

**BIBBY DISTRIBUTION SERVICES (HOLDINGS) LIMITED**

**DIRECTORS' REPORT AND  
FINANCIAL STATEMENTS**

**31 DECEMBER 1996**

**REGISTERED NUMBER: 2005619**



**BIBBY DISTRIBUTION SERVICES (HOLDINGS) LIMITED**

**DIRECTOR'S REPORT AND FINANCIAL STATEMENTS**

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

### **DIRECTORS**

S P Sherrard	Chairman
A J Palmer	Managing Director
S Hunter	
G Watson	
M R Palmer	(appointed 18 March 1996)
M J Bibby	(appointed 1 January 1997)
J Hamer	(appointed 1 January 1997)
C D Suddes	(appointed 1 July 1996, resigned 1 November 1996)
N J Higgs	(resigned 30 September 1996)

### **BANKERS**

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

### **AUDITORS**

Price Waterhouse  
York House  
York Street  
Manchester  
M2 4WS

### **SECRETARY**

Bibby Bros & Co (Management) Limited

### **REGISTERED OFFICE**

105 Duke Street  
Liverpool  
L1 5JQ

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

### **DIRECTORS' REPORT**

The directors present their report together with the audited accounts for the year ended 31 December 1996.

#### **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 AND REVIEW OF THE YEAR**

The results of the group for the year are set out in the profit and loss account on page 4.

The directors do not recommend the payment of a dividend (1995 - £Nil).

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

The directors of the company during the year were:

S P Sherrard	Chairman
A J Palmer	Managing Director
S Hunter	
G Watson	
M R Palmer	(appointed 18 March 1996)
C D Suddes	(appointed 1 July 1996, resigned 1 November 1996)
N J Higgs	(resigned 30 September 1996)

Mr M J Bibby and Mr J Hamer were appointed directors on 1 January 1997.

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 310(3) of the Companies Act 1985, for the company's officers against liabilities in relation to the company.

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

### **DIRECTORS' REPORT (CONTINUED)**

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial period 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 related to changes in fixed assets during the year is given in the notes to the accounts.

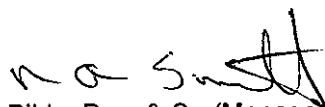
#### **EMPLOYEE INVOLVEMENT**

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.

#### **AUDITORS**

Price Waterhouse, being eligible, have indicated their willingness to continue in office.

By order of the Board



Bibby Bros & Co (Management) Limited  
Secretary

9 June 1997

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

*Price Waterhouse*



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

We have audited the financial statements on pages 4 to 16 which have been prepared under the historical cost convention and the accounting policies set out on pages 6 and 7.

### RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2 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 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 the company's and the group's affairs at 31 December 1996 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

9 June 1997

**BIBBY DISTRIBUTION SERVICES (HOLDINGS) LIMITED****GROUP PROFIT AND LOSS ACCOUNT  
YEAR ENDED 31 DECEMBER 1996**

	<u>1996</u> £000	<u>1995</u> £000
<b>TURNOVER</b>		
Continuing operations (Note 2)	62,216	37,275
Acquisition	<u>-</u>	<u>5,216</u>
	62,216	42,491
Cost of sales	<u>(53,072)</u>	<u>(34,567)</u>
<b>GROSS PROFIT</b>	9,144	7,924
Administrative expenses	<u>(5,889)</u>	<u>(6,175)</u>
<b>OPERATING PROFIT</b>	3,255	1,749
Amortisation of goodwill (Note 9)	(47)	(47)
(Loss)/profit on disposal of fixed assets	<u>(249)</u>	<u>159</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST</b>	2,959	1,861
Interest payable and similar charges (Note 3)	(577)	(428)
Interest receivable and similar income	<u>43</u>	<u>136</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION (Note 4)</b>	2,425	1,569
Taxation credit/(charge) (Note 5)	<u>157</u>	<u>(465)</u>
<b>PROFIT FOR THE FINANCIAL YEAR (Note 16)</b>	<u>2,582</u>	<u>1,104</u>

The notes on pages 6 to 16 form an integral part of these accounts.

