

ROBINSONS INTERNATIONAL REMOVALS LTD

FINANCIAL ACCOUNTS FOR THE
YEAR ENDED 31ST DECEMBER 1997

GRIFFITH, WILSON & CO
CHARTERED ACCOUNTANTS



ROBINSONS INTERNATIONAL REMOVALS LTD

DIRECTORS:	P J Robinson D D Payne P J Benzey R H Hassard D W Horton
SECRETARY:	E McLaughlan
REGISTERED OFFICE:	32 Stanley Road Whitefield Manchester M45 8QX
REGISTERED NUMBER:	892632
BANKERS:	Barclays Bank Plc 25 Cheetham Hill Road Manchester M4 4FL
AUDITORS:	Griffith Wilson & Co. Chartered Accountants 64 Bramhall Lane South Bramhall Stockport SK7 2DU

ROBINSONS INTERNATIONAL REMOVALS LTD

**FINANCIAL ACCOUNTS FOR THE
YEAR ENDED 31ST DECEMBER 1997**

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The following pages do not form part of the statutory accounts

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ROBINSONS INTERNATIONAL REMOVALS LTD

REPORT OF THE DIRECTORS

The directors present their report and audited accounts for the year ended 31st December 1997.

PRINCIPAL ACTIVITY

The principal activities of the company throughout the year were those of furniture removers, storage contractors, packers and shippers.

REVIEW OF THE BUSINESS

A summary of the results of the trading for the year is given on page 4 of the accounts.

A detailed review of the company's trading in the year is contained in the Chairman's statement in the group financial statements.

RESULTS

The retained profit of the company for the year was £202,070, (1996 - £250,932 profit).

The directors recommend that this be added to the retained earnings at the beginning of the period and that the balance of £677,582 be carried forward.

The directors do not recommend the payment of a dividend.

FIXED ASSETS

Changes in fixed assets during the year are set out in note 9 to the accounts.

DIRECTORS

The directors who served during the year and their beneficial interests in the company's issued ordinary share capital were as follows:

	£1 Ordinary Shares, fully paid	
	<u>31st December 1997</u>	<u>31st December 1996</u> <u>or date of appointment if later</u>
P J Robinson	5	5
D D Payne	-	-
P J Benzey	-	-
R H Hassard	-	-
D W Horton	-	-
S Fitton (appointed 14th October 1996) (resigned 27th March 1997)	-	-

The shareholding of P J Robinson is as nominee for the parent company, Robinsons Removal Specialists Limited.

P J Robinson is a director of the parent company, Robinsons Removal Specialists Limited, and his share interests are disclosed in the financial statements of that company. None of the other directors had any interest in the issued share capital of the parent company.

P J Robinson has a 26.6% share in the ownership of a property at Southampton which is being used by Robinsons International Removals Limited at an annual rental of £12,900. During the year the parent company acquired a property at Redditch, in which P J Robinson had a 26.6% share in the ownership, and which was used by the company at an annual rental of £60,000, for the sum of £450,000.

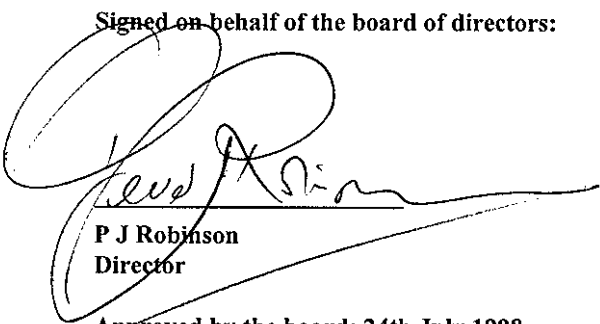
ROBINSONS INTERNATIONAL REMOVALS LTD

REPORT OF THE DIRECTORS - CONTINUED

AUDITORS

The auditors, Griffith, Wilson & Co., will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

Signed on behalf of the board of directors:



P J Robinson
Director

Approved by the board: 24th July 1998

ROBINSONS INTERNATIONAL REMOVALS LTD
STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial accounts 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 accounts, the directors are required to:

