<b>SHAREHOLDERS' FUNDS</b>					
Equity		4,000	4,000	13,340	12,018
Non-equity		288	288	288	288
Total	20	<u>4,288</u>	<u>4,288</u>	<u>13,628</u>	<u>12,306</u>
		<u>5,828</u>	<u>6,864</u>	<u>22,604</u>	<u>23,812</u>

The notes on pages 8 to 16 form an integral part of these accounts.

APPROVED BY THE BOARD ON 2 April 2001

  
**P A CULLINGFORD**  
 DIRECTOR



**BIBBY DISTRIBUTION SERVICES (HOLDINGS) LIMITED**

**NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 2000**

**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 2000 of the parent company and its subsidiaries.

**(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:-

Freehold land and buildings	Varying rates from 2% - 10%
Leasehold land and buildings:-	
Long	2%
Short	The life of the lease
Vehicles & Equipment	Varying rates from 10% - 25%

**(c) Leased assets - vehicles and equipment**

**(i) Assets held under hire purchase agreements and finance leases**

The capital element of hire purchase obligations is treated as a separate category within fixed assets. The outstanding commitment to repay these sums is shown separately within creditors in notes 14 and 15.

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 on a straight line basis over the lease term.

**(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 average cost and 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.

**BIBBY DISTRIBUTION SERVICES (HOLDINGS) LIMITED**

**NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 2000 (continued)**

**1 ACCOUNTING POLICIES (Continued)**

**(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 through the profit and loss account.

**(i) Cash flows**

A statement of Group cash flows has been included in the consolidated accounts presented by the ultimate parent undertaking. Accordingly, no statement is presented in these accounts.

**(j) Related party transactions**

Under Financial Reporting Standard 8, the Company is exempt from disclosing inter group related party transactions, as more than 90% of the voting rights are controlled by the ultimate parent undertaking, Bibby Line Group Limited.

**2 SEGMENTAL INFORMATION**

The Directors are of the opinion that there is only one business, that of contract distribution, warehousing and transport. All turnover is derived in the United Kingdom.

**3 EMOLUMENTS OF DIRECTORS**

	2000 £'000	1999 £'000
Directors' emoluments	<u>557</u>	<u>493</u>
Highest paid director (including pension contributions)	<u>155</u>	<u>128</u>
The accrued pensions benefits of the highest paid Director were as follows :-		
Accrued pension	<u>2</u>	<u>2</u>
Accrued lump sum	<u>4</u>	<u>4</u>

The number of Directors to whom retirement benefits were accruing under defined benefit pension schemes during the year was 5 (1999 - 5).

**BIBBY DISTRIBUTION SERVICES (HOLDINGS) LIMITED**

**NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 2000 (continued)**

**4 EMPLOYEES**

	Company		Group	
	2000	1999	2000	1999
	£'000	£'000	£'000	£'000
<b>Staff costs</b>				
Wages and salaries	-	-	25,900	22,931
Social security costs	-	-	2,269	1,838
Pension costs	-	-	607	610
	<u>-</u>	<u>-</u>	<u>28,776</u>	<u>25,379</u>

The average number of persons employed by the Group throughout the period was 1,524 (1999 - 1,335).

**5 INTEREST PAYABLE AND SIMILAR CHARGES**

	Company		Group	
	2000	1999	2000	1999
	£'000	£'000	£'000	£'000
Interest payable on bank borrowings repayable within five years	237	437	937	687
Finance charges payable on finance leases and HP agreements	-	-	47	83
	<u>237</u>	<u>437</u>	<u>984</u>	<u>770</u>

