

Company Registration No 01366728 (England and Wales)

BAXTERS INTERNATIONAL REMOVALS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2008

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BAXTERS INTERNATIONAL REMOVALS LIMITED

COMPANY INFORMATION

Directors	S Osborne S A Whiteside
Secretary	S A Whiteside
Company number	01366728
Registered office	Torrington House 47 Holywell Hill St Albans Hertfordshire AL1 1HD
Auditors	HLB Vantis Audit plc Torrington House 47 Holywell Hill St Albans Hertfordshire AL1 1HD
Business address	Smeaton Close, Brunel Road Rabans Lane Industrial Park Aylesbury Buckinghamshire HP19 8UN
Accountants	Vantis Group Limited Accountants Business Advisers Torrington House 47 Holywell Hill St Albans Hertfordshire AL1 1HD

BAXTERS INTERNATIONAL REMOVALS LIMITED

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BAXTERS INTERNATIONAL REMOVALS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MAY 2008

The directors present their report and financial statements for the year ended 31 May 2008

Principal activities and review of the business

The principal activity of the company continued to be that of removers, hauliers and warehousemen

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future

The net profit for the period after providing for taxation amounted to £281,628 (2007 net loss of £596,488)

The main highlight of the year has been the satisfactory resolution of the dispute with the previous owner. The resolution of the dispute resulted in significant balance sheet gains and an improvement in the financial health of the business. This had been a distraction from the main operations, consuming time, resources, and generating significant one off legal expenses.

On the operating side, trading conditions have worsened over the period but our restructuring efforts have generated significant improvement in the business and have mitigated to a large extent the impact of the change. We have, additionally, become more selective about the type of business we take on and the margins we are willing to accept. This reflects the fact that we are providing a higher end service and should be therefore able to generate better margins.

Our new balance sheet creates significant opportunities for us to look at acquisitions and we believe that there will be many opportunities to pursue in the coming 18 months.

Results and dividends

The results for the year are set out on page 5.

The directors do not recommend payment of an ordinary dividend.

Future developments

The company intends to continue its present management policies for the foreseeable future.

Directors

The following directors have held office since 1 June 2007:

S Osborne

S Sheffield

S A Whiteside

(Resigned 21 September 2007)

Charitable donations

2008

2007

£

£

During the year the company made the following payments:

Charitable donations

300

1,060

Auditors

The company has by elective resolution dispensed with the obligation to appoint auditors annually in accordance with section 386(1) of the Companies Act 1985. Therefore, the auditors, HLB Vantis Audit plc, will be deemed to be reappointed for each succeeding financial year.

BAXTERS INTERNATIONAL REMOVALS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2008

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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

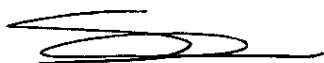
- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and 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.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



31 10 08

BAXTERS INTERNATIONAL REMOVALS LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF BAXTERS INTERNATIONAL REMOVALS LIMITED

We have audited the financial statements of Baxters International Removals Limited for the year ended 31 May 2008 set out on pages 5 to 18. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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.

BAXTERS INTERNATIONAL REMOVALS LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF BAXTERS INTERNATIONAL REMOVALS LIMITED

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 May 2008 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements

HLB Vantis Audit plc

HLB Vantis Audit plc

31 October 2008

Chartered Accountants

Registered Auditor

Torrington House
47 Holywell Hill
St Albans
Hertfordshire
AL1 1HD



BAXTERS INTERNATIONAL REMOVALS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MAY 2008

	Notes	2008 £	2007 £
Turnover	2	4,601,110	6,620,784
Cost of sales		(3,604,480)	(4,504,049)
Gross profit		996,630	2,116,735
Administrative expenses		(671,034)	(2,787,286)
Other operating income		14,145	20,327
Operating profit/(loss)	3	339,741	(650,224)
Other interest receivable and similar income	4	5,653	4,183
Interest payable and similar charges	5	(21,948)	(35,542)
Profit/(loss) on ordinary activities before taxation		323,446	(681,583)
Tax on profit/(loss) on ordinary activities	6	(41,818)	85,095
Profit/(loss) for the year	14	281,628	(596,488)