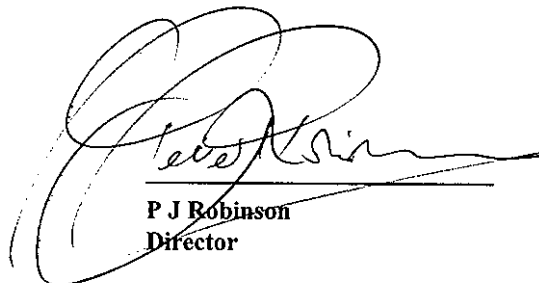
- select suitable accounting policies and apply them consistently;
- make reasonable and prudent judgements and estimates;
- prepare the financial accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 accounts 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.

By order of the board

24th July 1998

Date



P J Robinson
Director

AUDITORS' REPORT TO THE SHAREHOLDERS OF
ROBINSONS INTERNATIONAL REMOVALS LTD

We have audited the financial accounts on pages 4 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2, the company's directors are responsible for the preparation of financial accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

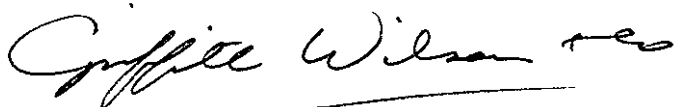
Basis of opinion

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 financial accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial 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 financial accounts are free from material misstatement, whether caused by fraud or error or other irregularity. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial accounts.

Opinion

In our opinion the financial accounts give a true and fair view of the state of the company's affairs as at 31st December 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in cursive script, reading 'Griffith Wilson', with a horizontal line underneath.

Griffith Wilson & Co.
Registered Auditors
Chartered Accountants

64 Bramhall Lane South
Bramhall
Stockport
Cheshire SK7 2DU

24th July 1998

ROBINSONS INTERNATIONAL REMOVALS LTD**PROFIT AND LOSS ACCOUNT**
FOR THE YEAR ENDED 31ST DECEMBER 1997

	Note	<u>1997</u> £	<u>1996</u> £
TURNOVER	2	8,514,427	8,453,000
Cost of sales		(5,601,125)	(5,529,102)
<u>GROSS PROFIT</u>		2,913,302	2,923,898
NET OPERATING EXPENSES			
Administrative Expenses		(2,590,402)	(2,518,978)
<u>OPERATING PROFIT</u>	3	322,900	404,920
Interest Receivable	6	-	132
Interest Payable	7	(18,173)	(18,522)
<u>PROFIT ON ORDINARY ACTIVITIES</u>			
<u>BEFORE TAXATION</u>		304,727	386,530
Taxation	8	(102,657)	(135,598)
<u>RETAINED PROFIT FOR THE YEAR</u>	18	<u>£202,070</u>	<u>£250,932</u>

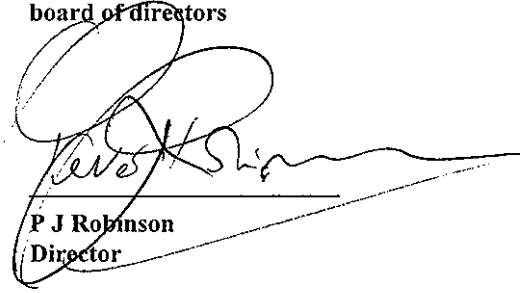
None of the company's activities were acquired or discontinued during the above two financial years.

There are no recognised gains and losses in 1997 or 1996 other than the profit for the year.

