

Company No: 230825

J.P. KNIGHT LIMITED

REPORT AND ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 30TH SEPTEMBER 1995

Barnes Roffe, Chartered Accountants.
840-842 High Road, London E10 6AE.



COMPANIES HOUSE 22/07/96

J.P. KNIGHT LIMITED

Directors	A H Knight Esq (Chairman and Managing Director) A R Cruse Esq
Secretary	K B Gorman Esq
Registered office	24 Bedford Row London WC1R 4HA
Auditors	Barnes Roffe 840-842 High Road London E10 6AE
Bankers	ABN Amro Bank NV Zuidplein 2 Postbus 5269 3008 AG Rotterdam Netherlands Royal Bank of Scotland Plc 5-10 Great Tower Street London EC3P 3HX

REPORT AND ABBREVIATED ACCOUNTS
30TH SEPTEMBER 1995

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J.P. KNIGHT LIMITED

DIRECTORS' REPORT **FOR THE YEAR ENDED 30TH SEPTEMBER 1995**

The directors present their report together with the audited financial statements of the company for the year ended 30th September 1995.

PRINCIPAL ACTIVITIES

The principal activity of the company in the year under review was that of the operation of tugs and barges.

RESULTS AND DIVIDENDS

The profit for the year after taxation was £987,055 as detailed on page 4. Interim dividends of £258,390 (1994: £125,390) were paid during the year. A final dividend of £48,510 (1994: £48,510) has been declared.

REVIEW OF THE DEVELOPMENT OF THE BUSINESS

The company is engaged in a long term overseas contract which is anticipated to continue for the next five years. The company is continuing to review projects and prospects for the coming year.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year are disclosed on the previous page, except for P J Balls Esq who resigned on 31st August 1995. The directors hold no beneficial interest in the issued share capital of the company. They are all directors of the holding company and their interests in the share capital of that company are disclosed in the group's financial statements.

The company maintains insurance for directors against liabilities in relation to the company.

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 for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a 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 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.

J.P. KNIGHT LIMITED

DIRECTORS' REPORT - continued
FOR THE YEAR ENDED 30TH SEPTEMBER 1995

FIXED ASSETS

During the year the fixed assets of two group undertakings were transferred to the company. See note 11.

AUDITORS

In accordance with Section 385 of the Companies Act 1985, the auditors Barnes Roffe will be proposed for re-appointment for the ensuing year at the general meeting.

By Order of the Board



K B Gorman Esq

Secretary

Date: 6th March 1996

J.P. KNIGHT LIMITED

AUDITORS' REPORT TO J.P. KNIGHT LIMITED

PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 5 to 17, together with the financial statements of J.P. Knight Limited prepared under section 226 of the Companies Act 1985 for the year ended 30th September 1995.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 6 and whether the abbreviated accounts have been properly prepared in accordance with that Schedule.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled under sections 246, 247 and 249 of the Companies Act 1985 to the exemptions conferred by Section B of Part III of Schedule 8 to that Act, in respect of the year ended 30th September 1995, and the abbreviated accounts on pages 5 to 17 have been properly prepared in accordance with that Schedule.

Other information

On 19th March 1996 we reported, as auditors of J.P. Knight Limited, to the members on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 30th September 1995 and our audit report was as follows:

'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.

AUDITORS' REPORT TO J.P. KNIGHT LIMITED - continued

PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

Respective responsibilities of directors and auditors

As described on page 1 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

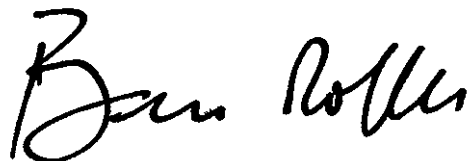
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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 affairs as at 30th September 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.'

Barnes Roffe
Registered Auditors
Chartered Accountants
840-842 High Road
London E10 6AE



Date: 19th March 1996

J.P. KNIGHT LIMITED**ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH SEPTEMBER 1995**

	<u>Notes</u>	<u>1995</u> £	<u>1994</u> £
GROSS PROFIT		1,165,083	668,594
Administrative expenses		1,342,243	1,420,293
		(177,160)	(751,699)
Other operating income	3	1,434,638	523,321
OPERATING PROFIT/(LOSS)	4	1,257,478	(228,378)
Profit on disposal of fixed assets	5	62,453	10,926
Other interest receivable	7	133,453	34,079
Amount written off investments		(143,126)	-
Interest payable and similar charges	8	(209,175)	(157,658)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	2	1,101,083	(341,031)
Tax on ordinary activities	9	114,028	(207,851)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION		987,055	(133,180)
Dividends	10	306,900	173,900
RETAINED PROFIT/(LOSS) FOR THE YEAR		680,155	(307,080)
RETAINED PROFIT at 1st October 1994		3,314,058	3,621,138
RETAINED PROFIT at 30th September 1995		3,994,213	3,314,058

CONTINUING OPERATIONS

During the year the company took over the trading activities of two subsidiary companies J P Knight (Suriname) Limited and J P Knight (Offshore) Limited.

