


BLECKMANN DISTRIBUTION LIMITED

Report and Accounts

31 December 2000

 ERNST & YOUNG



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COMPANIES HOUSE

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20/09/01

# Bleckmann Distribution Limited

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Registered No. 3395582

## **DIRECTORS**

C Meijer  
A F Grocock  
D Millar

## **SECRETARY**

A F Grocock

## **AUDITORS**

Ernst & Young LLP  
Rolls House  
7 Rolls Buildings  
Fetter Lane  
London EC4A 1NH

## **BANKERS**

NatWest Bank Plc  
PO Box 138  
4th Floor  
Southend-on-sea  
Essex SS1 1BS

## **SOLICITORS**

Gouldens  
22 Tudor Street  
London EC4Y 0JJ

## **REGISTERED OFFICE**

Paycocke Road  
Basildon  
Essex SS14 3EQ

# Bleckmann Distribution Limited

## DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 December 2000.

### RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £336,932 (1999 - £232,586). The directors do not recommend the payment of an ordinary dividend for the year which leaves a loss of £336,932 (1999 - £232,586) to be transferred to reserves.

### PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The main activity of the company is the transportation, forwarding and provision of warehousing services for the fashion industry.

### DIRECTORS AND THEIR INTERESTS

The directors during the year were as follows:

C Meijer  
A F Grocock  
D Millar

None of the directors has any interest in the share capital of the company.

### AUDITORS

On 28 June 2001, Ernst & Young, the Company's auditor, transferred its entire business to Ernst & Young LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The Directors consented to treating the appointment of Ernst & Young as extending to Ernst & Young LLP with effect from 28 June 2001. A resolution to re-appoint Ernst & Young LLP as the Company's auditor will be put to the forthcoming Annual General Meeting.

On behalf of the board

Director

6/9/01

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE  
ACCOUNTS

Company law requires the directors to prepare accounts 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 accounts, 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 accounts; and
- prepare the accounts 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 accounts 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.

**REPORT OF THE AUDITORS**  
**to the shareholders of Bleckmann Distribution Limited**

We have audited the accounts on pages 5 to 11, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on pages 7 and 8.

**Respective responsibilities of directors and auditors**

As described on page 3 the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by Statute, the Auditing Practices Board and by our profession's ethical guidance.

**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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

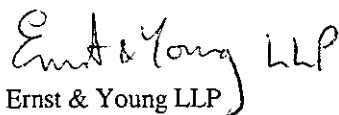
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error.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

*Fundamental uncertainty*

In forming our opinion we have considered the adequacy of the disclosure made in note 1 to the accounts concerning the uncertainty as to the future funding of the company. In view of the significance of this uncertainty we consider that it should be brought to your attention, however our opinion is not qualified in this respect.

**Opinion**

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 December 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
Ernst & Young LLP  
Registered Auditor  
London

18 September 2001

# Bleckmann Distribution Limited

## PROFIT AND LOSS ACCOUNT for the year ended 31 December 2000

	Notes	2000 £	1999 £
<b>TURNOVER</b>	3	3,488,887	3,061,458
Cost of sales		2,689,804	2,610,711
<b>GROSS PROFIT</b>		799,083	450,747
Net operating expenses		1,060,626	649,724
<b>OPERATING LOSS</b>	4	(261,543)	(198,977)
Interest payable	6	75,389	33,609
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(336,932)	(232,586)
Taxation	7	-	-
<b>LOSS FOR THE FINANCIAL YEAR</b>	12	(336,932)	(232,586)

There are no recognised gains or losses other than as shown above.

