

REGISTRAR'S COPY

COMPANY NUMBER 3709299

Sterling International Holdings Limited

Report and Financial Statements

Year Ended

31 December 2003



BDO
BDO Stoy Hayward
Chartered Accountants

Sterling International Holdings Limited

Annual report and financial statements for the year ended 31 December 2003

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Directors

P N Carter
R L Levine
R O H Morley
W F Heximer

Secretary and registered office

W F Heximer, Hallmark House, Rowdell Road, Northolt, Middlesex, UB5 6AG

Company number

3709299

Auditors

BDO Stoy Hayward LLP, Emerald House, East Street, Epsom Surrey, KT17 1HS

Sterling International Holdings Limited

Report of the directors for the year ended 31 December 2003

The directors present their report together with the audited financial statements for the year ended 31 December 2003.

Results and dividends

The profit and loss account is set out on page 5 and shows the result for the year.

The directors do not recommend the payment of a dividend for the year under review.

Principal activities, review of business and future developments

The company's principal activity is that of being an intermediate parent company, holding an investment in a subsidiary undertaking incorporated in France.

The company did not undertake any trading activities in the year.

There have been no events since the balance sheet date which materially affect the position of the company.

Directors

The directors of the company during the year were:

P N Carter
R L Levine
R O H Morley
W F Heximer

All the directors are also directors of the ultimate parent company, Sterling International Group Limited, and their interests in the share capital of that company, if any, are shown in its financial statements.

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 year. 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; and
- 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.

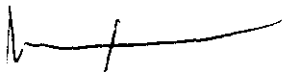
Sterling International Holdings Limited

Report of the directors for the year ended 31 December 2003 (Continued)

Auditors

On 31 December 2003, BDO Stoy Hayward, the company's auditors, transferred its business to BDO Stoy Hayward LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. Accordingly BDO Stoy Hayward resigned as auditors on that date and the directors appointed BDO Stoy Hayward LLP as its successor. A resolution to re-appoint BDO Stoy Hayward LLP as auditors will be proposed at the next annual general meeting.

By order of the Board



W F Heximer

Secretary

Date: 14/1/2004

Sterling International Holdings Limited

Report of the independent auditors

To the shareholders of Sterling International Holdings Limited

We have audited the financial statements of Sterling International Holdings Limited for the year ended 31 December 2003 on pages 5 to 11 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

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.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

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.

Sterling International Holdings Limited

Report of the independent auditors (*Continued*)

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2003 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



BDO STOY HAYWARD LLP

Chartered Accountants

and Registered Auditors

Epsom

Date: 20 July 2004

Sterling International Holdings Limited

Profit and loss account for the year ended 31 December 2003

	Note	2003 £	2002 £
Turnover		-	-
Administrative expenses		-	10,486
Loss on ordinary activities before and after taxation for the financial year	4	-	(10,486)
Accumulated loss brought forward		(36,697)	(26,211)
Accumulated loss carried forward		(36,697)	(36,697)

All amounts relate to continuing activities.

All recognised gains and losses in the current and prior year are included in the profit and loss account.

The notes on pages 7 to 11 form part of these financial statements.

Sterling International Holdings Limited

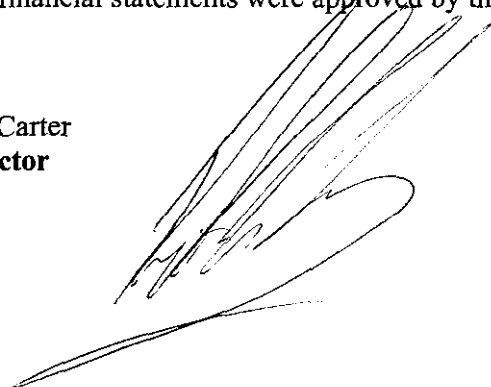
Balance sheet at 31 December 2003

	Note	2003 £	2003 £	2002 £	2002 £
Fixed assets					
Fixed asset investments	6		1,325,025		1,325,025
Current assets					
Debtors	7	799,127		748,278	
Creditors: amounts falling due within one year	8	857,355		816,696	
Net current liabilities			(58,228)		(68,418)
Total assets less current liabilities			1,266,797		1,256,607
Creditors: amounts falling due after more than one year	9		1,303,492		1,293,302
			(36,695)		(36,695)
Capital and reserves					
Called up share capital	10		2		2
Profit and loss account			(36,697)		(36,697)
Equity shareholders' deficit	11		(36,695)		(36,695)

The financial statements were approved by the Board on

14/1/2004

P N Carter
Director



The notes on pages 7 to 11 form part of these financial statements.

Sterling International Holdings Limited

Notes forming part of the financial statements for the year ended 31 December 2003

1 Accounting policies

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

The following principal accounting policies have been applied:

Consolidated financial statements

The company is exempt under section 228 of the Companies Act 1985 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent. These financial statements therefore present information about the company as an individual undertaking and not about its group.