There are no recognised gains or losses in 1996 or 1995 other than the profit for the year.

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

As permitted by the Companies Act 1985 a separate profit and loss account for the company has not been included in these financial statements. Of the group amount transferred to reserves of £2,582,000, a loss of £214,000 (1995-£302,000 loss) has been dealt with in the profit and loss account of the company.

# BIBBY DISTRIBUTION SERVICES (HOLDINGS) LIMITED

## BALANCE SHEET AS AT 31 DECEMBER 1996

	Parent company		Group	
	1996	1995	1996	1995
	£000	£000	£000	£000
<b>FIXED ASSETS</b>				
Tangible assets				
- Owned (Note 8(a))	-	-	11,831	12,586
- Leased (Note 8(b))	-	-	2,630	242
Investments in subsidiary undertakings (Note 20)	23,901	3,901	-	-
Intangible assets (Note 9)	-	-	328	375
	23,901	3,901	14,789	13,203
<b>CURRENT ASSETS</b>				
Stocks (Note 10)	-	-	2,341	1,859
Debtors (Note 11)	3,475	4,677	12,475	12,940
Cash at bank and in hand	-	-	876	1,944
	3,475	4,677	15,692	16,743
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (Note 12)</b>	<u>(22,754)</u>	<u>(3,427)</u>	<u>(17,577)</u>	<u>(16,119)</u>
<b>NET CURRENT (LIABILITIES)/ASSETS</b>	(19,279)	1,250	(1,885)	624
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	4,622	5,151	12,904	13,827
<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (Note 13)</b>	2,094	2,409	5,422	3,112
<b>PROVISIONS FOR LIABILITIES AND CHARGES (Note 14)</b>	-	-	8	5,823
	2,094	2,409	5,430	8,935
<b>CAPITAL AND RESERVES</b>				
Called up share capital (Note 15)	6,000	6,000	6,000	6,000
Profit and loss account (Note 16)	<u>(3,472)</u>	<u>(3,258)</u>	<u>1,474</u>	<u>(1,108)</u>
<b>SHAREHOLDERS' FUNDS (including non-equity interests) (Note 19)</b>	<u>2,528</u>	<u>2,742</u>	<u>7,474</u>	<u>4,892</u>
	4,622	5,151	12,904	13,827

The notes on pages 6 to 16 form an integral part of these accounts.

APPROVED BY THE BOARD ON  
9 June 1997

S P Sherrard

A J Palmer  
DIRECTORS



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

## **NOTES TO THE ACCOUNTS - 31 DECEMBER 1996**

### **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 1996 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:

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 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.

#### **(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 or net realisable value.

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

## **NOTES TO THE ACCOUNTS - 31 DECEMBER 1996 (CONTINUED)**

### **1 ACCOUNTING POLICIES (CONTINUED)**

#### **(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 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 related party transactions, as more than 90% of the voting rights are controlled by the ultimate parent undertaking, Bibby Line Group Limited.

Transactions between Bibby Line Group Limited and its related parties are included in that company's consolidated financial statements.

### **2 SEGMENTAL INFORMATION**

The directors are of the opinion that in the year there was only one business, that of contract distribution and warehousing. In 1996 all turnover was derived within the United Kingdom.

<b>Geographical analysis</b>	<b>1996 £000</b>	<b>1995 £000</b>
United Kingdom	62,216	42,367
France	-	41
Germany	-	11
Holland	-	63
Austria	-	6
Belgium	-	3
	<b>62,216</b>	<b>42,491</b>

The acquisition made during 1995 had the effect of increasing the turnover in 1996 by £22,229,000 (1995-£5,216,000).

