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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 2001



BAXTERS INTERNATIONAL REMOVALS LIMITED

COMPANY INFORMATION

Directors

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

Secretary

Mrs P S G Baxter

Company number

01366728

Registered office

Smeaton Close
Rabans Lane
Aylesbury
Bucks
HP19 3DU

Auditors

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

Business address

Smeaton Close
Rabans Lane
Aylesbury
Bucks
HP19 3DU

BAXTERS INTERNATIONAL REMOVALS LIMITED

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BAXTERS INTERNATIONAL REMOVALS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2001

The directors present their report and financial statements for the year ended 31 May 2001.

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 2000:

F J Baxter
Mrs P S G Baxter
S M Butt
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 2001	1 June 2000
F J Baxter	90	90
Mrs P S G Baxter	10	10
S M Butt	-	-
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.

Creditor payment policy

It is the company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the company and its suppliers, provided that all trading terms and conditions have been complied with. At the year end, the company had an average of 50 days purchases outstanding in trade creditors.

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 2001


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;
- 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.

On behalf of the board



.....

24/10/01
.....

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 15 for the year ended 31 May 2001. These financial statements have been prepared under the historical cost convention and the accounting policies set out herein.

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.

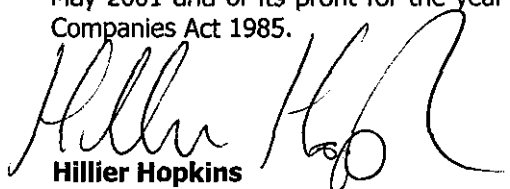
Basis of audit opinion

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 2001 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

9 November 2001

Charter Court
Midland Road
Hemel Hempstead
Herts.
HP2 5GE

BAXTERS INTERNATIONAL REMOVALS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MAY 2001

	Notes	2001 £	2000 £
Turnover	2	6,378,426	3,640,735
Cost of sales		(4,248,329)	(2,679,659)
Gross profit		2,130,097	961,076
Administrative expenses		(1,244,401)	(789,719)
Other operating income		3,842	2,615
Operating profit	3	889,538	173,972
Exceptional item	3	(37,500)	-
Profit on ordinary activities before interest		852,038	173,972
Interest payable and similar charges	4	(38,886)	(19,626)
Profit on ordinary activities before taxation		813,152	154,346
Tax on profit on ordinary activities	5	(266,759)	(62,375)
Profit on ordinary activities after taxation	15	546,393	91,971

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 2001

	Notes	2001 £	£	2000 £	£
Fixed assets					
Tangible assets	6		1,176,442		641,283
Investments	7		1,153		1,025
			<u>1,177,595</u>		<u>642,308</u>
Current assets					
Stocks	8	21,849		18,629	
Debtors	9	1,313,888		562,056	
Cash at bank and in hand		337,239		9,810	
		<u>1,672,976</u>		<u>590,495</u>	
Creditors: amounts falling due within one year	10	(1,631,572)		(864,291)	
Net current assets/(liabilities)			<u>41,404</u>		<u>(273,796)</u>
Total assets less current liabilities			1,218,999		368,512
Creditors: amounts falling due after more than one year	11		(367,362)		(125,248)
Provisions for liabilities and charges	12		(85,975)		(23,995)
			<u>765,662</u>		<u>219,269</u>
Capital and reserves					
Called up share capital	14		100		100
Profit and loss account	15		765,562		219,169
Shareholders' funds - equity interests	16		<u>765,662</u>		<u>219,269</u>

The financial statements were approved by the Board on24/10/01



Director

BAXTERS INTERNATIONAL REMOVALS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MAY 2001

