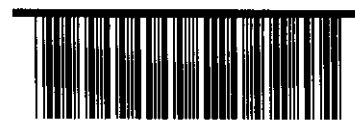


Hoggie

Company Registration No. 3746821 (England and Wales)

PARSONS NATIONWIDE DISTRIBUTION LTD
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002



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PARSONS NATIONWIDE DISTRIBUTION LTD

COMPANY INFORMATION

Directors	P R Hoskin Mrs N A Hoskin
Secretary	Mrs N A Hoskin
Company number	3746821
Registered office	2 Clyst Works, Clyst Road, Topsham, Exeter Devon EX3 0DB
Auditors	Redwoods 2 Clyst Works, Clyst Road, Topsham, Exeter Devon EX3 0DB
Bankers	Barclays Bank plc. 3 Bedford Street Exeter Devon

PARSONS NATIONWIDE DISTRIBUTION LTD

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3
Profit and loss account	4
Balance sheet	5
Cash flow statement	6
Notes to the cash flow statement	7
Notes to the financial statements	8 - 15

PARSONS NATIONWIDE DISTRIBUTION LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2002

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

Principal activities and review of the business

The principal activity of the company continued to be that of haulage, distribution and storage.

This has been a very successful year and the company has seen the benefit of the express pallet distribution network.

Results and dividends

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

The directors do not recommend the payment of any dividends on the ordinary shares.

Future developments

The company has seen a period of consolidation and the directors are confident that this will continue in the future.

Directors

The following directors have held office since 1 April 2001:

P R Hoskin

Mrs N A Hoskin

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 March 2002	1 April 2001
P R Hoskin	50	50
Mrs N A Hoskin	50	50

Auditors

Redwoods were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

PARSONS NATIONWIDE DISTRIBUTION LTD

DIRECTORS' REPORT (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2002**

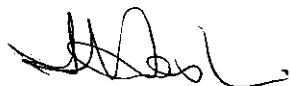
Directors' responsibilities

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



Mrs N A Hoskin

Director

5 September 2002

PARSONS NATIONWIDE DISTRIBUTION LTD

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PARSONS NATIONWIDE DISTRIBUTION LTD

We have audited the financial statements of Parsons Nationwide Distribution Ltd on pages 4 to 15 for the year ended 31 March 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.

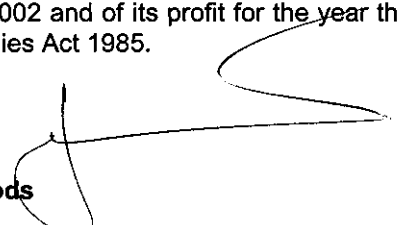
Basis of audit opinion

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 March 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Redwoods

**Chartered Certified Accountants
Registered Auditor**

5 September 2002

2 Clyst Works, Clyst Road, Topsham,
Exeter
Devon
EX3 0DB

PARSONS NATIONWIDE DISTRIBUTION LTD

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2002

	Notes	2002 £	2001 £
Turnover	2	3,628,433	3,078,963
Cost of sales		(1,694,537)	(1,520,735)
Gross profit		<u>1,933,896</u>	<u>1,558,228</u>
Administrative expenses		(1,754,312)	(1,477,246)
Operating profit	3	<u>179,584</u>	<u>80,982</u>
Interest payable and similar charges	4	(96,825)	(109,074)
Profit/(loss) on ordinary activities before taxation		<u>82,759</u>	<u>(28,092)</u>
Tax on profit/(loss) on ordinary activities	5	(7,917)	5,175
Profit/(loss) on ordinary activities after taxation	13	<u><u>74,842</u></u>	<u><u>(22,917)</u></u>

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.