STATEMENT OF RECOGNISED GAINS AND LOSSES

There are no recognised gains and losses other than the profit or loss for the above two financial years.


The notes on pages 7 to 17 form an integral part of these accounts.


J.P. KNIGHT LIMITED**BALANCE SHEET**
AS AT 30TH SEPTEMBER 1995

	<u>Notes</u>	£	<u>1995</u>	£	£	<u>1994</u>	£
FIXED ASSETS							
Tangible assets	11		7,841,555			2,059,145	
Investments	12		643,687			3,053,543	
			<u>8,485,242</u>			<u>5,112,688</u>	
CURRENT ASSETS							
Debtors	14	2,734,694			1,476,906		
Cash at bank and in hand		<u>1,261,498</u>			<u>1,785,042</u>		
		3,996,192			3,261,948		
CREDITORS - amounts falling due within one year	15	<u>3,603,492</u>			<u>2,546,069</u>		
NET CURRENT ASSETS			<u>392,700</u>			<u>715,879</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES			8,877,942			5,828,567	
CREDITORS - amounts falling due after more than one year	16		2,590,596			1,855,374	
PROVISIONS FOR LIABILITIES AND CHARGES	17		2,194,133			560,135	
NET ASSETS			<u>4,093,213</u>			<u>3,413,058</u>	
CAPITAL AND RESERVES							
Called up share capital	18		99,000			99,000	
Profit and loss account			<u>3,994,213</u>			<u>3,314,058</u>	
	19		<u>4,093,213</u>			<u>3,413,058</u>	

The directors have taken advantage of the exemption conferred by Part III of Schedule 8 to the Companies Act 1985 on the basis that, in their opinion, the company qualifies as a medium sized company.

Approved by the board
and signed on its behalf by:

A H Knight Esq 

A R Cruse Esq 

Date: 6th March 1996

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) Directors
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The notes on pages 7 to 17 form an integral part of these accounts.

J.P. KNIGHT LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER 1995

1. ACCOUNTING POLICIES

1.1 Accounting convention

The financial statements have been prepared under the historical cost convention.

1.2 Turnover

This represents the invoiced amounts of work done during the year, net of value added tax. Turnover on long term contracts is recognised in accordance with the terms of each contract.

1.3 Depreciation of fixed tangible assets

Fixed tangible assets are depreciated on the following bases at the following rates to reduce the cost to the anticipated residual value at the end of the expected useful lives of those assets:

Freehold land and buildings	: 2% per annum straight line
Tugs	: 10 years straight line on net book value at 1st October 1994
Other craft	: 10 years straight line on net book value at 1st October 1994
Motor vehicles, machinery and office equipment	: 10% to 40% per annum on both straight line and reducing balance basis

During the year the company altered the rate of depreciation of tugs. This has resulted in a decrease in depreciation charged in the year of £54,915.

1.4 Deferred taxation

Deferred taxation is provided using the liability method if it can be foreseen with reasonable probability that a liability will arise in the future.

1.5 Foreign currencies

Assets and liabilities denoted in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Trading items are translated at the approximate rate of exchange for the period in which amounts are transacted. All exchange differences are dealt with in the profit and loss account.

Investments in the shares of overseas subsidiaries are recorded in the holding company's balance sheet at the rate of exchange ruling at the date of purchase of those shares.

1.6 Investments

Investments are valued at cost, with provision made for permanent diminution in value where appropriate.

J.P. KNIGHT LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued FOR THE YEAR ENDED 30TH SEPTEMBER 1995

- 1.7 Leases and hire purchase agreements
Assets acquired under finance leases or hire purchase agreements are capitalised and depreciated over their useful economic lives. Interest is taken to the profit and loss account on a sum-of-digits basis.

Rentals under operating leases are charged to the profit and loss account as incurred.

- 1.8 Basis of consolidation
The company has taken advantage of the exemptions provided by section 228 of the Companies Act 1985 not to prepare group accounts on the grounds that its parent undertaking, JP Knight Group Ltd which is registered in England and Wales, prepares group accounts.

