

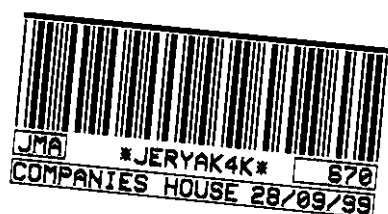
EDDIE STOBART LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 NOVEMBER 1998

Company Number : 995045



EDDIE STOBART LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 1998

Company registration number: 995045

Registered office: Brunthill Road
Kingstown Industrial Estate
Carlisle
Cumbria
CA3 0EH

Directors: E Stobart
W Stobart
R E C Butcher
S J Monkhouse
B D Stewart
G Inglis
P D Foster
E P Stobart (non-executive)

Secretary: R K Hutchinson

Bankers: Midland Bank plc
100 King Street
Manchester
M60 2HD

Solicitors: Halliwell Landau
St James' Court
Brown Street
Manchester
M2 2JF

Burnetts
6 Victoria Place
Carlisle
CA1 1ES

Auditors: Grant Thornton
Registered Auditors
Chartered Accountants
Heron House
Albert Square
Manchester
M60 8GT

EDDIE STOBART LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 1998

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EDDIE STOBART LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 30 November 1998.

Principal activities

The company provides distribution and warehousing services throughout the UK and Europe.

Business review

The growth in turnover in the year has resulted from further investment in new vehicles and expansion of the customer base. The directors expect the company's turnover to continue to grow in the current year.

The profit for the year after taxation amounted to £922,000 (1997 : £2,912,000). The directors have not paid an interim dividend (1997 : £121,000). The directors do not recommend the payment of a final dividend (1997 : £Nil) and the balance of the profit for the year after taxation and dividends of £922,000 (1997 : £2,791,000) has been retained and transferred to reserves.

Directors

The directors in office at the end of the year and at 30 November 1998 are listed below. Unless indicated, all served on the Board throughout the year.

E Stobart
W Stobart
I B Thomas (resigned 12 October 1998)
S Monkhouse
B D Stewart
G Inglis
P D Foster
E P Stobart (non-executive)
G J Whittaker (resigned 28 September 1998)
R E C Butcher (appointed 12 October 1998)

The directors had no interest in the shares of the company during the year.

Mr E Stobart and Mr W Stobart are directors of the parent undertaking and their interests in the shares of that company are disclosed in that company's financial statements.

Directors' responsibilities for the financial statements

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 :

- i select suitable accounting policies and then apply them consistently;
- ii make judgements and estimates that are reasonable and prudent;
- iii state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

EDDIE STOBART LIMITED

REPORT OF THE DIRECTORS

- iv 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, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Donations

Charitable donations totalling £57,538 (1997 : £403,760) were made during the year. There were no political donations during the year.

Disabled persons

The company's policy is that any vacancy which arises is open to disabled persons, provided that they are able to fulfil the functions required by that job. Employees who have been injured or become disabled in the course of their employment are considered for other suitable vacancies.

Employee involvement

Employees are kept informed about the progress and position of the company by means of regular departmental meetings and newsletters.

Year 2000

Many computer systems which express dates using only the last two digits of the year may malfunction due to the date change to the Year 2000. This risk to the business relates not only to the company's computer systems, but also to some degree on those of our customers and suppliers.

The company has reviewed its computer systems for the impact of the Year 2000 date change. An impact analysis has been prepared to identify the major risks, and action plans have been developed to address these in advance of critical dates. The plans give priority to the systems which could have a significant financial or legal impact if they were to fail.

The company has requested from major customers, suppliers and other trading partners with whom information is exchanged electronically, confirmation that their relevant systems are Year 2000 compliant.

The issue is complex, and no business can guarantee that there will be no Year 2000 problems. However, the Board believes that its plans and the resources allocated are appropriate and adequate to address the issue.

Auditors

Grant Thornton offer themselves for re-appointment as auditors in accordance with Section 385 of the Companies Act 1985.

Approved by the Board of Directors and signed on its behalf



R K Hutchinson
Secretary

30 April 1999

REPORT OF THE AUDITORS TO THE MEMBERS OF

EDDIE STOBART LIMITED

We have audited the financial statements on pages 4 to 17 which have been prepared under the accounting policies set out on pages 4 and 5.

Respective responsibilities of directors and auditors

As described on pages 1 and 2 the directors are responsible for the preparation of the 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.