PARSONS NATIONWIDE DISTRIBUTION LTD

BALANCE SHEET AS AT 31 MARCH 2002

	Notes	2002 £	£	2001 £	£
Fixed assets					
Tangible assets	6		1,776,173		1,500,355
Current assets					
Stocks	7	43,342		51,242	
Debtors	8	869,147		766,426	
Cash at bank and in hand		25		43	
		<u>912,514</u>		<u>817,711</u>	
Creditors: amounts falling due within one year	9	<u>(1,708,335)</u>		<u>(1,428,050)</u>	
Net current liabilities			<u>(795,821)</u>		<u>(610,339)</u>
Total assets less current liabilities			<u>980,352</u>		<u>890,016</u>
Creditors: amounts falling due after more than one year	10		(832,296)		(824,719)
Provisions for liabilities and charges	11		(133,596)		(125,679)
			<u>14,460</u>		<u>(60,382)</u>
Capital and reserves					
Called up share capital	12		100		100
Profit and loss account	13		14,360		(60,482)
Shareholders' funds - equity interests	14		<u>14,460</u>		<u>(60,382)</u>

The financial statements were approved by the Board on 5 September 2002



Mrs N A Hoskin
Director

PARSONS NATIONWIDE DISTRIBUTION LTD

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2002

	2002		2001	
	£	£	£	£
Net cash inflow from operating activities		664,479		343,190
Returns on investments and servicing of finance				
Interest paid	(96,825)		(109,074)	
Net cash outflow for returns on investments and servicing of finance		(96,825)		(109,074)
Capital expenditure				
Payments to acquire tangible assets	(444,304)		(143,846)	
Receipts from sales of tangible assets	74,550		81,775	
Net cash outflow for capital expenditure		(369,754)		(62,071)
Net cash inflow before management of liquid resources and financing		197,900		172,045
Financing				
Repayment of long term bank loan	(44,642)		(45,416)	
Capital element of hire purchase contracts	(173,493)		(206,815)	
Net cash outflow from financing		(218,135)		(252,231)
Decrease in cash in the year		(20,235)		(80,186)

PARSONS NATIONWIDE DISTRIBUTION LTD

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

1	Reconciliation of operating profit to net cash inflow from operating activities		2002	2001
			£	£
	Operating profit		179,584	80,982
	Depreciation of tangible assets		315,390	313,395
	Loss on disposal of tangible assets		17,010	13,535
	Decrease in stocks		7,900	30,166
	Increase in debtors		(102,721)	(303,039)
	Increase in creditors within one year		247,316	208,151
	Net cash inflow from operating activities		664,479	343,190

2	Analysis of net debt	1 April 2001	Cash flow	Other non-cash changes	31 March 2002
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	43	(18)	-	25
	Bank overdrafts	(416,148)	(20,217)	-	(436,365)
		(416,105)	(20,235)	-	(436,340)
	Debt:				
	Finance leases	(568,601)	173,493	(238,464)	(633,572)
	Debts falling due within one year	(53,800)	(9,160)	-	(62,960)
	Debts falling due after one year	(496,023)	53,802	-	(442,221)
		(1,118,424)	218,135	(238,464)	(1,138,753)
	Net debt	(1,534,529)	197,900	(238,464)	(1,575,093)

3	Reconciliation of net cash flow to movement in net debt	2002	2001
		£	£
	Decrease in cash in the year	(20,235)	(80,186)
	Cash outflow from decrease in debt and lease financing	218,135	252,231
	Change in net debt resulting from cash flows	197,900	172,045
	New finance lease	(238,464)	(105,378)
	Movement in net debt in the year	(40,564)	66,667
	Opening net debt	(1,534,529)	(1,601,196)
	Closing net debt	(1,575,093)	(1,534,529)

PARSONS NATIONWIDE DISTRIBUTION LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 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 are stated at cost less depreciation. Depreciation has been apportioned pro rata in respect of acquisitions of commercial vehicles and trailers during the period. 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 Leasehold	2% - straight line basis
Plant and machinery	15/20% - reducing balance basis
Commercial vehicles & trailers	15/20% - reducing balance basis
Motor vehicles	20% - reducing balance basis

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 Stock

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

1.7 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.8 Factoring of debts

The company factors its debts and the gross debtors have been included in the balance sheet. The proceeds from the factoring company have been included in current liabilities.

