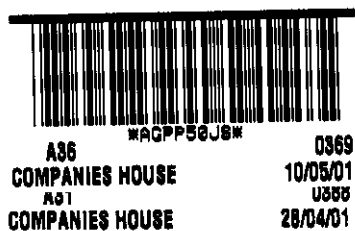


QUALITY SERVICE STANDARDS LIMITED

DIRECTORS' REPORT AND ACCOUNTS

31 DECEMBER 2000

REGISTERED NUMBER: 3804633



HLB Kidsons
Chartered Accountants
Spectrum House
20-26 Cursitor Street
London EC4A 1HY

QUALITY SERVICE STANDARDS LIMITED

DIRECTORS' REPORT

31 December 2000

The directors present their report and the audited accounts for the period from 9 July 1999 (date of incorporation) to 31 December 2000.

Principal activity

The principal activity of the company is the provision of quality assessment services to the removals industry.

Business review

The company has had a satisfactory initial operating period and is seeking further clients for assessment.

Result and dividends

The profit for the period before tax amounted to £ 12,459. It is recommended that no dividend be paid. The directors recommend that £12,000 of the retained profit after tax be transferred to a designated reserve to obtain the United Kingdom Assessment Service (UKAS) certification and to meet the costs of future publicity.

Directors

The directors of the company during the period were as follows:

DJ Trenchard (Chairman)	(appointed 5 August 1999)
J.R. Luxford	(appointed 5 August 1999)
N. L. Brackin	(appointed 5 August 1999)
J.T. Thompson	(appointed 14 December 2000)

None of the directors had any interest in the shares of the company.

Close company provisions

The company is a close company within the meaning of the Income and Corporation Taxes Act 1988.

Auditors

HLB Kidsons were appointed auditors by the directors during the period, have agreed to offer themselves for re-appointment as auditors of the company.

By order of the board



MJ Harlow

Secretary

3 Churchill Court
58 Station Road
North Harrow
Middlesex HA2 7SA

30 March 2001

QUALITY SERVICE STANDARDS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

We are required under company law to prepare accounts for each financial period 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 these accounts we are required to:

- v select suitable accounting policies and apply them consistently;
- v make reasonable and prudent judgements and estimates;
- v state whether accounting standards have been followed, and give details of any departures; and
- v prepare the accounts on a going concern basis unless in our view the company will be unable to continue in business.

We are also responsible for:

- v keeping proper accounting records;
- v safeguarding the company's assets; and
- v taking reasonable steps for the prevention and detection of fraud.

On behalf of the board



N. L. Brackin

Director

3 Churchill Court
58 Station Road
North Harrow
Middlesex HA2 7SA

30 March 2001

QUALITY SERVICE STANDARDS LIMITED

AUDITORS' REPORT

Auditors' report to the members of Quality Service Standards Limited

We have audited the accounts on pages 4 to 9 which have been prepared under the accounting policies set out on page 2.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of accounts. 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs at 31 December 2000 and of its profit for the period ended on that date and have been properly prepared in accordance with the Companies Act 1985.



HLB Kidsons

Registered Auditors

Chartered Accountants

London

30 March 2001

QUALITY SERVICE STANDARDS LIMITED

PROFIT AND LOSS ACCOUNT

for the period ended 31 December 2000

	Note	2000 £
Turnover	1	59,300
Cost of sales		<u>(605)</u>
Gross profit		58,695
Administrative expenses		<u>(43,136)</u>
Operating profit / Profit on ordinary activities before taxation	2	15,559
Taxation	4	<u>(3,100)</u>
Profit on ordinary activities after taxation		12,459
Transfer to designated reserve		<u>(12,000)</u>
Retained profit for the period	8	<u>459</u>

Movements in reserves are shown in notes 9 and 10.

A separate statement of recognised gains and losses has not been prepared, as the company has no recognised gains and losses other than the profit for the period.

The company commenced trading on 5 August 1999. All activities are classed as continuing.