# BIBBY DISTRIBUTION SERVICES (HOLDINGS) LIMITED

## NOTES TO THE ACCOUNTS - 31 DECEMBER 1996 (CONTINUED)

### 3 INTEREST PAYABLE AND SIMILAR CHARGES

	Parent company		Group	
	1996	1995	1996	1995
	£000	£000	£000	£000
Interest payable on bank and other borrowings repayable within five years	280	-	449	317
Finance charges payable on finance leases and HP agreements	-	-	128	111
	280	-	577	428

### 4 PROFIT OR LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	Parent company		Group	
	1996	1995	1996	1995
	£000	£000	£000	£000
This is stated after charging the following amounts:				
Wages and salaries	-	339	19,951	12,875
Social security costs	-	36	1,575	1,203
Other pension costs	-	22	262	359
Employee costs	-	397	21,788	14,437
Depreciation of owned assets	-	-	2,413	2,635
Depreciation of assets held under finance leases	-	-	207	257
Auditor's remuneration - Audit	2	2	42	30
- Other services	-	-	73	28
Hire of plant & machinery	-	-	842	294
Lease rentals - property	-	-	4,054	3,193
Lease rentals - other	-	-	260	300

#### Lease rentals

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

	Parent company		Group	
	1996	1995	1996	1995
	£000	£000	£000	£000
The annual commitments of existing leases are:				
Expiry date				
Within 1 year	-	-	765	409
After 1 year but within 5 years	-	-	1,225	2,059
After 5 years	-	-	2,267	3,723
	-	-	4,257	6,191

The majority of these commitments relate to properties.

# BIBBY DISTRIBUTION SERVICES (HOLDINGS) LIMITED

## NOTES TO THE ACCOUNTS - 31 DECEMBER 1996 (CONTINUED)

### 5 TAXATION CREDIT/(CHARGE)

	Parent company		Group	
	1996	1995	1996	1995
	£000	£000	£000	£000
Taxation based on the profit/(loss) for the year at 33% (1995: 33%)				
Group relief receivable/(payable)				
- current period	90	70	287	(392)
- prior period	-	38	(10)	(42)
Deferred taxation - (charge) at 33% (Note 14)	90	108	277	(434)
	-	-	(120)	(31)
	90	108	157	(465)

### 6 DIRECTORS

	Parent company		Group	
	1996	1995	1996	1995
	£000	£000	£000	£000
Directors' emoluments	441	417	441	417
Details of directors' emoluments (excluding pension contributions):				
Chairman	-	-	-	-
Highest paid director	131	129	131	129
Other directors received remuneration within the following bands:				
£20,001 - £25,000	1	-	1	-
£50,001 - £55,000	2	-	2	-
£60,001 - £65,000	-	2	-	2
£65,001 - £70,000	-	2	-	2
£75,001 - £80,000	2	-	2	-

### 7 EMPLOYEES

The average number of persons employed by the company throughout the period was 1,290 (1995 - 910).

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

## **NOTES TO THE ACCOUNTS - 31 DECEMBER 1996 (CONTINUED)**

### **8 TANGIBLE FIXED ASSETS**

#### **GROUP**

#### **(a) Owned**

	<u>Short leasehold</u> £000	<u>Vehicles &amp; equipment</u> £000	<u>Total</u> £000
<b>Cost</b>			
At 31 December 1995	5,540	12,454	17,994
Additions	133	2,439	2,572
Disposals	(599)	(1,608)	(2,207)
At 31 December 1996	5,074	13,285	18,359
<b>Accumulated depreciation</b>			
At 31 December 1995	677	4,731	5,408
Charge for year	769	1,644	2,413
Disposals	(210)	(1,083)	(1,293)
At 31 December 1996	1,236	5,292	6,528
<b>Net book amount</b>			
At 31 December 1996	3,838	7,993	11,831
At 31 December 1995	4,863	7,723	12,586

#### **(b) Leased**

	<u>Vehicles &amp; equipment</u> £000
<b>Cost</b>	
At 31 December 1995	2,571
Additions	2,596
Disposals	(547)
At 31 December 1996	4,620
<b>Accumulated depreciation</b>	
At 31 December 1995	2,329
Charge for year	207
On disposals	(546)
At 31 December 1996	1,990
<b>Net book amount</b>	
At 31 December 1996	2,630
At 31 December 1995	242

