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Company Registration No. 01366728 (England and Wales)

BAXTERS INTERNATIONAL REMOVALS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2002



BAXTERS INTERNATIONAL REMOVALS LIMITED

COMPANY INFORMATION

Directors

F J Baxter
Mrs P S G Baxter
C Baxter-Wilkinson
G Baxter

Secretary

Mrs P S G Baxter

Company number

01366728

Registered office

Smeaton Close
Rabans Lane
Aylesbury
Bucks
HP19 8UN

Auditors

Hillier Hopkins
Charter Court
Midland Road
Hemel Hempstead
Herts.
HP2 5GE

Business address

Smeaton Close
Rabans Lane
Aylesbury
Bucks
HP19 8UN

BAXTERS INTERNATIONAL REMOVALS LIMITED

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BAXTERS INTERNATIONAL REMOVALS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2002

The directors present their report and financial statements for the year ended 31 May 2002.

Principal activities and review of the business

The principal activities of the company in the year under review were Removers, Hauliers and Warehousemen.

The results for the year were extremely encouraging and they are set to continue for the forthcoming year.

Results and dividends

The results for the year are set out on page 4.

The directors do not recommend payment of an ordinary dividend.

Directors

The following directors have held office since 1 June 2001:

F J Baxter	
Mrs P S G Baxter	
S M Butt	(Resigned 13 August 2001)
C Baxter-Wilkinson	
G Baxter	

Directors' interests

The directors in office in the year and their beneficial interests in the ultimate parent company at the balance sheet date and the beginning of the year (or on appointment if later) were as follows:

	Ordinary shares of £ 1 each	
	31 May 2002	1 June 2001
F J Baxter	90	90
Mrs P S G Baxter	10	10
C Baxter-Wilkinson	-	-
G Baxter	-	-

Taxation status

The company was not a close company within the provisions of the Income and Corporation Taxes Act 1988 and this position has not changed since the end of the financial year.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Hillier Hopkins be reappointed as auditors of the company will be put to the Annual General Meeting.

BAXTERS INTERNATIONAL REMOVALS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2002

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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.

On behalf of the board



F J Baxter

Director

29/8/02

BAXTERS INTERNATIONAL REMOVALS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BAXTERS INTERNATIONAL REMOVALS LIMITED

We have audited the financial statements of Baxters International Removals Limited on pages 4 to 16 for the year ended 31 May 2002. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

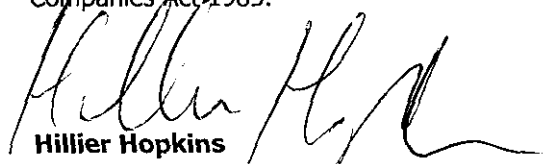
Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 31 May 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Hillier Hopkins

Chartered Accountants
Registered Auditor

11 September 2002

Charter Court
Midland Road
Hemel Hempstead
Herts.
HP2 5GE

BAXTERS INTERNATIONAL REMOVALS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MAY 2002

	Notes	2002 £	2001 £
Turnover	2	6,661,965	6,378,426
Cost of sales		(4,780,746)	(4,248,329)
Gross profit		1,881,219	2,130,097
Administrative expenses		(1,300,951)	(1,244,401)
Other operating income		123,914	3,842
Operating profit	3	704,182	889,538
Exceptional item	3	-	(37,500)
Profit on ordinary activities before interest		704,182	852,038
Other interest receivable and similar income		18,428	-
Interest payable and similar charges	4	(11,589)	(38,886)
Profit on ordinary activities before taxation		711,021	813,152
Tax on profit on ordinary activities	5	(181,609)	(266,759)
Profit on ordinary activities after taxation	15	529,412	546,393

The profit and loss account has been prepared on the basis that all operations are continuing operations.

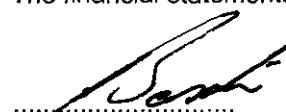
There are no recognised gains and losses other than those passing through the profit and loss account.

BAXTERS INTERNATIONAL REMOVALS LIMITED

BALANCE SHEET AS AT 31 MAY 2002

	Notes	2002		2001	
		£	£	£	£
Fixed assets					
Tangible assets	6		1,206,417		1,176,442
Investments	7		1,297		1,153
			<u>1,207,714</u>		<u>1,177,595</u>
Current assets					
Stocks	8	29,166		21,849	
Debtors	9	1,051,306		1,317,098	
Cash at bank and in hand		690,988		337,239	
		<u>1,771,460</u>		<u>1,676,186</u>	
Creditors: amounts falling due within one year	10	(1,180,830)		(1,378,570)	
Net current assets			<u>590,630</u>		<u>297,616</u>
Total assets less current liabilities			<u>1,798,344</u>		<u>1,475,211</u>
Creditors: amounts falling due after more than one year	11		(421,831)		(623,574)
Provisions for liabilities and charges	12		(81,439)		(85,975)
			<u>1,295,074</u>		<u>765,662</u>
Capital and reserves					
Called up share capital	14		100		100
Profit and loss account	15		1,294,974		765,562
Shareholders' funds - equity interests	16		<u>1,295,074</u>		<u>765,662</u>