# Bleckmann Distribution Limited

## BALANCE SHEET at 31 December 2000

	Notes	2000 £	1999 £
<b>FIXED ASSETS</b>			
Tangible assets	8	201,515	141,001
<b>CURRENT ASSETS</b>			
Debtors	9	719,705	742,347
Cash at bank and in hand		-	30,876
		<u>719,705</u>	<u>773,223</u>
<b>CREDITORS: amounts falling due within one year</b>	10	2,429,589	2,085,661
<b>NET CURRENT LIABILITIES</b>		<u>(1,709,884)</u>	<u>(1,312,438)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(1,508,369)</u>	<u>(1,171,437)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	2	2
Profit and loss account	12	(1,508,371)	(1,171,439)
<b>Shareholders deficit: Equity</b>		<u>(1,508,369)</u>	<u>(1,171,437)</u>



6/4/01

Director

NOTES TO THE ACCOUNTS

at 31 December 2000

1. FUNDAMENTAL ACCOUNTING CONCEPT

The company is dependent on continuing finance being made available by its parent company to enable it to continue operating and to meet its liabilities as they fall due. The amount of the support required has not been quantified.

The accounts do not reflect any adjustments which would have to be made should continuing finance not be available. The directors do not consider it possible to determine the effects with reasonable accuracy, but adjustments would have to be made to reduce the value of assets to their realisable amount, to provide for any further liabilities which might arise and reclassify fixed assets as current assets.

2. ACCOUNTING POLICIES

*Accounting convention*

The accounts are prepared under the historical cost convention in accordance with applicable accounting standards.

*Cash flow*

The company is exempt from preparing a statement of cash flow in accordance with FRS 1 (revised) on the grounds that it is a subsidiary of a parent company which consolidates its accounts and makes them available to the public.

*Depreciation*

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost or valuation, less estimated residual value based on prices prevailing at the date of acquisition or revaluation, of each asset evenly over its expected useful life, as follows:

Plant and equipment	-	3 to 10 years
Transport vehicles	-	4 years
Computer equipment	-	2 to 5 years
Computer software	-	2 to 3 years

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

*Deferred taxation*

Deferred taxation is provided using the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse. Advance corporation tax which is expected to be recoverable in the future is deducted from the deferred taxation balance.

Deferred tax assets are only recognised if recovery without replacement by equivalent debit balances is reasonably certain.

*Foreign currencies*

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

*Leasing commitments*

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



# Bleckmann Distribution Limited

## NOTES TO THE ACCOUNTS

at 31 December 2000

### 2. ACCOUNTING POLICIES (continued)

#### *Pensions*

The company contributes to money purchase pension schemes of some employees. Contributions are charged in the profit and loss account as they become payable.

### 3. TURNOVER

Turnover, which is stated net of value added tax, represents amounts received and receivable from the company's continuing principal activity.

An analysis of turnover by geographical market is given below:

	2000 £	1999 £
United Kingdom	2,037,620	1,110,482
Rest of Europe	1,451,267	1,950,976
	<u>3,488,887</u>	<u>3,061,458</u>

### 4. OPERATING LOSS

This is stated after charging/(crediting):

	2000 £	1999 £
Auditors' remuneration	12,000	12,000
Depreciation of owned fixed assets	79,163	81,172
Operating lease rentals - other	33,804	182,500
- land and buildings	111,269	-
Loss on foreign exchange	13,098	-
Profit on disposal of tangible fixed asset	(6,750)	-
	<u></u>	<u></u>

Directors' emoluments for the year are £72,717 (1999 - £69,311). Company contributions paid to money purchase pension schemes in respect of one director were £6,772 (1999 - £9,900).

### 5. STAFF COSTS

	2000 £	1999 £
Wages and salaries	1,179,586	736,082
Social security costs	81,893	69,497
Other pension costs	11,912	9,900
	<u>1,273,391</u>	<u>815,479</u>

# Bleckmann Distribution Limited

## NOTES TO THE ACCOUNTS

at 31 December 2000

### 5. STAFF COSTS (continued)

The monthly average number of employees during the year was as follows:

	2000 No.	1999 No.
Administration	35	31
Warehousing	80	42
	<u>115</u>	<u>73</u>

### 6. INTEREST PAYABLE

	2000 £	1999 £
Bank loans and overdraft	21,402	25,856
Other interest payable	3,987	7,753
Interest payable to parent undertaking	50,000	-
	<u>75,389</u>	<u>33,609</u>

### 7. TAXATION

No provision for taxation is required in respect of the result for the year.