2 Turnover

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

PARSONS NATIONWIDE DISTRIBUTION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2002

3	Operating profit	2002	2001
		£	£
	Operating profit is stated after charging:		
	Depreciation of tangible assets	315,390	313,395
	Loss on disposal of tangible assets	17,010	13,535
	Operating lease rentals		
	- Plant and machinery	3,340	2,545
	Auditors' remuneration	7,030	6,080
		<u> </u>	<u> </u>
4	Interest payable	2002	2001
		£	£
	On bank loans and overdrafts	49,213	61,472
	Hire purchase interest	47,402	46,314
	Other interest	210	1,288
		<u> </u>	<u> </u>
		96,825	109,074
		<u> </u>	<u> </u>
5	Taxation	2002	2001
		<u> </u>	<u> </u>
	Current tax charge	-	-
	Deferred tax		
	Deferred tax charge/credit current year	7,917	(5,175)
		<u> </u>	<u> </u>
	Factors affecting the tax charge for the year		
	Profit/(loss) on ordinary activities before taxation	82,759	(28,092)
		<u> </u>	<u> </u>
	Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2001 : 20.00%)	16,552	(5,618)
		<u> </u>	<u> </u>
	Effects of:		
	Non deductible expenses	240	2,980
	Depreciation	66,480	62,679
	Capital allowances	(78,454)	(60,211)
	Tax losses utilised	(4,818)	170
		<u> </u>	<u> </u>
		(16,552)	5,618
		<u> </u>	<u> </u>
	Current tax charge	-	-
		<u> </u>	<u> </u>

The company has estimated losses of £ 24,294 (2001 : £ 48,384) available for carry forward against future trading profits.

PARSONS NATIONWIDE DISTRIBUTION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2002

6 Tangible fixed assets

	Land and buildings Leasehold	Plant and machinery	Commercial vehicles & trailers	Total
	£	£	£	£
Cost				
At 1 April 2001	-	88,608	1,977,264	2,065,872
Additions	200,480	2,773	479,515	682,768
Disposals	-	-	(123,039)	(123,039)
At 31 March 2002	200,480	91,381	2,333,740	2,625,601
Depreciation				
At 1 April 2001	-	24,926	540,591	565,517
On disposals	-	-	(31,479)	(31,479)
Charge for the year	4,009	10,632	300,749	315,390
At 31 March 2002	4,009	35,558	809,861	849,428
Net book value				
At 31 March 2002	196,471	55,823	1,523,879	1,776,173
At 31 March 2001	-	63,682	1,436,673	1,500,355

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

	Plant and machinery	Commercial vehicles & trailers	Total
	£	£	£
Net book values			
At 31 March 2002	9,486	848,577	858,063
At 31 March 2001	11,858	877,953	889,811
Depreciation charge for the year			
31 March 2002	2,371	156,209	158,580
31 March 2001	2,964	182,822	185,786

7 Stocks

	2002 £	2001 £
Finished goods and goods for resale	43,342	51,242

PARSONS NATIONWIDE DISTRIBUTION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2002

8 Debtors	2002 £	2001 £
Trade debtors	771,786	641,817
Other debtors	53,566	78,490
Prepayments and accrued income	43,795	46,119
	<u>869,147</u>	<u>766,426</u>

The gross debtors have been shown at the balance sheet date. These include factored debts of £656,048 (2000-£563,945).

9 Creditors: amounts falling due within one year	2002 £	2001 £
Bank loans and overdrafts	499,325	469,948
Net obligations under hire purchase contracts	243,497	239,905
Trade creditors	286,675	222,920
Taxes and social security costs	85,364	104,695
Directors' current accounts	97,661	94,256
Other creditors	452,407	283,899
Accruals and deferred income	43,406	12,427
	<u>1,708,335</u>	<u>1,428,050</u>
Debt due in one year or less	<u>62,960</u>	<u>53,800</u>

The bank loan and overdraft have been secured by a debenture over the company's assets, together with a first legal charge over freehold land owned by the directors.

Proceeds received from the company's factors have been included as other creditors in the sum of £370,548 (2000-£283,898).