# BIBBY DISTRIBUTION SERVICES (HOLDINGS) LIMITED

## NOTES TO THE ACCOUNTS - 31 DECEMBER 1996 (CONTINUED)

### 8 TANGIBLE FIXED ASSETS (CONTINUED)

#### (c) Capital commitments

	<u>1996</u> £000	<u>1995</u> £000
Capital expenditure contracted for but not provided for in the accounts	203	134

### 9 INTANGIBLE ASSETS

	£000
<b>Goodwill</b>	
Cost at 31 December 1995 and 1996	<u>469</u>
<b>Amortisation</b>	
At 31 December 1995	94
Provision for the year	<u>47</u>
At 31 December 1996	<u>141</u>
<b>Net book amount</b>	
At 31 December 1996	<u>328</u>
At 31 December 1995	<u>375</u>

### 10 STOCKS

	<u>Parent company</u>		<u>Group</u>	
	<u>1996</u> £000	<u>1995</u> £000	<u>1996</u> £000	<u>1995</u> £000
Consumables	-	-	2,341	1,859

### 11 DEBTORS

	<u>Parent company</u>		<u>Group</u>	
	<u>1996</u> £000	<u>1995</u> £000	<u>1996</u> £000	<u>1995</u> £000
Trade debtors	-	-	8,671	10,246
Group relief	-	70	-	-
Other debtors	-	-	1,020	338
Amounts owed by subsidiary undertakings	3,475	4,607	1,856	987
Prepayments and accrued income	-	-	<u>928</u>	<u>1,369</u>
	<u>3,475</u>	<u>4,677</u>	<u>12,475</u>	<u>12,940</u>

# BIBBY DISTRIBUTION SERVICES (HOLDINGS) LIMITED

## NOTES TO THE ACCOUNTS - 31 DECEMBER 1996 (CONTINUED)

### 12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Parent company		Group	
	1996	1995	1996	1995
	£000	£000	£000	£000
Bank loans	1,035	1,745	3,280	1,745
Bank overdrafts	74	163	74	2,613
Obligations under finance leases and HP	-	-	1,317	408
Trade creditors	-	-	5,706	4,814
Taxation and social security	-	-	864	-
Other creditors	-	-	681	1,747
Amounts owed to subsidiary undertakings	21,645	1,384	377	395
Accruals and deferred income	-	135	5,278	4,397
	<u>22,754</u>	<u>3,427</u>	<u>17,577</u>	<u>16,119</u>

### 13 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Parent company		Group	
	1996	1995	1996	1995
	£000	£000	£000	£000
Bank loans	2,094	2,409	2,094	2,409
Obligations under finance leases and HP	-	-	3,328	703
	<u>2,094</u>	<u>2,409</u>	<u>5,422</u>	<u>3,112</u>
Obligations under bank loans are repayable:				
Within one year	1,035	1,745	3,280	1,745
Between one and five years	<u>2,094</u>	<u>2,409</u>	<u>2,094</u>	<u>2,409</u>
	<u>3,129</u>	<u>4,154</u>	<u>5,374</u>	<u>4,154</u>
Obligations under finance leases and HP are repayable:				
Within one year	-	-	1,317	408
Between one and five years	-	-	<u>3,328</u>	<u>703</u>
	-	-	<u>4,645</u>	<u>1,111</u>

# BIBBY DISTRIBUTION SERVICES (HOLDINGS) LIMITED

## NOTES TO THE ACCOUNTS - 31 DECEMBER 1996 (CONTINUED)

### 14 PROVISIONS FOR LIABILITIES AND CHARGES

	Reorganisation and other provisions £000	Deferred taxation £000	Total £000
<b>Group</b>			
At 31 December 1995	7,363	(1,540)	5,823
Utilised during the year	(5,935)	-	(5,935)
Profit and loss account	-	120	120
At 31 December 1996	1,428	(1,420)	8

Of the deferred taxation asset, £1,122,000 (1995 - £1,347,000) relates to accelerated capital allowances; other timing differences increase the asset by £298,000 (1995 - £193,000). The potential deferred taxation asset not provided for at 31 December 1996 is £904,000 (1995 - £1,765,000).