### 8. TANGIBLE FIXED ASSETS

	Transport £	Plant and equipment £	Computer equipment and software £	Total £
Cost:				
At 1 January 2000	29,475	208,472	210,921	448,868
Additions	10,770	66,168	62,739	139,677
Disposals	(26,775)	-	-	(26,775)
At 31 December 2000	<u>13,470</u>	<u>274,640</u>	<u>273,660</u>	<u>561,770</u>
Depreciation:				
At 1 January 2000	24,773	123,420	159,674	307,867
Provided during the year	4,434	33,751	40,978	79,163
Disposals	(26,775)	-	-	(26,775)
At 31 December 2000	<u>2,432</u>	<u>157,171</u>	<u>200,652</u>	<u>360,255</u>
Net book amount:				
At 31 December 2000	<u>11,038</u>	<u>117,469</u>	<u>73,008</u>	<u>201,515</u>
At 1 January 2000	<u>4,702</u>	<u>85,052</u>	<u>51,247</u>	<u>141,001</u>

# Bleckmann Distribution Limited

## NOTES TO THE ACCOUNTS

at 31 December 2000

### 9. DEBTORS

	2000 £	1999 £
Trade debtors	404,124	650,451
Amounts due from fellow subsidiary company	96,958	14
Prepayments and accrued income	148,319	68,970
Other debtors	69,340	19,855
Corporation tax recoverable	964	3,057
	<u>719,705</u>	<u>742,347</u>

### 10. CREDITORS: amounts falling due within one year

	2000 £	1999 £
Bank overdraft	384,504	289,131
Trade creditors	242,790	101,567
Amounts owed to group undertakings	1,652,771	1,620,610
Other taxation and social security costs	46,462	31,664
Accruals	103,062	42,689
	<u>2,429,589</u>	<u>2,085,661</u>

### 11. SHARE CAPITAL

	2000 No.	Authorised 1999 No.	Allotted, called up and fully paid	
			2000 £	1999 £
Ordinary shares of £1 each	1,000	1,000	2	2

### 12. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	Share capital £	Profit and loss account £	Total £
At 31 December 1998	2	(938,853)	(938,851)
Loss for the year		(232,586)	(232,586)
At 31 December 1999	2	(1,171,439)	(1,171,437)
Loss for the year		(336,932)	(336,932)
At 31 December 2000	2	(1,508,371)	(1,508,369)

# Bleckmann Distribution Limited

## NOTES TO THE ACCOUNTS

at 31 December 2000

### 13. OTHER FINANCIAL COMMITMENTS

At 31 December 2000 the company had annual commitments under non-cancellable operating leases as set out below:

	<i>Land and buildings</i>		<i>Other</i>	
	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
	£	£	£	£
Operating leases which expire: within two to five years	199,375	182,500	-	-

### 14. RELATED PARTIES

The company has taken advantage of the exemption under Financial Reporting Standard No. 8, paragraph 3(c), disclosing transactions with entities that are part of the group, where 90% or more of the voting rights of these entities are controlled within the group.

### 15. PARENT UNDERTAKINGS AND CONTROLLING PARTY

The company's immediate parent undertaking is Bleckmann (Holding) UK Limited.

Bleckmann Group BV, a company registered in The Netherlands, is the parent undertaking of the smallest group of which the company is a member and for which group accounts are prepared.

In the directors' opinion, the company's ultimate parent undertaking and controlling party is Union Bank of Switzerland, a company registered in Switzerland. Union Bank of Switzerland is the parent undertaking of the largest group of which the company is a member and for which group accounts are prepared. Copies of its group accounts may be obtained from 45 Bahnhofstrasse, 8021 Zurich, Switzerland.

### 16. POST BALANCE SHEET EVENT

On 21 May 2001 the authorised share capital of the company was increased to £1,000,000 and 719,998 ordinary shares were issued at par.

The loan account of £894,816 due to Bleckmann Group BV has been assigned to Bleckmann (Holding) UK Ltd.