The financial statements were approved by the Board on 29/8/02


 J Baxter
 Director

BAXTERS INTERNATIONAL REMOVALS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MAY 2002

	2002		2001	
	£	£	£	£
Net cash inflow from operating activities		1,049,517		543,244
Returns on investments and servicing of finance				
Interest received	18,428		-	
Interest paid	(489)		(1,149)	
Interest element of hire purchase contracts	(11,099)		-	
Net cash inflow/(outflow) for returns on investments and servicing of finance		6,840		(1,149)
Taxation		(207,989)		(36,422)
Capital expenditure and financial investment				
Payments to acquire tangible assets	(351,513)		(986,251)	
Payments to acquire investments	(144)		(128)	
Receipts from sales of tangible assets	36,097		92,600	
Net cash outflow for capital expenditure		(315,560)		(893,779)
Acquisitions and disposals				
Net cash outflow for acquisitions and disposals		-		-
Net cash inflow/(outflow) before management of liquid resources and financing		532,808		(131,894)
Financing				
Capital element of hire purchase contracts	(179,059)		482,442	
Net cash inflow from financing		(179,059)		482,442
Increase in cash in the year		353,749		350,548

BAXTERS INTERNATIONAL REMOVALS LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MAY 2002

1	Reconciliation of operating profit to net cash inflow from operating activities	2002	2001
		£	£
	Operating profit	704,182	889,538
	Depreciation of tangible assets	290,172	378,084
	Loss/(profit) on disposal of tangible assets	1,810	(19,590)
	Exceptional item	-	(37,500)
	Increase in stocks	(7,317)	(3,220)
	Decrease/(increase) in debtors	265,792	(753,792)
	(Decrease)/Increase in creditors within one year	(198,580)	345,936
	Net cash inflow from operating activities	1,049,517	799,456

2	Analysis of net debt	1 June 2001	Cash flow	Other non-cash changes	31 May 2002
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	337,239	353,749	-	690,988
	Debt:				
	Finance leases	(728,572)	179,059	-	(549,513)
		(984,784)	179,059	-	(549,513)
	Net debt	(647,545)	532,808	-	141,475

3	Reconciliation of net cash flow to movement in net debt	2002	2001
		£	£
	Increase in cash in the year	353,749	350,548
	Cash outflow/(inflow) from decrease/(increase) in debt and lease financing	179,059	(738,654)
	Movement in net debt in the year	532,808	(388,106)
	Opening net debt	(647,545)	(259,439)
	Closing net debt	141,475	(647,545)

BAXTERS INTERNATIONAL REMOVALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2002

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	Nil
Plant and machinery	25% on reducing balance
Fixtures, fittings & equipment	25% on reducing balance
Motor vehicles	25% on reducing balance

1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.7 Stock

Stock is valued at the lower of cost and net realisable value.

1.8 Pensions

The company operates a money purchase (defined contribution) pension scheme. Contributions payable to this scheme are charged to the profit and loss account in the period to which they relate. These contributions are invested separately from the company's assets.

1.9 Deferred taxation

Deferred taxation is provided using the liability method on all timing differences to the extent that they are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

1.10 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

BAXTERS INTERNATIONAL REMOVALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2002

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit	2002 £	2001 £
Operating profit is stated after charging:		
Depreciation of tangible assets	290,172	378,084
Operating lease rentals		
- Plant and machinery	389,931	383,415
- Other assets	99,000	99,000
Auditors' remuneration	9,250	7,250
Exceptional item	-	37,500

The exceptional item in the comparatives relates to an abortive property purchase and comprises costs involved prior to termination.

4 Interest payable	2002 £	2001 £
On bank loans and overdrafts	489	1,149
Hire purchase interest	11,100	37,737
	<u>11,589</u>	<u>38,886</u>

BAXTERS INTERNATIONAL REMOVALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2002

5	Taxation	2002 £	2001 £
	Domestic current year tax		
	U.K. corporation tax	186,145	204,779
	Current tax charge	186,145	204,779
	Deferred tax		
	Deferred tax charge/credit current year	(4,536)	61,980
		181,609	266,759
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	711,021	813,152
	Profit on ordinary activities before taxation multiplied by standard rate of corporation tax of 27.05% (2001 : 27.47%)	192,331	223,373
	Effects of:		
	Non deductible expenses	4,159	13,701
	Depreciation	78,492	103,858
	Capital allowances	(88,837)	(130,772)
	Other tax adjustments	-	(5,381)
		(6,186)	(18,594)
	Current tax charge	186,145	204,779

BAXTERS INTERNATIONAL REMOVALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2002

6 Tangible fixed assets

	Land and buildings Freehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 June 2001	128,720	362,824	234,885	1,518,680	2,245,109
Additions	-	9,227	52,777	296,052	358,056
Disposals	-	-	-	(126,820)	(126,820)
At 31 May 2002	128,720	372,051	287,662	1,687,912	2,476,345
Depreciation					
At 1 June 2001	644	260,470	156,226	651,327	1,068,667
On disposals	-	-	-	(89,150)	(89,150)
Charge for the year	640	27,475	23,923	238,373	290,411
At 31 May 2002	1,284	287,945	180,149	800,550	1,269,928
Net book value					
At 31 May 2002	127,436	84,106	107,513	887,362	1,206,417
At 31 May 2001	128,076	102,354	78,659	867,353	1,176,442