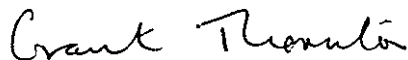
Basis of opinion

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 affairs at 30 November 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
MANCHESTER**

30 April 1999

EDDIE STOBART LIMITED

ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention (modified by the revaluation of land and buildings) and in accordance with applicable accounting standards.

The principal accounting policies of the company have remained unchanged from the previous year, and are set out below.

Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

Basis of preparation

The company is exempt from preparing consolidated financial statements on the grounds that it qualifies under Section 229 of the Companies Act 1985 as a wholly owned subsidiary of a company registered in England and Wales for which consolidated financial statements are prepared.

Depreciation

Depreciation is calculated using the straight line method and aims to write off the cost or valuation less estimated residual value of all tangible fixed assets over their expected useful economic life.

The rates and methods generally applicable are :

Leasehold property	1% straight line, or period of lease if shorter
Freehold property	1% straight line
Vehicles and trailers	12%-20% straight line
Plant and machinery	15%-20% straight line
Fixtures and fittings	20% straight line

Stocks

Stocks are stated at the lower of cost and net realisable value.

Leased assets

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represent a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

EDDIE STOBART LIMITED

ACCOUNTING POLICIES

Deferred income

Deferred income is the profit attributable to the sale and lease back of a former group property. The balance is to be released to the profit and loss account over the relevant period of the lease.

Deferred tax

Deferred tax is the taxation attributable to timing differences between profits or losses as computed for tax purposes and results as stated in the financial statements.

Deferred tax is computed under the liability method using the tax rates estimated to arise when the timing differences reverse, and is provided to the extent that it is probable that a liability or asset will crystallise in the foreseeable future. Unprovided deferred tax is disclosed as a contingent liability.

Contributions to pension schemes

The company operates two non-contributory defined contribution pension schemes and a self-administered defined contribution pension scheme. The pension costs charged against profits represents the amount of the contributions payable to the schemes in respect of the accounting period.

EDDIE STOBART LIMITED**PROFIT AND LOSS ACCOUNT**

FOR THE YEAR ENDED 30 NOVEMBER 1998

	Note	1998 £'000	1997 £'000
Turnover	1	93,168	77,453
Cost of sales		<u>(80,358)</u>	<u>(64,639)</u>
Gross profit		12,810	12,814
Administrative expenses		<u>(10,016)</u>	<u>(8,931)</u>
Operating profit		2,794	3,883
Income from shares in group undertakings	2	<u>-</u>	<u>800</u>
		2,794	4,683
Exceptional items			
Profit on sale of fixed assets		-	1,753
Loss on sale of fixed assets		<u>-</u>	<u>(632)</u>
		2,794	5,804
Net interest payable	3	<u>(2,226)</u>	<u>(2,650)</u>
Profit on ordinary activities before taxation	1	568	3,154
Tax on profit on ordinary activities	5	<u>354</u>	<u>(242)</u>
Profit on ordinary activities after taxation		922	2,912
Dividends paid	6	-	(121)
Profit retained and transferred to reserves	16	<u>922</u>	<u>2,791</u>

There were no recognised gains and losses other than the results for the year.

The accompanying accounting policies and notes form an integral part of these financial statements.

EDDIE STOBART LIMITED**HISTORICAL COST PROFITS AND LOSSES****FOR THE YEAR ENDED 30 NOVEMBER 1998**

	1998	1997
	£000	£000
Reported profit on ordinary activities before taxation	568	3,154
Realisation of property revaluation	-	1,089
	<u>568</u>	<u>4,243</u>


The accompanying accounting policies and notes form an integral part of these financial statements.

EDDIE STOBART LIMITED**BALANCE SHEET AT 30 NOVEMBER 1998**

	Note	1998 £'000	1997 £'000
Fixed assets			
Tangible assets	7	<u>46,147</u>	<u>34,069</u>
Current assets			
Stocks	9	211	222
Debtors	10	24,294	15,887
Cash at bank and in hand		<u>3,830</u>	<u>13,382</u>
		28,335	29,491
Creditors : amounts falling due within one year	11	<u>(30,001)</u>	<u>(23,333)</u>
Net current (liabilities)/assets		<u>(1,666)</u>	<u>6,158</u>
Total assets less current liabilities		44,481	40,227
Creditors : amounts falling due after more than one year	12	(23,120)	(18,907)
Provisions for liabilities and charges	13	(313)	(282)
Deferred income	14	<u>(3,648)</u>	<u>(4,560)</u>
		<u>17,400</u>	<u>16,478</u>
Capital and reserves			
Called up share capital	15	1,000	1,000
Revaluation reserve	16	1,914	1,914
Profit and loss account	16	14,486	13,564
Equity shareholders' funds	16	<u>17,400</u>	<u>16,478</u>

The financial statements were approved by the Board of Directors on 30 April 1999 and signed on its behalf

E Stobart



Director

The accompanying accounting policies and notes form an integral part of these financial statements.