**6 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

	Company		Group	
	2000	1999	2000	1999
	£'000	£'000	£'000	£'000
Profit on ordinary activities before taxation is stated after charging/(crediting):				
Depreciation of owned assets	-	-	3,687	3,233
Depreciation of assets held under finance leases	-	-	419	534
(Profit)/loss on disposal of fixed assets	-	-	(144)	54
Amortisation of goodwill	-	-	249	47
Auditors' remuneration	-	-	27	28
- audit fee	-	-	20	38
- other fees	-	-	-	-
Hire of plant and machinery	-	-	1,919	1,199
Rental paid under operating leases	-	-	-	-
- land and buildings	-	-	4,964	5,036
- other	-	-	1,252	904
	<u>-</u>	<u>-</u>	<u>1,252</u>	<u>904</u>

**7 TAXATION ON PROFIT ON ORDINARY ACTIVITIES**

	Company		Group	
	2000	1999	2000	1999
	£'000	£'000	£'000	£'000
Taxation (charge)/credit based on the profit for the year at 30% (1999 - 30.25%)				
Group relief receivable	-	-	-	110
- current period	-	-	-	206
- prior period	-	-	-	316
Deferred taxation - charge for current period at 30% (1999 - 30%) (Note 13)	-	-	(186)	(163)
	<u>-</u>	<u>-</u>	<u>(186)</u>	<u>153</u>

**BIBBY DISTRIBUTION SERVICES (HOLDINGS) LIMITED**

**NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 2000 (continued)**

**8 DIVIDEND PROPOSED**

	Company		Group	
	2000	1999	2000	1999
	£'000	£'000	£'000	£'000
Equity dividend on ordinary shares :				
Proposed final £Nil (1999 - 68p)	-	2,719	-	2,719

**9 TANGIBLE FIXED ASSETS**

**GROUP**

	Freehold land and buildings	Short leasehold land and buildings	Vehicles & equipment		Total
	£'000	£'000	Owned £'000	Leased £'000	£'000
<b>Cost</b>					
At 31 December 1999	1,575	3,501	21,165	3,228	29,469
Additions	-	209	6,005	-	6,214
Acquisitions	750	-	523	-	1,273
Disposals	(1,575)	-	(3,284)	-	(4,859)
<b>At 31 December 2000</b>	<b>750</b>	<b>3,710</b>	<b>24,409</b>	<b>3,228</b>	<b>32,097</b>
<b>Depreciation</b>					
At 31 December 1999	61	1,337	8,212	2,503	12,113
Charge for year	53	348	3,286	419	4,106
Disposals	(102)	-	(2,802)	-	(2,904)
<b>At 31 December 2000</b>	<b>12</b>	<b>1,685</b>	<b>8,696</b>	<b>2,922</b>	<b>13,315</b>
<b>Net book amount</b>					
<b>At 31 December 2000</b>	<b>738</b>	<b>2,025</b>	<b>15,713</b>	<b>306</b>	<b>18,782</b>
At 31 December 1999	1,514	2,164	12,953	725	17,356

**BIBBY DISTRIBUTION SERVICES (HOLDINGS) LIMITED**

**NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 2000 (continued)**

**10 INVESTMENTS IN 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
Triplow Logistics Limited	100
The Red Pallet Company Limited	100
Route One (Distribution) Limited (acquired on 14 January 2000)	100
<b>Investments in subsidiary undertakings</b>	<b>£'000</b>
At 31 December 1999	23,901
Acquisitions in the year (Note 23)	3,180
<b>At 31 December 2000</b>	<b>27,081</b>

All subsidiary undertakings are incorporated and operate in the United Kingdom and operate in the contract distribution, warehousing and transport sector, except for Nisaway Limited, Alexandra-Molyneux Haulage Limited, Bibby Distribution (Avonmouth) Limited, Triplow Logistics Limited and The Red Pallet Company Limited, which are dormant.