### 15 CALLED UP SHARE CAPITAL

	1996 £000	1995 £000
Authorised, allotted and fully paid		
Ordinary shares of £1 each	4,000	4,000
Redeemable preference shares of £1 each	2,000	2,000
	6,000	6,000

The rights attaching to the preference shares are as follows:

- 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.
- Having no other rights to participate in the profits of the company whatsoever.
- Carrying the right to one vote per share.
- Redeemable at any time at the option of the shareholders or the company.



# BIBBY DISTRIBUTION SERVICES (HOLDINGS) LIMITED

## NOTES TO THE ACCOUNTS - 31 DECEMBER 1996 (CONTINUED)

### 16 RESERVES

	Parent company profit & loss	Group profit & loss
	<u>1996</u>	<u>1996</u>
	£000	£000
At 1 January 1996 - adverse	(3,258)	(1,108)
Retained (loss)/profit for the year	<u>(214)</u>	<u>2,582</u>
At 31 December 1996 - (adverse)/positive	<u>(3,472)</u>	<u>1,474</u>

The cumulative amount of goodwill written off at 31 December 1996, net of goodwill relating to undertakings disposed of, is £141,000 (1995 - £94,000).

### 17 PENSION COSTS

The majority of the company's employees are members of the Bibby Line Group's defined benefit pension scheme. The assets of the scheme are held separately from those of the group and are invested with an insurance company.

The latest actuarial valuation was at 6 April 1996 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 Limited.

The pension charge for the year is given in Note 4. A provision of £Nil (1995 - £Nil) is included in provisions for liabilities and charges representing the excess of the accumulated pension cost over the amount funded.

### 18 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.

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.

# BIBBY DISTRIBUTION SERVICES (HOLDINGS) LIMITED

## NOTES TO THE ACCOUNTS - 31 DECEMBER 1996 (CONTINUED)

### 19 MOVEMENTS IN SHAREHOLDERS' FUNDS

	Parent company		Group	
	1996 £000	1995 £000	1996 £000	1995 £000
(Loss)/profit for the financial year	(214)	(302)	2,582	1,104
Negative goodwill arising on acquisition of subsidiary undertaking	-	-	-	8
Net addition to shareholders' funds	(214)	(302)	2,582	1,112
Opening shareholders' funds	<u>2,742</u>	<u>3,044</u>	<u>4,892</u>	<u>3,780</u>
Closing shareholders' funds	<u>2,528</u>	<u>2,742</u>	<u>7,474</u>	<u>4,892</u>

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

### 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

The movement in the investments in subsidiary undertakings is as follows:

	£000	£000
Investments in subsidiary undertakings at 31 December 1995		3,901
Increase in investments - Bibby Distribution Limited	15,000	
- Bondelivery Limited	<u>5,000</u>	<u>20,000</u>
Investments in subsidiary undertakings at 31 December 1996		<u>23,901</u>

All subsidiary undertakings are incorporated and operate in the United Kingdom and operate in the transport, distribution and warehousing sector, except for Nisaway Limited and Alexandra-Molyneux Haulage Limited, which are dormant.

In accordance with the sale and purchase agreement covering the acquisition of Inter Forward Logistics Limited (now Bibby Distribution 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.

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

### **NOTES TO THE ACCOUNTS - 31 DECEMBER 1996 (CONTINUED)**

#### **21 CONTINGENT LIABILITIES**

A bank loan of the parent undertaking and the overdrafts of its subsidiary undertakings are secured by a first floating and first fixed charge on the undertaking of the company, its parent undertaking and its fellow subsidiary undertakings and by cross guarantees given by those companies. 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 1996 the contingent liability thus arising is £5,374,000 (1995 - £3,912,000).