EDDIE STOBART LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 1998

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

All turnover and profit on ordinary activities before taxation is attributable to the provision of distribution and warehousing services throughout the UK and Europe.

	1998 £'000	1997 £'000
The profit on ordinary activities before taxation is stated after charging :		
Depreciation	5,353	4,870
Auditors' remuneration :		
Audit services	24	26
Non audit services	166	154
Vehicle operating leases	4,782	2,570
Other operating leases	1,120	776
Land and building operating leases	4,439	2,545
Loss/(profit) on sale of fixed assets	111	(1,126)
	<u>1998</u> <u>£'000</u>	<u>1997</u> <u>£'000</u>
And after crediting :		
Release of deferred income on sale and leaseback agreement (note 14)	912	-

2 INCOME FROM SUBSIDIARY UNDERTAKINGS

	1998 £'000	1997 £'000
Dividends from subsidiary undertakings	-	800

3 INTEREST PAYABLE

	1998 £'000	1997 £'000
Bank overdraft	712	510
Bank loans wholly repayable within 10 years	687	579
Finance leases	1,427	1,543
Other loans	-	18
Interest received	(600)	-
	<u>2,226</u>	<u>2,650</u>

EDDIE STOBART LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 NOVEMBER 1998

4 DIRECTORS AND EMPLOYEES

	1998	1997
	£'000	£'000
Wages and salaries	30,304	24,895
Social security costs	2,475	2,078
Other pension costs	477	530
	<u>33,256</u>	<u>27,503</u>

	1998	1997
	Number	Number
Average number of employees :		
Drivers	986	792
Stores, garage and production	410	392
Administration	332	259
	<u>1,728</u>	<u>1,443</u>

Staff costs include remuneration in respect of directors as follows:

	1998	1997
	£'000	£'000
Management remuneration	333	1,267
Pension contributions	12	137
	<u>345</u>	<u>1,404</u>

During the year 5 directors (1997 : 4 directors) participated in defined contribution pension schemes.

The emoluments of the highest paid director, were as follows :

	1998	1997
	£'000	£'000
The highest paid director	<u>83</u>	<u>430</u>

5 TAX ON PROFIT ON ORDINARY ACTIVITIES

	1998	1997
	£'000	£'000
The taxation (credit)/charge is based on the profit for the year and represents:		
UK Corporation tax at (credit)/charge 31% (1997 : 31%)	(111)	220
Deferred tax	31	-
Adjustments in respect of prior years :		
Corporation tax	<u>(274)</u>	<u>22</u>
	<u>(354)</u>	<u>242</u>

The corporation tax credit has arisen due to the difference in the treatment of deferred income for tax purposes in comparison to the accounting treatment, together with other timing differences. The adjustment in respect of prior years is a result of amendments to the taxation treatment of certain assets.

EDDIE STOBART LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 1998

6 DIVIDENDS

	1998 £'000	1997 £'000
Equity dividends	-	121

7 TANGIBLE FIXED ASSETS

	Land and buildings £'000	Vehicles and trailers £'000	Plant and machinery £'000	Fixtures and fittings £'000	Total £'000
Cost or valuation					
At 1 December 1997	10,701	35,439	2,303	1,683	50,126
Additions	6,986	9,659	838	368	17,851
Transfer from group companies	2,378	-	-	-	2,378
Disposals	(45)	(7,017)	(227)	(384)	(7,673)
At 30 November 1998	<u>20,020</u>	<u>38,081</u>	<u>2,914</u>	<u>1,667</u>	<u>62,682</u>
Depreciation					
At 1 December 1997	549	13,655	936	917	16,057
Charge in the year	237	4,482	338	296	5,353
Disposals	-	(4,265)	(226)	(384)	(4,875)
At 30 November 1998	<u>786</u>	<u>13,872</u>	<u>1,048</u>	<u>829</u>	<u>16,535</u>
Net book value					
At 30 November 1998	<u>19,234</u>	<u>24,209</u>	<u>1,866</u>	<u>838</u>	<u>46,147</u>
Net book value					
At 30 November 1997	<u>10,152</u>	<u>21,784</u>	<u>1,367</u>	<u>766</u>	<u>34,069</u>

The figures stated above include assets held under finance leases and similar hire purchase contracts as follows :