QUALITY SERVICE STANDARDS LIMITED

BALANCE SHEET

at 31 December 2000

	Note	£	2000	£
Current assets				
Stocks	5	1,555		
Debtors	6	2,820		
Cash at bank and in hand		<u>14,619</u>		
		18,994		
Creditors: amounts falling due within one year	7	<u>(6,533)</u>		
Net current assets				<u>12,461</u>
Total assets less current liabilities				<u>12,461</u>
Capital and reserves				
Called up share capital	8			2
Designated reserve	9			12,000
Profit and loss account	10			<u>459</u>
Total equity shareholders' funds	12			<u>12,461</u>

The accounts on pages 4 to 9 were approved by the board of directors on 30 March 2001



N. L. Brackin - Director

QUALITY SERVICE STANDARDS LIMITED

CASH FLOW STATEMENT

for the period ended 31 December 2000

	£	2000	£
Net cash inflow from operating activities			14,617
Returns on investment and servicing of finance			
Interest received		-	
Interest paid		-	
Financing			-
Issue of ordinary share capital			2
Increase in cash			<u>14,619</u>

Explanatory notes to the cash flow statement are given in note 13 to the accounts.

QUALITY SERVICE STANDARDS LIMITED

NOTES ON ACCOUNTS

31 December 2000

1 **Accounting policies**

Basis of accounting

The accounts have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Turnover

Turnover represents audit certification and assessments fees receivable during the period, the invoiced value excluding value added tax of goods and income derived from other activities.

Stocks and work in progress

Stocks and work in progress are stated at the lower of cost, and net realisable value.

Deferred taxation

Deferred taxation is provided on the liability method in respect of all timing differences to the extent that the directors consider that tax liabilities are likely to crystallise in the foreseeable future.

Designated reserves

Designated reserves represent monies set aside by the directors to meet future commitments for planned development.

2	Operating profit	2000
		£

Operating profit on ordinary activities is stated after charging:

Directors remuneration	-
Auditors' remuneration	<u>1,200</u>

3 **Staff costs**

During the period the company employed only the four directors to whom no remuneration was paid.

4	Taxation	2000
		£

United Kingdom corporation tax on profit on ordinary activities at 20 %	<u>3,100</u>
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5	Stocks	2000
		£

Goods (Standards) for resale	<u>1,555</u>
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QUALITY SERVICE STANDARDS LIMITED

NOTES ON ACCOUNTS

31 December 2000

(continued)

6	Debtors	2000 £
	Trade debtors	2,820
	Prepayments	-
		<u>2,820</u>
7	Creditors: amounts falling due within one year	
	Trade creditors	88
	Amounts owed to ultimate parent undertaking	61
	Other taxation and social security	434
	Corporation tax	3,100
	Accruals and deferred income	<u>2,850</u>
		<u>6,533</u>
8	Called up share capital	2000
		Authorised £
		Allotted, Called up, Issued and Fully Paid £
	Ordinary shares of £1 each (equity)	<u>100</u> <u>2</u>
	The shares were allotted on incorporation of the company.	
9	Designated reserve	2000 £
	Balance brought forward	-
	Transferred for the period	<u>12,000</u>
	Balance carried forward	<u>12,000</u>
	This is a distributable reserve	
10	Profit and loss account	2000 £
	Balance brought forward	-
	Retained profit for the period	<u>459</u>
	Balance carried forward	<u>459</u>
11	Ultimate parent undertaking	
	The ultimate parent undertaking is British Association of Removers Limited, which is incorporated in Great Britain as a company limited by guarantee.	

QUALITY SERVICE STANDARDS LIMITED

NOTES ON ACCOUNTS

31 December 2000
(continued)

12	Reconciliation of equity shareholders' funds	2000 £
	Shares issued during the period	2
	Profit for the financial period before transfers	12,459
	Opening equity shareholders' funds	<u>-</u>
	Closing equity shareholders' funds	<u>12,461</u>

13 Notes to the cash flow statement

(a)	Reconciliation of operating profit to net cash inflow from operating activities	2000 £
	Operating profit	15,559
	Increase in stocks	(1,555)
	Increase in debtors	(2,820)
	Increase in creditors	<u>3,433</u>
	Net cash inflow from operating activities	<u>14,617</u>
(b)	Analysis of net debt	5 August 1999 £
		Cash flow £
		31 December 2000 £
	Cash at bank and in hand	<u>-</u> <u>14,619</u> <u>14,619</u>

14 Related parties

As the company is a wholly owned subsidiary undertaking of British Association of Removers Limited, its controlling and ultimate controlling party which publishes consolidated financial statements including this company, it is exempted by Financial Reporting Standard No.8 from disclosing transactions with entities that are part of the British Association of Removers Limited group.

Transactions with others whom the company considers to be related parties are summarised as follows:

Transactions with Directors

The names of the company's directors are set out in the directors' report. These directors are considered to be its key management for the purposes of Financial Reporting Standard No.8. The names of the directors of British Association of Removers Limited are set out in the report and accounts of that company.