Valuation of investments

Investments in subsidiary undertakings are stated at cost less any provision for impairment in value.

Foreign currency

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet dates. Any differences are taken to the profit and loss account.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

Impairment of fixed assets and goodwill

The need for any investment impairment write-down is assessed by comparison of the carrying value of the asset against the higher of net realisable value and value in use.

2 Employees

The average number of employees (excluding directors) during the year was nil (2002: nil).

3 Directors' remuneration

No director received any emoluments during the current year (2002 - £nil).

Sterling International Holdings Limited

Notes forming part of the financial statements for the year ended 31 December 2003 (Continued)

4 Loss on ordinary activities

	2003 £	2002 £
This is arrived at after charging:		
Auditors' remuneration - audit services	-	1,500
	<hr/>	<hr/>

Auditors remuneration is now borne by the parent company

5 Taxation on loss on ordinary activities

No taxation is payable on the result for the year (2002: £nil).

A tax reconciliation is provided below:

	2003 £	2002 £
Loss on ordinary activities before tax	-	(10,486)
	<hr/>	<hr/>
Loss on ordinary activities at the standard rate of corporation tax in the UK of 30% (2002 - 30%)	-	(3,146)
Effect of:		
Expenses not deductible for tax purposes	-	3,087
Losses surrendered for group relief	-	59
	<hr/>	<hr/>
Current tax charge for period	-	-
	<hr/>	<hr/>

Sterling International Holdings Limited

Notes forming part of the financial statements for the year ended 31 December 2003 (Continued)

6 Fixed asset investments

	£
<i>Cost</i>	
At 1 January 2003 and 31 December 2003	1,325,025
<i>Net book value</i>	
At 31 December 2002 and 31 December 2003	1,325,025

Details of the subsidiary undertaking as at 31 December 2003 were as follows:

	Country of incorporation or registration	Class of share capital held	Proportion of share capital held	Nature of business
Sterling International Movers France S.A.	France	Ordinary	100%	International moving and storage

The above subsidiary undertaking was incorporated in and operates from France.

7 Debtors

	2003 £	2002 £
Amounts owed by group undertakings	798,810	747,961
Other debtors	317	317
	<u>799,127</u>	<u>748,278</u>

All amounts shown under debtors fall due for payment within one year.

Sterling International Holdings Limited

Notes forming part of the financial statements for the year ended 31 December 2003 (*Continued*)

8 Creditors: amounts falling due within one year

	2003 £	2002 £
Amounts owed to group undertakings	845,141	804,482
Accruals and deferred income	12,214	12,214
	<u>857,355</u>	<u>816,696</u>

9 Creditors: amounts falling due after more than one year

	2003 £	2002 £
Amounts owed to group undertakings	1,303,492	1,293,302
	<u>1,303,492</u>	<u>1,293,302</u>

10 Share capital

	2003 £	Authorised 2002 £	Allotted, called up and fully paid 2003 £	2002 £
<i>Equity share capital</i>				
Ordinary shares of £1 each	1,000	1,000	2	2
	<u>1,000</u>	<u>1,000</u>	<u>2</u>	<u>2</u>

11 Reconciliation of movements in shareholders' deficit

	2003 £	2002 £
Loss for the year	-	(10,486)
Opening shareholders' deficit	(36,695)	(26,209)
	<u>(36,695)</u>	<u>(26,209)</u>
Closing shareholders' deficit	<u>(36,695)</u>	<u>(36,695)</u>

Sterling International Holdings Limited

Notes forming part of the financial statements for the year ended 31 December 2003 (Continued)

12 Related party transactions

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 "Related party disclosures" not to disclose transactions with members of the group headed by Sterling International Group Limited on the grounds that at least 90% of the voting rights in the company are controlled within that group and the company is included in consolidated financial statements.

13 Contingent liabilities

The company is party to cross guarantees and debentures dated 14 November 2001 in respect of bank facilities provided to its parent undertaking, Sterling International Group Limited, and certain fellow subsidiary undertakings. At 31 December 2003, the net liabilities of the other group undertakings party to the cross guarantees amounted to £3,580,007 (2002: £4,646,546).

14 Cash flow statement

The company has used the exemption under Financial Reporting Standard 1, "Cash Flow Statements (Revised 1996)", not to prepare a cash flow statement as a consolidated cash flow statement is included in the financial statements of its ultimate parent company.

15 Ultimate parent company and controlling party information

At 31 December 2003, the company's ultimate parent company was Sterling International Group Limited, which is the parent of the largest group of which the company is a member.

Copies of the consolidated financial statements of Sterling International Group Limited are available from Companies House.

The joint controlling parties of the group are Mr P N Carter and Mr R L Levine.