ROBINSONS INTERNATIONAL REMOVALS LTD**BALANCE SHEET**
AS AT 31ST DECEMBER 1997

	Note	£	1997	£	1996	£
FIXED ASSETS						
Tangible Assets	9		841,874		772,238	
Investments	10		2,000		-	
			<u>843,874</u>		<u>772,238</u>	
CURRENT ASSETS						
Stock	11	-		28,246		
Debtors	12	1,377,507		1,492,868		
Cash at Bank and in Hand		34,597		4,066		
			<u>1,412,104</u>	<u>1,525,180</u>		
CREDITORS: Amounts Falling Due Within One Year	13	(1,428,318)		(1,693,859)		
NET CURRENT LIABILITIES			(16,214)		(168,679)	
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>827,660</u>		<u>603,559</u>	
CREDITORS: Amounts Falling Due After More Than One Year	14	(87,499)		(65,468)		
PROVISION FOR LIABILITIES AND CHARGES	15	(58,163)		(58,163)		
			<u>£681,998</u>		<u>£479,928</u>	
CAPITAL AND RESERVES						
Called Up Share Capital	17		100		100	
Share Premium Account	18		4,316		4,316	
Profit and Loss Account	18		677,582		475,512	
TOTAL SHAREHOLDERS' FUNDS	16		<u>£681,998</u>		<u>£479,928</u>	

Signed on behalf of the
board of directors



P J Robinson
Director

Approved by the board: 24th July 1998

ROBINSONS INTERNATIONAL REMOVALS LTD

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 1997

1. ACCOUNTING POLICIES

a. Basis of Accounting

These financial accounts have been prepared in accordance with applicable accounting standards and under the historical cost convention.

b. Turnover

Turnover is the amount derived from the provision of goods and services falling within the company's ordinary activities after deduction of trade discounts and value added tax.

c. Tangible Fixed Assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Warehouse Equipment	over 5 years
Office Equipment	over 5 years
Motor Vehicles	over 2 to 5 years

d. Stock

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

e. Deferred Taxation

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

f. Foreign Currencies

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 translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

g. Leased Assets

Assets held under finance leases and hire purchase contracts are capitalised at the estimated fair value at date of inception of each lease or contract. The assets are depreciated over their expected useful lives. The finance charges are allocated over the primary period of the lease in proportion to the capital element outstanding. Rentals paid under operating leases are charged against income on a straight line basis over the term of the lease.

h. Pensions

The company operates two defined contribution pension schemes. The cost of the company's contributions is charged to the profit and loss account.

i. Delapidation Provision

Provision is made for major repairs to specific properties on the basis that the cost of periodic major expenditure should be equalised over the years.

j. Cash Flow Statement

The company has taken advantage of the exemption provided by Financial Reporting Standard 1 and has not prepared a Cash Flow Statement for the year.

ROBINSONS INTERNATIONAL REMOVALS LTD**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 1997****2. TURNOVER**

	<u>1997</u> £	<u>1996</u> £
Class of Business:		
Removals and Shipping	7,378,398	7,433,835
Storage and Rental Income	1,136,029	1,019,165
	<hr/>	<hr/>
	<u>£8,514,427</u>	<u>£8,453,000</u>

3. OPERATING PROFIT

	<u>1997</u> £	<u>1996</u> £
Operating Profit is stated after charging:		
Amortisation of Intangible Assets	-	333
Depreciation of Tangible Assets	331,840	301,992
Profit on Disposal of Tangible Assets	(10,690)	(9,020)
Staff Costs - note 4	2,599,964	2,480,397
Auditors' Remuneration	10,150	12,339
Operating Lease Charges:		
Land and Buildings	358,912	359,745
Hire of Plant and Machinery	32,992	15,932
	<hr/>	<hr/>

4. STAFF COSTS

The average monthly number employed including directors,
within each category of persons was:

	<u>1997</u>	<u>1996</u>
Office and Management	74	70
Removals and Storage	100	93
	<hr/>	<hr/>
	174	163

The costs incurred, including Directors
Remuneration (note 5), in respect of
these employees were:

	<u>1997</u> £	<u>1996</u> £
Wages and Salaries	2,326,962	2,229,457
Social Security Costs	225,708	203,184
Pension Costs	47,294	47,756
	<hr/>	<hr/>
	<u>£2,599,964</u>	<u>£2,480,397</u>

Pension Costs**Defined Contributions Schemes**

The company operates two defined contributions schemes. The assets of the schemes are held separately from those of the company in funds administered by National Provident Institution and Scottish Widows. The pension cost charge represents contributions payable by the company to the funds and amounted to £47,294 (1996 £47,756). Contributions totalling £3,899 (1996 £4,106) were payable to the funds at 31st December 1997 and are included in creditors.