PARSONS NATIONWIDE DISTRIBUTION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2002

10 Creditors: amounts falling due after more than one year	2002 £	2001 £
Bank loans	442,221	496,023
Net obligations under hire purchase contracts	390,075	328,696
	<u>832,296</u>	<u>824,719</u>
Analysis of loans		
Not wholly repayable within five years by instalments:		
Bank loans	505,181	549,823
	<u>505,181</u>	<u>549,823</u>
Included in current liabilities	(62,960)	(53,800)
	<u>442,221</u>	<u>496,023</u>
Instalments not due within five years	<u>190,381</u>	<u>280,823</u>
Loan maturity analysis		
In more than one year but not more than two years	62,960	53,800
In more than two years but not more than five years	188,880	161,400
In more than five years	<u>190,381</u>	<u>280,823</u>
Net obligations under hire purchase contracts		
Repayable within one year	243,497	239,905
Repayable between one and five years	<u>390,075</u>	<u>328,696</u>
	<u>633,572</u>	<u>568,601</u>
Included in liabilities falling due within one year	(243,497)	(239,905)
	<u>390,075</u>	<u>328,696</u>

The bank loan is due for repayment on 30th April 2009. Interest is currently being charged at 2.5% over Barclays Bank base rate for the first three years.

PARSONS NATIONWIDE DISTRIBUTION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2002

11 Provisions for liabilities and charges

	Deferred taxation £
Balance at 1 April 2001	125,679
Profit and loss account	7,917
Balance at 31 March 2002	<u>133,596</u>

Deferred taxation provided in the financial statements is as follows:

	2002 £	2001 £
Accelerated capital allowances	<u>133,596</u>	<u>125,679</u>

12 Share capital

	2002 £	2001 £
Authorised		
1,000 Ordinary shares of £ 1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
100 Ordinary shares of £ 1 each	<u>100</u>	<u>100</u>

13 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 April 2001	(60,482)
Retained profit for the year	74,842
Balance at 31 March 2002	<u>14,360</u>

14 Reconciliation of movements in shareholders' funds

	2002 £	2001 £
Profit/(Loss) for the financial year	74,842	(22,917)
Opening shareholders' funds	<u>(60,382)</u>	<u>(37,465)</u>
Closing shareholders' funds	<u>14,460</u>	<u>(60,382)</u>

PERSONS NATIONWIDE DISTRIBUTION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2002**

15 Financial commitments

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

	2002 £	2001 £
Expiry date:		
Within one year	2,316	-
Between two and five years	-	2,316
	<u>2,316</u>	<u>2,316</u>

Some of the plant hire costs represents short term hire of vehicles and other equipment on a daily basis as the need arises. At the balance sheet date the company was not committed to any short term hire agreements.

16 Capital commitments

2002 £	2001 £
-----------	-----------

At 31 March 2002 the company had capital commitments as follows:

Contracted for but not provided in the financial statements	59,000	-
	<u>59,000</u>	<u>-</u>

17 Directors' emoluments

2002 £	2001 £
-----------	-----------

Emoluments for qualifying services	1,905	18,425
	<u>1,905</u>	<u>18,425</u>

18 Transactions with directors

The company's operational base is Aylesbeare Common Business Park, Aylesbeare, Devon. The land and buildings are owned personally by P R Hoskin and Mrs N A Hoskin, the company's directors and shareholders. No rent or service charge has been paid by the company.

The directors are also partners in The Hoskin Farm Partnership and controlling directors in Cat & Fiddle Leisure Ltd. Shared administration charges have been recharged to these two businesses at their cost to the company.

The directors have a current account with the company together with a long term loan. The long term loan was created as a result of a personal loan from Birmingham & Midshires to the directors which was introduced into the company as an interest free loan. The balances outstanding were as follows:-

Current Account	£97,661 (2001 £94,256)
Long Term Loan	£108,811 (2001 £114,886)

PARSONS NATIONWIDE DISTRIBUTION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2002

19 Employees

Number of employees

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

	2002 Number	2001 Number
Distribution and warehousing	52	45
Office and administration (including directors)	10	7
	<u>62</u>	<u>52</u>

Employment costs

	£	£
Wages and salaries	1,180,597	938,000
Social security costs	86,644	73,492
	<u>1,267,241</u>	<u>1,011,492</u>