**11 INTANGIBLE ASSETS**

Goodwill  
£'000

**Cost**

At 31 December 1999	469
Acquisitions in the year (Note 23)	2,264
<b>At 31 December 2000</b>	<b>2,733</b>

**Amortisation**

At 31 December 1999	282
Provision for the year	249
<b>At 31 December 2000</b>	<b>531</b>

**Net book amount**

<b>At 31 December 2000</b>	<b>2,202</b>
At 31 December 1999	187

**12 STOCKS**

	Company		Group	
	2000	1999	2000	1999
	£'000	£'000	£'000	£'000
Consumables	-	-	300	253

**13 DEBTORS**

	Company		Group	
	2000	1999	2000	1999
	£'000	£'000	£'000	£'000
Trade debtors	-	-	12,333	7,923
Amounts owed by group undertakings	4,528	6,572	1,882	1,524
Other debtors	150	-	320	1,454
Prepayments and accrued income	-	-	2,181	1,807
Deferred tax	-	-	104	290
	<b>4,678</b>	<b>6,572</b>	<b>16,820</b>	<b>12,998</b>

All of the deferred taxation asset relates to accelerated capital allowances.

**BIBBY DISTRIBUTION SERVICES (HOLDINGS) LIMITED**

**NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 2000 (continued)**

**14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Note	Company		Group	
		2000 £'000	1999 £'000	2000 £'000	1999 £'000
Bank loans	16	1,116	1,150	3,146	2,930
Bank overdraft		-	-	164	-
Obligations under finance leases	16	-	-	105	525
Hire purchase agreements	16	-	-	193	101
Trade creditors		-	-	7,361	7,136
Other creditors		-	-	766	694
Amounts owed to group undertakings		24,815	22,459	-	-
Other taxation and social security		-	-	737	1,106
Accruals and deferred income		-	-	3,036	2,281
		<u>25,931</u>	<u>23,609</u>	<u>15,508</u>	<u>14,773</u>

**15 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	Note	Company		Group	
		2000 £'000	1999 £'000	2000 £'000	1999 £'000
Bank loans	16	1,540	2,576	8,294	10,610
Obligations under finance leases	16	-	-	144	261
Hire purchase agreements	16	-	-	104	66
		<u>1,540</u>	<u>2,576</u>	<u>8,542</u>	<u>10,937</u>

**16 OBLIGATIONS UNDER BANK LOANS, FINANCE LEASES AND HIRE PURCHASE AGREEMENTS**

	Company		Group	
	2000 £'000	1999 £'000	2000 £'000	1999 £'000
<b>Obligations under bank loans are repayable as follows:</b>				
Within one year	1,116	1,150	3,146	2,930
Between one and two years	1,540	1,107	3,570	2,888
Between two and five years	-	1,469	4,724	7,722
	<u>2,656</u>	<u>3,726</u>	<u>11,440</u>	<u>13,540</u>
<b>Obligations under finance leases are repayable as follows:</b>				
Within one year	-	-	105	525
Between one and two years	-	-	101	94
Between two and five years	-	-	43	167
	<u>-</u>	<u>-</u>	<u>249</u>	<u>786</u>
<b>Hire purchase obligations are repayable as follows:</b>				
Within one year	-	-	193	101
Between one and two years	-	-	86	66
Between two and five years	-	-	18	-
	<u>-</u>	<u>-</u>	<u>297</u>	<u>167</u>

The bank loans are secured by statutory mortgages on the assets of the company and by guarantee of group undertakings. The loans carry interest rates that vary with LIBOR.

**BIBBY DISTRIBUTION SERVICES (HOLDINGS) LIMITED**

**NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 2000 (continued)**

**17 PROVISION FOR LIABILITIES AND CHARGES**

	Vacant property provisions £'000
At 1 January 2000	569
Utilised during the year	(583)
Provided during the year	448
At 31 December 2000	<u>434</u>

**18 CALLED UP SHARE CAPITAL**

	Authorised		Allotted, called up and fully paid	
	2000 £'000	1999 £'000	2000 £'000	1999 £'000
Ordinary shares of £1 each	4,000	4,000	4,000	4,000
Redeemable preference shares of £1 each	288	288	288	288
	<u>4,288</u>	<u>4,288</u>	<u>4,288</u>	<u>4,288</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.
- (d) Redeemable at any time at the option of the shareholders or the Company at par value.