ROBINSONS INTERNATIONAL REMOVALS LTD**NOTES TO THE ACCOUNTS**
FOR THE YEAR ENDED 31ST DECEMBER 1997**5 DIRECTORS**

	<u>1997</u> £	<u>1996</u> £
Emoluments of directors of the company were as follows:		
Management remuneration (including pension contributions and benefits in kind)	£251,831	£230,829
The fees and other emoluments of directors, excluding pension contributions, were as follows:		
The Chairman	Nil	Nil
The Highest paid director	£61,068	£59,333
Number of Other Directors whose total emoluments, excluding pension contributions, were within the ranges:		
£10,001 - £15,000	-	1
£20,001 - £25,000	1	-
£45,001 - £50,000	1	2
£50,001 - £55,000	1	-
£55,001 - £60,000	1	1

P J Robinson had a 26.6% share in the ownership of warehouse property in Redditch used by the company under a 20 year lease at an annual rental of £60,000. During the year this property was acquired by the parent company for the sum of £450,000.

P J Robinson has a 26.6% share in the ownership of the Southampton property used by the company under a ten year lease. The annual rent payable is £12,900.

6. INTEREST RECEIVABLE

	<u>1997</u> £	<u>1996</u> £
Bank Interest	-	-
Other Interest	-	132
	£-	£132

7. INTEREST PAYABLE

	<u>1997</u> £	<u>1996</u> £
Bank Interest	2,344	1,584
Other Interest	-	2,043
Hire Purchase Interest	15,829	14,895
	£18,173	£18,522

ROBINSONS INTERNATIONAL REMOVALS LTD**NOTES TO THE ACCOUNTS**
FOR THE YEAR ENDED 31ST DECEMBER 1997**8. TAXATION**

	<u>1997</u>	<u>1996</u>
	£	£
Taxation is based on the Profit for the year and comprises:		
U.K. Corporation Taxation at 31.5% (1996 : 32%)	107,000	135,000
Prior year adjustment	(4,343)	598
	<hr/>	<hr/>
	£102,657	£135,598
	<hr/>	<hr/>

9. TANGIBLE FIXED ASSETS

	Motor Vehicles £	Plant and Equipment £	Fixtures and Fittings £	Total £
COST				
1st January 1997	1,713,818	316,037	292,800	2,322,655
Additions	308,290	67,664	71,917	447,871
Disposals	(165,214)	-	(18,777)	(183,991)
	<hr/>	<hr/>	<hr/>	<hr/>
31st December 1997	1,856,894	383,701	345,940	2,586,535
	<hr/>	<hr/>	<hr/>	<hr/>
DEPRECIATION				
1st January 1997	1,142,361	250,287	157,769	1,550,417
Charge for the year	239,853	31,610	60,377	331,840
Disposals	(119,535)	-	(18,061)	(137,596)
	<hr/>	<hr/>	<hr/>	<hr/>
31st December 1997	1,262,679	281,897	200,085	1,744,661
	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUE				
31st December 1997	£594,215	£101,804	£145,855	£841,874
	<hr/>	<hr/>	<hr/>	<hr/>
31st December 1996	£571,457	£65,750	£135,031	£772,238
	<hr/>	<hr/>	<hr/>	<hr/>

Tangible Fixed Assets includes, in respect of assets held under finance leases and hire purchase contracts, net book value £307,203 (1996 £294,437), cumulative depreciation £163,472 (1996 £223,056) and charge for the year £94,137 (1996 £103,497).

10. INVESTMENTS

	<u>1997</u>	<u>1996</u>
	£	£
Overseas Moving Network International bond	£2,000	£ -
	<hr/>	<hr/>

It is a commercial requirement that the above interest is held. The value shown is cost. In the opinion of the directors the value of the investment is at least equal to its cost.