- 1.9 Pension contributions
The company operates a defined contribution scheme for the directors and certain staff. The premiums are written off to the profit and loss account in the accounting period in which they are paid.

- 1.10 Cash flow statement
The company has not prepared a cash flow statement under Financial Reporting Standard No. 1 as the company is a wholly owned subsidiary of JP Knight Group Ltd, a company registered in England and Wales, which prepares a consolidated cash flow statement.

2. PROFIT BEFORE TAXATION

The pre-tax result is mainly attributable to the company's activity of operation of tugs and barges.

3. OTHER OPERATING INCOME	<u>1995</u>	<u>1994</u>
	£	£
Gain on foreign exchange	-	186,403
Management charges receivable	329,809	336,918
Tax repayment supplement	4,829	-
Dividends received	1,100,000	-
	<u>1,434,638</u>	<u>523,321</u>

J.P. KNIGHT LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 30TH SEPTEMBER 1995

4. OPERATING (LOSS)	<u>1995</u>	<u>1994</u>
	£	£
This is stated after charging:		
Depreciation of owned assets	283,256	342,841
Depreciation of assets held under finance lease or hire purchase	36,423	66,224
Hire of equipment	1,368,385	1,607,911
Auditors' remuneration	20,000	20,000
	<u> </u>	<u> </u>
 5. PROFIT ON DISPOSAL OF FIXED ASSETS	 <u>1995</u>	 <u>1994</u>
	£	£
Profit on disposal of tangible fixed assets	62,453	10,926
	<u> </u>	<u> </u>

J.P. KNIGHT LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 30TH SEPTEMBER 1995**

6. EMPLOYEE INFORMATION	1995	1994
	£	£
6.1 Staff costs including directors:		
Wages and salaries	1,645,922	1,548,986
Social security costs	102,061	92,273
Pension costs	41,529	30,409
	<u>1,789,512</u>	<u>1,671,668</u>
6.2 The average weekly number of employees including directors during the year was as follows:	No.	No.
Office and management	34	40
Crews and general	134	136
	<u>168</u>	<u>176</u>
6.3 Directors' emoluments:	£	£
Remuneration	161,817	252,051
Pension contributions	5,841	13,063
Former directors' pension	9,342	4,602
	<u>177,000</u>	<u>269,716</u>
Further details, excluding pension contributions:		
Chairman (and highest paid)	<u>64,891</u>	<u>55,920</u>
Other directors' emoluments fell within the following ranges:	No.	No.
£5,001 - £10,000	-	1
£40,001 - £45,000	1	2
£45,001 - £50,000	-	2
£50,001 - £55,000	1	-
7. INTEREST RECEIVABLE	1995	1994
	£	£
Interest receivable	<u>133,453</u>	<u>34,079</u>

J.P. KNIGHT LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS - continued**
FOR THE YEAR ENDED 30TH SEPTEMBER 1995

8. INTEREST PAYABLE	<u>1995</u>	<u>1994</u>
	£	£
On bank loans, overdrafts and other loans wholly repayable within five years	155,083	103,356
Leases and hire purchase contracts	25,813	39,295
Other interest	7,451	15,007
Loss on foreign exchange	20,828	-
	<u>209,175</u>	<u>157,658</u>
 9. TAXATION	 <u>1995</u>	 <u>1994</u>
	£	£
The tax charge on the profit/(loss) on ordinary activities for the year was as follows:		
U.K. corporation tax at 33% (1994 - 33%)	38,554	2,506
Deferred taxation	18,139	(140,237)
Adjustment of provision for previous years	53,763	(70,120)
Group relief	3,572	-
	<u>114,028</u>	<u>(207,851)</u>
 10. DIVIDENDS	 <u>1995</u>	 <u>1994</u>
	£	£
First interim dividend paid at 61p (1994: 61p)		
Ordinary A shares	40,260	40,260
Ordinary B shares	20,130	20,130
Second interim dividend paid and part paid at 200p		
Ordinary A shares	132,000	-
Ordinary B shares	66,000	-
Third interim dividend proposed at 49p (1994: 49p)		
Ordinary A shares	32,340	32,340
Ordinary B shares	16,170	16,170
Dividend in specie being investment in J.P. Knight (Caledonian) Limited	-	65,000
	<u>306,900</u>	<u>173,900</u>

J.P. KNIGHT LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 30TH SEPTEMBER 1995

