

Company Registration No. 1366728 (England and Wales)

BAXTERS INTERNATIONAL REMOVALS LTD
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 1998



BAXTERS INTERNATIONAL REMOVALS LTD

COMPANY INFORMATION

Directors	F J Baxter P S G Baxter
Secretary	P S G Baxter
Company number	1366728
Registered office	Smeaton Close, Rabans Lane Aylesbury Bucks HP19 3DU
Auditors	Haydn Hughes & Co 52 High Street Pinner Middx HA5 5PW
Business address	Smeaton Close, Rabans Lane Aylesbury Bucks HP19 3DU

BAXTERS INTERNATIONAL REMOVALS LTD

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BAXTERS INTERNATIONAL REMOVALS LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MAY 1998

The directors present their report and financial statements for the year ended 31 May 1998.

Principal activities

The principal activities of the company in the year under review were Removers, hauliers and warehousemen.

Directors

The following directors have held office since 1 June 1997:

F J Baxter
P S G Baxter

Directors' interests

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

	Ordinary share of £1 each	
	31 May 1998	1 June 1997
F J Baxter	90	90
P S G Baxter	10	10

Auditors

Haydn Hughes & Co 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.

Year 2000/Euro policy

The directors have reviewed the impact of the year 2000 issue and the introduction of the 'Euro' on the computer and other systems central to the company's ongoing activity, and its financial reporting. The company has commenced a program of upgrading both hardware and software systems to full compliance, and it is anticipated that this will be complete by early 1999.

BAXTERS INTERNATIONAL REMOVALS LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MAY 1998

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.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board

20/8/98



.....
P S G Baxter

Director
.....

BAXTERS INTERNATIONAL REMOVALS LTD

AUDITORS' REPORT

TO THE SHAREHOLDERS OF BAXTERS INTERNATIONAL REMOVALS LTD

We have audited the financial statements 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 statements. 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 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 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Haydn Hughes & Co

20/8/98

Chartered Accountants
Registered Auditor

52 High Street
Pinner
Middx
HA5 5PW

BAXTERS INTERNATIONAL REMOVALS LTD

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MAY 1998

	Notes	1998 £	1997 £
Turnover		2,853,002	2,651,521
Cost of sales		(2,040,332)	(1,903,646)
Gross profit		<u>812,670</u>	<u>747,875</u>
Distribution costs		(17,115)	(10,606)
Administrative expenses		(678,047)	(675,633)
Other operating income		-	803
Operating profit	2	<u>117,508</u>	<u>62,439</u>
Interest payable and similar charges	3	(63,469)	(19,239)
Profit on ordinary activities before taxation		<u>54,039</u>	<u>43,200</u>
Tax on profit on ordinary activities	4	(13,258)	(5,665)
Profit on ordinary activities after taxation	13	<u><u>40,781</u></u>	<u><u>37,535</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.

BAXTERS INTERNATIONAL REMOVALS LTD

BALANCE SHEET AS AT 31 MAY 1998

	Notes	1998 £	£	1997 £	£
Fixed assets					
Tangible assets	5		356,468		444,404
Current assets					
Stocks		13,932		5,717	
Debtors	6	341,283		398,951	
Investments	7	1,025		-	
Cash at bank and in hand		31,803		38,194	
		<u>388,043</u>		<u>442,862</u>	
Creditors: amounts falling due within one year	8	<u>(591,845)</u>		<u>(712,054)</u>	
Net current liabilities			(203,802)		(269,192)
Total assets less current liabilities			<u>152,666</u>		<u>175,212</u>
Creditors: amounts falling due after more than one year	9		(35,381)		(98,708)
Provisions for liabilities and charges	10		<u>(17,000)</u>		<u>(17,000)</u>
			<u>100,285</u>		<u>59,504</u>
Capital and reserves					
Called up share capital	12		100		100
Profit and loss account	13		100,185		59,404
Shareholders' funds - equity interests	14		<u>100,285</u>		<u>59,504</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 20/8/98


F J Baxter
Director

BAXTERS INTERNATIONAL REMOVALS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 1998

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

1.2 Compliance with accounting standards

The accounts have been prepared in accordance with applicable accounting standards.

1.3 Turnover

Turnover represents the total invoice value, excluding value added tax, of goods sold and services rendered during the year.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets 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 Leasehold	Nil
Plant and machinery	25% Reducing balance
Fixtures, fittings & equipment	25% reducing balance
Motor vehicles	25% 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 their estimated 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 obligation is charged to the profit and loss account over the period of the lease.

1.6 Investments

Current asset investments are stated at the lower of cost and net realisable value.

1.7 Stock

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

1.8 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

1.9 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.