	Vehicles and trailers £'000	Plant and machinery £'000
Net book amount at 30 November 1998	<u>21,348</u>	<u>1,474</u>
Net book amount at 30 November 1997	<u>19,604</u>	<u>1,114</u>
Depreciation provided in the year	<u>4,261</u>	<u>295</u>

EDDIE STOBART LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30 NOVEMBER 1998****7 TANGIBLE FIXED ASSETS (continued)**

	Land and buildings		
	Freehold	Long leasehold	Total
Cost or valuation	£'000	£'000	£'000
At 1 December 1997	2,739	7,962	10,701
Additions	6,668	318	6,986
Transfer from group companies	2,378	-	2,378
Disposals	(45)	-	(45)
At 30 November 1998	<u>11,740</u>	<u>8,280</u>	<u>20,020</u>
Depreciation			
At 1 December 1997	71	478	549
Charge in the year	34	203	237
Disposals	-	-	-
At 30 November 1998	<u>105</u>	<u>681</u>	<u>786</u>
Net book value			
At 30 November 1998	<u>11,635</u>	<u>7,599</u>	<u>19,234</u>
Net book value			
At 30 November 1997	<u>2,668</u>	<u>7,484</u>	<u>10,152</u>

Certain long leasehold properties were revalued in 1992 on an open market basis and are included above as follows:

	1998
	£'000
At cost	18,106
At 1992 valuation	<u>1,914</u>
	<u>20,020</u>

If the properties had not been revalued they would appear in the balance sheet as follows :

	£'000
Historical cost	18,106
Depreciation	<u>(508)</u>
Net book value at 30 November 1998	<u>17,598</u>
Net book value at 30 November 1997	<u>16,965</u>

EDDIE STOBART LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 1998

8 INVESTMENTS

	1998 £'000	1997 £'000
Interests in subsidiary undertakings	-	-

At 30 November 1998 the company held 100% of the issued share capital of TVFB Limited, a company registered in England and Wales. At 30 November 1998, the aggregate capital and reserves were £71,365 (1997 : £71,723) and the loss for the year then ended was £358 (1997 : profit £71,721).

TVFB Limited is principally involved in a joint arrangement for the purchase, development and resale of a new international freight terminal in Daventry.

TVFB Limited has been consolidated within the financial statements of Eddie Stobart Group Limited.

9 STOCKS

	1998 £'000	1997 £'000
Parts	5	5
Fuel and lubricants	191	208
Sundries	15	9
	<u>211</u>	<u>222</u>

10 DEBTORS

	1998 £'000	1997 £'000
Trade debtors	17,388	10,778
Amounts due from group companies	3,764	1,891
Amounts due from related companies	92	627
Corporation taxation recoverable	376	-
Other debtors	-	4
Prepayments	2,571	2,587
Directors' loan accounts	103	-
	<u>24,294</u>	<u>15,887</u>

EDDIE STOBART LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30 NOVEMBER 1998****11 CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR**

	1998	1997
	£'000	£'000
Bank overdraft (see note 12)	7,318	1,936
Bank loans (see note 12)	1,330	1,455
Trade creditors	9,137	5,418
Amounts due to group companies	128	346
Amounts owed to related companies	76	-
Corporation tax	-	75
Social security and other taxes	2,269	4,610
Other creditors	663	584
Directors' loan accounts	-	19
Accruals	3,386	2,672
Amounts due under finance leases	5,694	6,218
	<u>30,001</u>	<u>23,333</u>

12 CREDITORS : AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1998	1997
	£'000	£'000
Bank loans	6,945	6,119
Amounts due under finance leases	16,175	12,788
	<u>23,120</u>	<u>18,907</u>

Amounts due under finance leases are payable between one and six years from the balance sheet date.

Bank loans are repayable by instalments at an interest rate of base plus 2% per annum as follows:

	1998	1997
	£'000	£'000
In less than one year	1,330	1,455
Between one and two years	1,219	1,444
Between two and five years	1,213	4,028
In five years or more	4,513	647
	<u>8,275</u>	<u>7,574</u>

The bank loans and overdraft are secured by a fixed and floating charge over the assets of the company.

EDDIE STOBART LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 NOVEMBER 1998

13 PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred tax £'000
Deferred taxation	
At 1 December 1997	282
Charge in year	31
At 30 November 1998	<u>313</u>

Deferred taxation is calculated using a tax rate of 31% and is set out below. The amount unprovided represents a contingent liability at the balance sheet date.