11. TANGIBLE FIXED ASSETS

	Freehold Land and Buildings	Tugs	Motor Vehicles, Machinery and Other Equipment	Other Craft	Total
	£	£	£	£	£
Cost:					
At 1st October 1994	282,388	3,162,840	802,861	10,981	4,259,070
Additions	-	1,108,074	144,280	-	1,252,354
Disposals	-	-	(106,783)	-	(106,783)
Transferred from group undertakings	-	766,549	92,668	9,425,942	10,285,159
At 30th September 1995	282,388	5,037,463	933,026	9,436,923	15,689,800
Depreciation:					
At 1st October 1994	16,066	1,844,618	329,232	10,009	2,199,925
Charge for the year	3,693	182,869	105,411	27,706	319,679
Disposals	-	-	(44,154)	-	(44,154)
Transferred from group undertakings	-	320,482	53,242	4,999,071	5,372,795
At 30th September 1995	19,759	2,347,969	443,731	5,036,786	7,848,245
Net book value at 1st October 1994	266,322	1,318,222	473,629	972	2,059,145
Net book value at 30th September 1995	262,629	2,689,494	489,295	4,400,137	7,841,555

Included in the amounts for tugs are assets held under hire purchase or finance lease agreements which have a net book value of £817,811 (1994: £364,235).

J.P. KNIGHT LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 30TH SEPTEMBER 1995****12. FIXED ASSET INVESTMENTS**

GROUP UNDERTAKINGS	Shares at cost £	Loans £	Provision for deficiency of assets in subsidiaries £	Total £
At 1st October 1994	176,599	2,888,259	(11,315)	3,053,543
Transferred to current assets	-	(2,368,236)	-	(2,368,236)
Addition in year	60,000	41,506	-	101,506
Provided for in the year	-	-	(143,126)	(143,126)
At 30th September 1995	<u>236,599</u>	<u>561,529</u>	<u>(154,441)</u>	<u>643,687</u>

Provision has been made by the company for deficiency of assets in group undertakings as shown in the group undertakings' balance sheets at their respective year ends.

13. FIXED ASSET INVESTMENTS - CONTINUED**DETAILS OF GROUP UNDERTAKINGS AND PARTICIPATING INTERESTS****13.1 Group Undertakings**

Principal Group Undertakings	Classification of shares held	Proportion held by Company	Nature of Business
J.P. Knight (London) Limited	Ordinary	100%	Dormant
J.P. Knight (Offshore) Limited	Ordinary	100%	Pontoons
J P Knight (Suriname) Limited	Ordinary	100%	Tugs
J.P. Knight (Holdings) Limited (Incorporated in Scotland)	Ordinary	100%	Investment
Cromarty Trout Company Limited (Incorporated in Scotland)	Ordinary	75%	Fish farming
J.P. Knight (International) B.V. (Incorporated in the Netherlands)	Ordinary	100% *	Management

13.2 Undertakings in which J.P. Knight Limited has a participating interest

Atlantis Submarines (Aruba) B.V. (Incorporated in Aruba)	Ordinary	35.6% *	Tourist submarine
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J.P. KNIGHT LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued FOR THE YEAR ENDED 30TH SEPTEMBER 1995

13.3 Group undertakings not consolidated in ultimate parent company

Goliath Knight B.V. (Incorporated in the Netherlands)	Ordinary	75%	*	In liquidation
J.P. Knight (Barges) B.V. (Incorporated in the Netherlands)	Ordinary	100%	*	Dormant

* Held by a subsidiary

The companies are registered in England and Wales, unless otherwise stated.

14. DEBTORS	<u>1995</u>	<u>1994</u>
	£	£
Trade debtors	620,645	66,143
Amounts owed by parent undertakings and fellow group undertakings	841,180	621,662
Amounts owed by subsidiary undertakings	10,660	417,373
Amounts owed by undertakings in which the group has a participating interest	22,671	-
Other debtors	104,466	228,110
Prepayments	235,072	143,618
Dividends receivable	900,000	-
	<u>2,734,694</u>	<u>1,476,906</u>

Included in amounts owed by parent undertakings and fellow group undertakings is an amount of £552,357 which is receivable after more than one year.