1.10 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 LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 1998

1.11 Consolidation

The company forms part of a small group. The ultimate parent undertaking has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

2	Operating profit	1998	1997
		£	£
	Operating profit is stated after charging:		
	Depreciation of tangible assets	128,890	158,446
	Auditors' remuneration	8,000	11,340
	Directors' emoluments	231,800	20,000
		<hr/>	<hr/>
3	Interest payable	1998	1997
		£	£
	Hire purchase interest	56,721	13,365
		<hr/>	<hr/>
4	Taxation	1998	1997
		£	£
	U.K. current year taxation		
	U.K. corporation tax at 21% (1997 - 21%)	13,258	20,265
	Deferred taxation	-	(14,600)
		<hr/>	<hr/>
		13,258	5,665
		<hr/>	<hr/>

BAXTERS INTERNATIONAL REMOVALS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 1998

5 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 June 1997	1	1,112,953	1,112,954
Additions	-	80,542	80,542
Disposals	-	(84,745)	(84,745)
At 31 May 1998	1	1,108,750	1,108,751
Depreciation			
At 1 June 1997	-	668,550	668,550
On disposals	-	(45,157)	(45,157)
Charge for the year	-	128,890	128,890
At 31 May 1998	-	752,283	752,283
Net book value			
At 31 May 1998	1	356,467	356,468
At 31 May 1997	1	444,403	444,404

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

	Motor vehicles £
Net book values	
At 31 May 1998	203,394
At 31 May 1997	381,357
Depreciation charge for the year	
31 May 1998	64,697
31 May 1997	124,027

BAXTERS INTERNATIONAL REMOVALS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 1998

6 Debtors	1998	1997
	£	£
Trade debtors	267,620	342,562
Other debtors	73,663	56,389
	<u>341,283</u>	<u>398,951</u>
7 Current asset investments	1998	1997
	£	£
Other investments	1,025	-
	<u>1,025</u>	<u>-</u>
8 Creditors: amounts falling due within one year	1998	1997
	£	£
Bank loans and overdrafts	287	67,361
Net obligations under finance lease and hire purchase contracts	89,755	131,513
Trade creditors	177,868	212,897
Amounts owed to group undertakings and undertakings in which the company has a participating interest	156,212	163,504
Taxation and social security	93,496	91,674
Other creditors	74,227	45,105
	<u>591,845</u>	<u>712,054</u>
Debt due within one year	<u>287</u>	<u>67,361</u>

The bank overdraft amounting to £nil (1997 : £67,361) is secured by a floating charge on all the assets of the company.

BAXTERS INTERNATIONAL REMOVALS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 1998

9 Creditors: amounts falling due after more than one year	1998	1997
	£	£
Bank loans	-	273
Net obligations under finance leases and hire purchase agreements	35,381	98,435
	<u>35,381</u>	<u>98,708</u>
Analysis of loans		
Wholly repayable within five years	287	273
Included in current liabilities	(287)	-
	<u>-</u>	<u>273</u>
Loan maturity analysis		
Between one and two years	-	273
	<u>-</u>	<u>273</u>
Net obligations under finance leases and hire purchase contracts		
Repayable within one year	89,755	131,513
Repayable between one and five years	35,381	98,435
	<u>125,136</u>	<u>229,948</u>
Included in liabilities falling due within one year	(89,755)	(131,513)
	<u>35,381</u>	<u>98,435</u>

The aggregate amount of creditors for which security has been given amounted to £125,136 (1997 - £297,309).

BAXTERS INTERNATIONAL REMOVALS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 1998

10 Provisions for liabilities and charges

	Deferred taxation £
Balance at 1 June 1997 and at 31 May 1998	17,000

Deferred tax is provided at 21% (1997 - 21%) analysed over the following timing differences:

	Fully provided 1998 £	1997 £
Accelerated capital allowances	17,000	17,000

11 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 £856 (1997 - £nil)

12 Share capital	1998 £	1997 £
Authorised		
100,000 Ordinary share of £1 each	100,000	100,000
Allotted, called up and fully paid		
100 Ordinary share of £1 each	100	100

13 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 June 1997	59,404
Retained profit for the year	40,781
Balance at 31 May 1998	100,185

BAXTERS INTERNATIONAL REMOVALS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 1998

14 Reconciliation of movements in shareholders' funds	1998 £	1997 £
Profit for the financial year	40,781	37,535
Opening shareholders' funds	59,504	21,969
Closing shareholders' funds	100,285	59,504

15 Control

The ultimate controlling party is F J Baxter, a director and controlling party of the company's ultimate parent undertaking, FBI Holdings Ltd.

16 Related party transactions

During the year, the company paid £nil (1997 : £256,000) as management fees to FBI Holdings Ltd. At the year end, the company owed FBI Holdings Ltd £156,212 (1997 : £163,504):

The company paid £99,000 (1997 : £99,000) to its pension fund under an operating lease for use of the leasehold property.