	2001 £	2000 £
Net cash inflow from operating activities	799,456	288,707
Returns on investments and servicing of finance		
Interest paid	(1,149)	(81)
Net cash outflow for returns on investments and servicing of finance	(1,149)	(81)
Taxation	(36,422)	(16,975)
Capital expenditure and financial investment		
Payments to acquire tangible assets	(986,251)	(431,331)
Payments to acquire investments	(128)	-
Receipts from sales of tangible assets	92,600	147,324
Net cash outflow for capital expenditure	(893,779)	(284,007)
Net cash outflow before management of liquid resources and financing	(131,894)	(12,356)
Financing		
Capital element of hire purchase contracts	482,442	20,539
Net cash inflow from financing	482,442	20,539
Increase in cash in the year	350,548	8,183

BAXTERS INTERNATIONAL REMOVALS LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MAY 2001

1	Reconciliation of operating profit to net cash inflow from operating activities	2001 £	2000 £
	Operating profit	889,538	173,972
	Depreciation of tangible assets	378,084	191,976
	Profit on disposal of tangible assets	(19,590)	(21,784)
	Exceptional item	(37,500)	-
	Increase in stocks	(3,220)	(5,716)
	(Increase)/decrease in debtors	(753,792)	152,773
	Increase/(decrease) in creditors within one year	345,936	(202,514)
	Net cash inflow from operating activities	<u>799,456</u>	<u>288,707</u>

2	Analysis of net debt	1 June 2000 £	Cash flow £	Other non-cash changes £	31 May 2001 £
	Net cash:				
	Cash at bank and in hand	9,810	327,429	-	337,239
	Bank overdrafts	(23,119)	23,119	-	-
		<u>(13,309)</u>	<u>350,548</u>	<u>-</u>	<u>337,239</u>
	Debt:				
	Finance leases	(246,130)	(482,442)	-	(728,572)
	Net debt	<u>(259,439)</u>	<u>(131,894)</u>	<u>-</u>	<u>(391,333)</u>

3	Reconciliation of net cash flow to movement in net debt	2001 £	2000 £
	Increase in cash in the year	350,548	8,183
	Cash inflow from increase in debt and lease financing	(482,442)	(20,539)
	Movement in net debt in the year	<u>(131,894)</u>	<u>(12,356)</u>
	Opening net debt	(259,439)	(247,083)
	Closing net debt	<u>(391,333)</u>	<u>(259,439)</u>

BAXTERS INTERNATIONAL REMOVALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2001

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 2001

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	2001 £	2000 £
Operating profit is stated after charging:		
Depreciation of tangible assets	378,084	191,976
Operating lease rentals		
- Plant and machinery	383,415	152,884
- Other assets	99,000	99,000
Auditors' remuneration	7,250	7,500
Exceptional item	37,500	-

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

4 Interest payable	2001 £	2000 £
On bank loans and overdrafts	1,149	81
Hire purchase interest	37,737	19,545
	<u>38,886</u>	<u>19,626</u>

5 Taxation	2001 £	2000 £
Domestic current year taxation		
U.K. corporation tax	204,779	38,380
Deferred taxation	61,980	23,995
	<u>266,759</u>	<u>62,375</u>

BAXTERS INTERNATIONAL REMOVALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2001

6 Tangible fixed assets

	Land and buildings Freehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 June 2000	128,720	292,476	193,307	801,551	1,416,054
Additions	-	70,348	41,578	874,325	986,251
Disposals	-	-	-	(157,196)	(157,196)
At 31 May 2001	128,720	362,824	234,885	1,518,680	2,245,109
Depreciation					
At 1 June 2000	-	222,552	130,006	422,211	774,769
On disposals	-	-	-	(84,186)	(84,186)
Charge for the year	644	37,918	26,220	313,302	378,084
At 31 May 2001	644	260,470	156,226	651,327	1,068,667
Net book value					
At 31 May 2001	128,076	102,354	78,659	867,353	1,176,442
At 31 May 2000	128,720	69,924	63,300	379,339	641,283

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

	Motor vehicles £
Net book values	
At 31 May 2001	625,733
At 31 May 2000	297,612
Depreciation charge for the year	
31 May 2001	212,133
31 May 2000	99,204

BAXTERS INTERNATIONAL REMOVALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2001