J.P. KNIGHT LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 30TH SEPTEMBER 1995****15. CREDITORS - AMOUNTS FALLING DUE
WITHIN ONE YEAR**

	<u>1995</u>	<u>1994</u>
	£	£
Bank loans and overdraft	401,076	1,044,028
Obligations under lease and hire purchase contracts	433,413	104,063
Trade creditors	500,390	443,226
Amounts owed to parent undertakings and fellow group undertakings	79,973	-
Amounts owed to subsidiary undertakings	1,465,541	379,358
Amounts owed to undertakings in which the group has a participating interest	25	25
Advance corporation tax	27,225	27,225
Corporation tax	14,618	-
Other taxation and social security	37,664	23,480
Other creditors	16,037	-
Accruals	197,619	241,532
Proposed dividend	48,510	48,510
Other loans	381,401	234,622
	<u>3,603,492</u>	<u>2,546,069</u>

**16. CREDITORS - AMOUNTS FALLING DUE
AFTER MORE THAN ONE YEAR**

	<u>1995</u>	<u>1994</u>
	£	£
Bank loans	1,319,445	211,371
Obligations under lease and hire purchase contracts	-	149,885
Other loans	1,271,151	1,494,118
	<u>2,590,596</u>	<u>1,855,374</u>

Included in bank loans is a loan bearing interest at a rate of 8.3% per annum repayable in monthly instalments as follows:

	<u>1995</u>
	£
Due within one year	74,466
Between one and two years	74,466
Between two and five years	223,398
After five years	136,520
	<u>508,850</u>

J.P. KNIGHT LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 30TH SEPTEMBER 1995

The bank loans and overdrafts are secured by mortgages on the company's craft and the craft of other group undertakings. Loans are denominated in a foreign currency and the interest rate of that currency applies.

Other loans are repayable by fixed deductions from receipts of a long term contract. The repayments are expected to be made regularly over a period of at least five years. These loans are secured on the group's craft and do not carry interest.

17. PROVISIONS FOR LIABILITIES AND CHARGES	<u>1995</u>	<u>1994</u>
	£	£
17.1 Analysis of provision made for deferred taxation:		
Accelerated capital allowances	<u>2,194,133</u>	<u>560,135</u>
Full provision has been made for deferred taxation.		
17.2 Movements to the provision for deferred taxation:		
At 1st October 1994	560,135	700,372
Transferred to profit and loss account	18,139	(140,237)
Transferred from group undertakings	<u>1,615,859</u>	<u>-</u>
At 30th September 1995	<u>2,194,133</u>	<u>560,135</u>
18. SHARE CAPITAL	<u>1995</u>	<u>1994</u>
	£	£
Authorised:		
100,000 Ordinary 'A' shares of £1 each	100,000	100,000
50,000 Ordinary 'B' shares of £1 each	<u>50,000</u>	<u>50,000</u>
	<u>150,000</u>	<u>150,000</u>
Issued and fully paid:		
66,000 Ordinary 'A' shares of £1 each	66,000	66,000
33,000 Ordinary 'B' shares of £1 each	<u>33,000</u>	<u>33,000</u>
	<u>99,000</u>	<u>99,000</u>

J.P. KNIGHT LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued FOR THE YEAR ENDED 30TH SEPTEMBER 1995

19. RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS' FUNDS

	<u>1995</u>	<u>1994</u>
	£	£
Profit/(loss) for the financial year after taxation	987,055	(133,180)
Dividends	(306,900)	(173,900)
	<u>680,155</u>	<u>(307,080)</u>
Opening shareholders' funds at 1st October 1994	3,413,058	3,720,138
Closing shareholders' funds at 30th September 1995	<u>4,093,213</u>	<u>3,413,058</u>

20. ULTIMATE PARENT COMPANY

The directors consider JP Knight Group Ltd to be the ultimate parent company. JP Knight Group Ltd is registered in England and Wales.

21. CONTINGENT LIABILITIES

- 21.1 J.P. Knight (Barges) B.V., a group undertaking of the company, is insolvent and has a liability, inter alia, to the Dutch tax authorities. The directors believe that no successful claim can be made against the company in respect of any of these liabilities.

The company and its group undertakings have written off all investments in, and loans to J.P. Knight (Barges) B.V.

- 21.2 Amounts due to and from a group undertaking are the subject of negotiations with the liquidator of the group undertaking. The directors believe that no financial liability will result from the negotiations and are unable to estimate the amount of any loss which could possibly arise. No provision for any payment has been made in the accounts at 30th September 1995.
- 21.3 The company is party to a first agreement with the group's bankers by which the company and various fellow group undertakings guarantee the overdrafts owed by those group undertakings. The guarantee is unlimited and at 30th September 1995 the borrowings so guaranteed amounted to £173,274 (1994: £527,678).
- 21.4 The company is party to a second agreement with the groups bankers by which the company and various other group undertakings guarantee the overdrafts and loans owed by those group undertakings. The guarantee is subject to the overall credit facilities available to the group undertakings and at 30th September 1995 the borrowings so guaranteed amounted to £625,787 (1994: Nil).