**19 RESERVES**

Profit & loss	Company 2000 £'000	Group 2000 £'000
At 1 January 2000	-	8,018
Profit for the year	-	1,322
At 31 December 2000	<u>-</u>	<u>9,340</u>

**20 MOVEMENTS IN SHAREHOLDERS' FUNDS**

	Company		Group	
	2000 £'000	1999 £'000	2000 £'000	1999 £'000
Profit/(loss) retained for the financial year	-	-	1,322	(1,158)
Net movement in shareholders' funds	<u>-</u>	<u>-</u>	<u>1,322</u>	<u>(1,158)</u>
Opening shareholders' funds	4,288	4,288	12,306	13,464
Closing shareholders' funds	<u>4,288</u>	<u>4,288</u>	<u>13,628</u>	<u>12,306</u>

**BIBBY DISTRIBUTION SERVICES (HOLDINGS) LIMITED**

**NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 2000 (continued)**

**21 OPERATING LEASE COMMITMENTS**

**GROUP**

	<b>2000</b>		<b>1999</b>	
	<b>Property</b>	<b>Other</b>	<b>Property</b>	<b>Other</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
The Company has the following annual commitments under operating leases which expire:				
Within one year	67	77	-	38
Between two and five years	620	1,346	554	1,050
After five years	4,496	-	4,119	-
	<b>5,183</b>	<b>1,423</b>	<b>4,673</b>	<b>1,088</b>

**22 CAPITAL COMMITMENTS**

	<b>Company</b>		<b>Group</b>	
	<b>2000</b>	<b>1999</b>	<b>2000</b>	<b>1999</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Capital expenditure contracted for but not provided for in the accounts	-	-	<b>2,902</b>	<b>1,992</b>

**23 ACQUISITIONS**

On 14 January 2000 the Group acquired 100% of Route One (Distribution) Limited.

The fair value of assets acquired, which does not differ materially from the net book value, is set out below :

	<b>£'000</b>	
Tangible fixed assets		1,252
Current assets :		
Stock	6	
Debtors	632	
Cash at bank and in hand	144	782
Total assets		2,034
Creditors		(863)
		1,171
Goodwill		2,009
Net assets acquired		3,180
Satisfied by :		
Acquisition expenses		59
Cash		3,121
		3,180

The profit after tax of Route One (Distribution) Limited for the ten months ended 14 January 2000 was £87,891.

On 30 June 2000 the Group acquired the business and selected assets of Mike Birch Transport Limited.

Tangible fixed assets	21
Goodwill	255
Net assets acquired	276
Satisfied by :	
Acquisition expenses	5
Cash	271
	276



**BIBBY DISTRIBUTION SERVICES (HOLDINGS) LIMITED**

**NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 2000 (continued)**

**24 PENSION COSTS**

Bibby Line Group Limited operates a defined benefit pension scheme for its employees.

Further information is given in the accounts of Bibby Line Group Limited.

The pension charge for the year is given in Note 4.

**25 ULTIMATE PARENT UNDERTAKING**

The Company is a wholly owned subsidiary undertaking 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, 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.

**26 CONTINGENT LIABILITIES**

The bank loans and overdrafts of the Company and its subsidiary undertakings are secured by a first fixed and floating charge on the undertaking of the Company and its fellow subsidiary undertakings, by cross guarantees given by those companies and a parent company guarantee. A ranking agreement has also been entered into covering the Bank of Scotland, Bibby Distribution Services Limited, Bibby Distribution Limited, Bondelivery Limited, Bibby Logistics Limited and the parent undertaking regulating the respective ranking of the debenture granted in favour of the Bank of Scotland.

As at 31 December 2000 the contingent liability of the Company thus arising is £8,948,000 (1999 - £2,023,000).