Included above are assets held under finance leases or hire purchase contracts as follows:

	Motor vehicles £
Net book values	
At 31 May 2002	748,777
At 31 May 2001	625,733
Depreciation charge for the year	
31 May 2002	180,801
31 May 2001	212,133

BAXTERS INTERNATIONAL REMOVALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2002

7 Fixed asset investments

	Unlisted investments £
Cost	
At 1 June 2001	1,153
Additions	144
	<hr/>
At 31 May 2002	1,297
	<hr/>

8 Stocks

	2002 £	2001 £
Finished goods and goods for resale	29,166	21,849
	<hr/>	<hr/>

9 Debtors

	2002 £	2001 £
Trade debtors	934,547	1,108,938
Other debtors	1,612	133,232
Prepayments and accrued income	115,147	74,928
	<hr/>	<hr/>
	1,051,306	1,317,098
	<hr/>	<hr/>

10 Creditors: amounts falling due within one year

	2002 £	2001 £
Net obligations under hire purchase contracts	383,894	361,210
Trade creditors	249,173	293,455
Corporation tax	186,145	207,989
Other taxes and social security costs	149,326	221,643
Directors' current accounts	14,412	63,199
Other creditors	50,437	65,079
Accruals and deferred income	147,443	165,995
	<hr/>	<hr/>
	1,180,830	1,378,570
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BAXTERS INTERNATIONAL REMOVALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2002

11 Creditors: amounts falling due after more than one year	2002 £	2001 £
Amounts owed to parent company	256,212	256,212
Net obligations under hire purchase contracts	165,619	367,362
	<u>421,831</u>	<u>623,574</u>
Net obligations under hire purchase contracts		
Repayable within one year	414,132	413,744
Repayable between one and five years	171,657	388,507
	<u>585,789</u>	<u>802,251</u>
Finance charges and interest allocated to future accounting periods	(36,276)	(73,679)
	<u>549,513</u>	<u>728,572</u>
Included in liabilities falling due within one year	(383,894)	(361,210)
	<u>165,619</u>	<u>367,362</u>

12 Provisions for liabilities and charges

	Deferred taxation £
Balance at 1 June 2001	85,975
Profit and loss account	(4,536)
Balance at 31 May 2002	<u>81,439</u>

Deferred taxation provided in the financial statements is as follows:

	2002 £	2001 £
Accelerated capital allowances	<u>81,439</u>	<u>85,975</u>

BAXTERS INTERNATIONAL REMOVALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2002

13 Pension costs

Defined contribution

	2002 £	2001 £
Contributions payable by the company for the year	<u> </u>	<u>76,971</u>

14 Share capital

Authorised

	2002 £	2001 £
100,000 Ordinary shares of £ 1 each	<u>100,000</u>	<u>100,000</u>

Allotted, called up and fully paid

	2002 £	2001 £
100 Ordinary shares of £ 1 each	<u>100</u>	<u>100</u>

15 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 June 2001	765,562
Retained profit for the year	<u>529,412</u>
Balance at 31 May 2002	<u>1,294,974</u>

16 Reconciliation of movements in shareholders' funds

	2002 £	2001 £
Profit for the financial year	529,412	546,393
Opening shareholders' funds	<u>765,662</u>	<u>219,269</u>
Closing shareholders' funds	<u>1,295,074</u>	<u>765,662</u>

BAXTERS INTERNATIONAL REMOVALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2002

17 Financial commitments

At 31 May 2002 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			
	2002	2001	2002	Other
	£	£	£	2001
				£
Expiry date:				
Within one year	53,230	105,680	25,354	-
Between two and five years	150,000	99,000	-	56,788
	<u>203,230</u>	<u>204,680</u>	<u>25,354</u>	<u>56,788</u>

18 Directors' emoluments

	2002	2001
	£	£
Emoluments for qualifying services	341,081	394,943
Company pension contributions to money purchase schemes	-	76,900
Compensation for loss of office	-	6,143
	<u>341,081</u>	<u>477,986</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2001 - 2).

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	209,296	139,213
Company pension contributions to money purchase schemes	-	1,628
	<u>209,296</u>	<u>140,841</u>

BAXTERS INTERNATIONAL REMOVALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2002

19 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

2002 Number	2001 Number
60	59

Employment costs

	£	£
Wages and salaries	1,769,874	1,755,840
Social security costs	39,155	45,293
Other pension costs	-	76,971
	<u>1,809,029</u>	<u>1,878,104</u>

20 Control

The ultimate parent company is F B I Holdings Limited, a company registered in England and Wales.

21 Related party transactions

Included in other creditors is an amount of £256,212 which is owing to its parent company, FBI Holdings Limited.