7 Fixed asset investments

	Unlisted investments £
Cost	
At 1 June 2000	1,025
Additions	128
At 31 May 2001	<u>1,153</u>

8 Stocks

	2001 £	2000 £
Finished goods and goods for resale	<u>21,849</u>	<u>18,629</u>

9 Debtors

	2001 £	2000 £
Trade debtors	1,108,938	416,185
Corporation tax	(3,210)	(1,250)
Other debtors	133,232	86,657
Prepayments and accrued income	74,928	60,464
	<u>1,313,888</u>	<u>562,056</u>

10 Creditors: amounts falling due within one year

	2001 £	2000 £
Bank loans and overdrafts	-	23,119
Net obligations under hire purchase contracts	361,210	120,882
Trade creditors	293,455	221,213
Amounts owed to parent and fellow subsidiary undertakings	256,212	256,212
Corporation tax	204,779	38,380
Other taxes and social security costs	221,643	75,673
Directors' current accounts	63,199	154
Other creditors	65,079	5,390
Accruals and deferred income	165,995	123,268
	<u>1,631,572</u>	<u>864,291</u>

BAXTERS INTERNATIONAL REMOVALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2001

11 Creditors: amounts falling due after more than one year	2001	2000
	£	£
Net obligations under hire purchase contracts	<u>367,362</u>	<u>125,248</u>
Net obligations under hire purchase contracts		
Repayable within one year	413,744	138,688
Repayable between one and five years	<u>388,507</u>	<u>133,508</u>
	802,251	272,196
Finance charges and interest allocated to future accounting periods	<u>(73,679)</u>	<u>(26,066)</u>
	728,572	246,130
Included in liabilities falling due within one year	<u>(361,210)</u>	<u>(120,882)</u>
	<u>367,362</u>	<u>125,248</u>

12 Provisions for liabilities and charges

**Deferred
taxation
£**

Profit and loss account	<u>85,975</u>
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Deferred taxation provided in the financial statements is as follows:

	Fully provided
	2001
	£
	2000
	£
Accelerated capital allowances	<u>85,975</u>
	<u>23,995</u>

13 Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £76,971 (2000 - £3,256).

BAXTERS INTERNATIONAL REMOVALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2001

14 Share capital	2001 £	2000 £
Authorised		
100,000 Ordinary shares of £ 1 each	100,000	100,000
Allotted, called up and fully paid		
100 Ordinary shares of £ 1 each	100	100

15 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 June 2000	219,169
Retained profit for the year	546,393
Balance at 31 May 2001	765,562

16 Reconciliation of movements in shareholders' funds	2001 £	2000 £
Profit for the financial year	546,393	91,971
Opening shareholders' funds	219,269	127,298
Closing shareholders' funds	765,662	219,269

17 Financial commitments

At 31 May 2001 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2001 £	2000 £	2001 £	2000 £
Expiry date:				
Within one year	105,680	-	-	-
Between two and five years	99,000	99,000	56,788	47,816
	204,680	99,000	56,788	47,816

BAXTERS INTERNATIONAL REMOVALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2001

18 Directors' emoluments	2001	2000
	£	£
Emoluments for qualifying services	394,943	168,718
Company pension contributions to money purchase schemes	76,900	2,400
Compensation for loss of office	6,143	6,397
	<u>477,986</u>	<u>177,515</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2000 - 2).

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

Emoluments for qualifying services	139,213	86,915
Company pension contributions to money purchase schemes	<u>38,486</u>	<u>1,628</u>

19 Employees

Number of employees

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

2001	2000
Number	Number
<u>59</u>	<u>48</u>

Employment costs

	£	£
Wages and salaries	1,755,840	1,248,228
Social security costs	45,293	16,048
Other pension costs	76,971	3,256
	<u>1,878,104</u>	<u>1,267,532</u>

20 Control

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

BAXTERS INTERNATIONAL REMOVALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2001

21 Related party transactions

Included in legal and professional fees is an amount of £21,000 which was paid in the year to S Butt, a director of the company, for accounting and consultancy work undertaken in the year.

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