	Amount provided		Amount unprovided	
	1998	1997	1998	1997
	£'000	£'000	£'000	£'000
Accelerated capital allowances	355	327	1,082	646
Short term timing differences	(42)	(45)	-	-
Capital gain	-	-	2,101	-
Trading losses	-	-	(297)	-
	<u>313</u>	<u>282</u>	<u>2,886</u>	<u>646</u>

14 DEFERRED INCOME

	1998 £000	1997 £000
At 1 December	4,560	-
Deferred profit on sale and leaseback agreement	-	4,560
Released during the year	(912)	-
At 30 November	<u>3,648</u>	<u>4,560</u>

In 1997, the company entered into a sale and leaseback arrangement with respect to its Warrington depot. In accordance with SSAP21, the excess of sale proceeds over the vacant possession value of the property is being released to the profit and loss account over a period of five years, the period to the first rent review.

15 SHARE CAPITAL

	1998 £'000	1997 £'000
Authorised		
5,000,000 ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>
Allotted called up and fully paid		
1,000,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

EDDIE STOBART LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 NOVEMBER 1998

16 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Ordinary share capital £'000	Revaluation reserve £'000	Profit and loss account £'000	Shareholders' funds £'000
At 1 December 1997	1,000	1,914	13,564	16,478
Retained profit for the year	-	-	922	922
At 30 November 1998	<u>1,000</u>	<u>1,914</u>	<u>14,486</u>	<u>17,400</u>

17 CAPITAL COMMITMENTS

	1998 £'000	1997 £'000
Contracted for but not provided in the financial statements	<u>5,223</u>	<u>-</u>

18 PENSION COSTS

Defined contribution schemes

The company operates two non-contributory defined contribution pension schemes for the benefit of directors and employees and a self administered defined contribution pension scheme for the benefit of certain directors. The assets of the schemes are administered by trustees in funds independent from those of the company.

19 LEASING COMMITMENTS

At 30 November 1998 the company had annual commitments under non-cancellable operating leases as follows :

	1998		1997	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Expiring within one year	245	851	1,092	38
Expiring between two and five years inclusive	578	1,438	585	810
Expiring beyond five years	3,793	4,695	3,923	83
	<u>4,616</u>	<u>6,984</u>	<u>5,600</u>	<u>931</u>

EDDIE STOBART LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 1998

20 TRANSACTIONS WITH DIRECTORS

	Amount outstanding at 30 November		Maximum liability
	1998 £000	1997 £000	during year £000
E Stobart	(43)	-	(66)
W Stobart	-	-	-
E P Stobart	(60)	-	(60)

The directors' loans were interest free. All loans were repaid after the year end.

21 RELATED PARTY TRANSACTIONS

As a wholly owned subsidiary of Eddie Stobart Group Limited, the company is exempt from the requirements of FRS8 to disclose transactions with other members of the group headed by Eddie Stobart Group Limited, other than Eddie Stobart International Limited.

Related party transactions during the year were as follows :

- i During the year the company provided haulage services to the value of £328,381 on a subcontract basis to Eddie Stobart International Limited, a company in which Eddie Stobart Group Limited has a 75% shareholding. At the year end £137,654 was outstanding and included within debtors. The company also leased a vehicle at a monthly rental of £1,065 to Eddie Stobart International Limited under an operating lease agreement. During the year to 30 November 1998 the company received a total of £8,523 under the lease agreement.
- ii In 1997, the company raised certain loans for The First TVFB Partnership of which TVFB Limited acted as general partner to fund the purchase and development of a new international freight terminal. The E P Stobart Trust acted as the other partner to the joint arrangement. Throughout the year TVFB Limited earned interest from the partnership amounting to £642. At the year end the company owed £75,909 to The First TVFB Partnership.
- iii The company leased at an annual rent of £49,164 a site at Kingstown from Stobart Management Services, an unincorporated partnership between E Stobart and W Stobart. The company also operates a loan account with Stobart Management Services, and at the year end the company was owed £71,222.
- iv In previous years the company has advanced loans to Drawbar Engineering Limited, a company in which E Stobart, E P Stobart and W Stobart are directors and shareholders. At the year end the balance owed to the company by Drawbar Engineering Limited was £20,877.

22 CONTINGENT LIABILITIES

There is an unlimited bank cross guarantee arrangement between the members of the group headed by Eddie Stobart Group Limited. As at 30 November 1998 the total liability amounted to £7,986,122.

23 PARENT UNDERTAKING

The ultimate parent undertaking is Eddie Stobart Group Limited, a company incorporated in England and Wales, for which Group accounts are prepared and filed at Companies House.