ROBINSONS INTERNATIONAL REMOVALS LTD**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 1997****11. STOCKS**

	<u>1997</u>	<u>1996</u>
	£	£
Raw Materials & Consumables	£-	£28,246
	<u> </u>	<u> </u>

12. DEBTORS

	<u>1997</u>	<u>1996</u>
	£	£
Amounts falling due within one year:		
Trade Debtors	609,502	853,621
Owed by Group Undertakings	573,333	480,081
Prepayments and Accrued Income	192,649	145,007
Other Debtors	2,023	14,159
	<u>£1,377,507</u>	<u>£1,492,868</u>

**13. CREDITORS - amounts falling due
within one year**

	<u>1997</u>	<u>1996</u>
	£	£
Bank Overdraft (secured)	-	120,115
Trade Creditors	431,736	551,441
Other Creditors:		
Corporation Tax	107,000	135,000
Other Tax and Social Security	145,321	140,712
Other Creditors	74,894	70,429
Accruals and Deferred Income	571,956	585,472
Finance Leases & HP contracts	97,411	90,690
	<u>£1,428,318</u>	<u>£1,693,859</u>

**14. CREDITORS - amounts falling due
after more than one year**

	<u>1997</u>	<u>1996</u>
	£	£
Obligations under Finance Leases	£87,499	£65,468
	<u> </u>	<u> </u>

ROBINSONS INTERNATIONAL REMOVALS LTD**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 1997****15. PROVISIONS FOR LIABILITIES AND CHARGES**

	<u>1997</u>	<u>1996</u>
	£	£
Property delapidation provision		
Balance at beginning of year	58,163	125,000
Allocation for the period	-	20,000
	<hr/>	<hr/>
	58,163	145,000
Expenditure this period	-	(86,837)
	<hr/>	<hr/>
	<u>£58,163</u>	<u>£58,163</u>

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1997</u>	<u>1996</u>
	£	£
Profit for the financial year	202,070	250,932
representing a		
Net addition to		
Shareholders' funds		
Opening shareholders' funds	479,928	228,996
	<hr/>	<hr/>
<u>Closing shareholders' funds</u>	<u>£681,998</u>	<u>£479,928</u>

17. SHARE CAPITAL

	<u>1997</u>	<u>1996</u>
	£	£
£1 Ordinary Shares		
Authorised	£100	£100
	<hr/>	<hr/>
Allotted, called up and fully paid	£100	£100
	<hr/>	<hr/>

18. RESERVES

	Profit and Loss Account	Share Premium Account	Total
	£	£	£
Balance at 1st January 1997	475,512	4,316	479,828
Retained Profit for the year	202,070	-	202,070
	<hr/>	<hr/>	<hr/>
Balance at 31st December 1997	<u>£677,582</u>	<u>£4,316</u>	<u>£681,898</u>

ROBINSONS INTERNATIONAL REMOVALS LTD**NOTES TO THE ACCOUNTS**
FOR THE YEAR ENDED 31ST DECEMBER 1997**19. CONTINGENT LIABILITIES**

There is a contingent liability in respect of guarantees given by the company to secure the overdraft of other group companies. At 31st December 1997 this amounted to £Nil (1996: £Nil).

The company has given third party indemnities amounting to £19,000 (1996: £19,000).

20. FINANCIAL COMMITMENTS**Operating Leases**

At 31st December 1997 the company had annual commitments under non-cancellable operating leases as set out below:

	1997		1996	
	Land and Buildings £	Other £	Land and Buildings £	Other £
Operating leases that expire:				
within one year:	58,791	-	36,547	1,722
in second to fifth year	178,000	-	-	-
over five years	118,000	-	180,067	-
Balance at 31st December 1997	<u>£354,791</u>	<u>£-</u>	<u>£216,614</u>	<u>£1,722</u>

Future Capital Expenditure

	1997	1996
Authorised but not contracted for	<u>£Nil</u>	<u>£Nil</u>

21. ULTIMATE PARENT COMPANY

The directors regard Robinsons Removal Specialists Limited, a company incorporated in England, as the company's ultimate parent company.