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

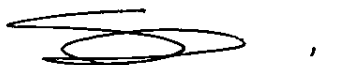
BAXTERS INTERNATIONAL REMOVALS LIMITED

BALANCE SHEET

AS AT 31 MAY 2008

	Notes	2008 £	£	2007 £	£
Fixed assets					
Tangible assets	7		1,268,590		1,185,089
Current assets					
Stocks	8	54,648		26,723	
Debtors	9	927,187		1,176,764	
Cash at bank and in hand		230,205		53,392	
		1,212,040		1,256,879	
Creditors amounts falling due within one year	10	(1,835,379)		(2,357,025)	
Net current liabilities			(623,339)		(1,100,146)
Total assets less current liabilities			645,251		84,943
Creditors: amounts falling due after more than one year	11		(81,637)		(168,872)
Provisions for liabilities	12		(168,401)		(117,253)
			395,213		(201,182)
Capital and reserves					
Called up share capital	13		100		100
Revaluation reserve	14		314,767		-
Profit and loss account	14		80,346		(201,282)
Shareholders' funds	15		395,213		(201,182)

Approved by the Board and authorised for issue on 31 10.08



Director

BAXTERS INTERNATIONAL REMOVALS LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MAY 2008

	£	2008 £	£	2007 £
Net cash (outflow)/inflow from operating activities		258,196		1,430,970
Returns on investments and servicing of finance				
Interest received	5,653		4,183	
Interest paid	(21,948)		(35,542)	
Net cash outflow for returns on investments and servicing of finance		(16,295)		(31,359)
Taxation		135,696		(321,723)
Capital expenditure				
Payments to acquire tangible assets	(6,720)		(137,534)	
Receipts from sales of tangible assets	9,576		53,063	
Net cash inflow/(outflow) for capital expenditure		2,856		(84,471)
Net cash inflow before management of liquid resources and financing		380,453		993,417
Financing				
Repayment of long term bank loan	-		(879,050)	
Capital element of hire purchase contracts	(167,184)		(227,524)	
Net cash outflow from financing		(167,184)		(1,106,574)
Decrease in cash in the year		213,269		(113,157)

BAXTERS INTERNATIONAL REMOVALS LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MAY 2008

1	Reconciliation of operating profit/(loss) to net cash inflow from operating activities	2008	2007
		£	£
	Operating profit/(loss)	339,741	(650,224)
	Depreciation of tangible assets	342,735	401,024
	Profit on disposal of tangible assets	(802)	(11,611)
	(Increase)/decrease in stocks	(27,925)	18,487
	Decrease in debtors	249,577	274,360
	(Decrease)/increase in creditors within one year	(645,130)	1,398,934
	Net cash inflow from operating activities	258,196	1,430,970

2	Analysis of net debt	1 June 2007	Cash flow	Other non-cash changes	31 May 2008
		£	£	£	£
	Net cash				
	Cash at bank and in hand	53,392	176,813	-	230,205
	Bank overdrafts	(36,456)	36,456	-	-
		<u>16,936</u>	<u>213,269</u>	<u>-</u>	<u>230,205</u>
	Bank deposits	-	-	-	-
	Debt				
	Finance leases	(311,599)	63,961	(10,300)	(257,938)
		<u>(311,599)</u>	<u>63,961</u>	<u>(10,300)</u>	<u>(257,938)</u>
	Net debt	(294,663)	277,230	(10,300)	(27,733)

3	Reconciliation of net cash flow to movement in net debt	2008	2007
		£	£
	Increase/(decrease) in cash in the year	213,269	(88,878)
	Cash outflow from increase in liquid resources	1,106,573	291,157
	Change in net debt resulting from cash flows	277,230	2,706,424
	New finance lease	(10,300)	(98,887)
	Movement in net debt in the year	266,930	2,607,537
	Opening net debt	(294,663)	(2,902,200)
	Closing net debt	(27,733)	(294,663)

BAXTERS INTERNATIONAL REMOVALS LIMITED

NOTES TO THE CASH FLOW STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2008

4 Liquid resources

Liquid resources include cash and current asset investments that are readily convertible into cash

BAXTERS INTERNATIONAL REMOVALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2008

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

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 or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation 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/15% straight line method
Fixtures, fittings & equipment	25% reducing balance/33% straight line
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 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 in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.8 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 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2008

2 Turnover

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

3 Operating profit/(loss)	2008 £	2007 £
Operating profit/(loss) is stated after charging		
Depreciation of tangible assets	342,735	401,024
Loss on foreign exchange transactions	6,543	-
Operating lease rentals	113,000	115,500
Auditors' remuneration (including expenses and benefits in kind)	8,000	8,000
and after crediting		
Profit on disposal of tangible assets	(802)	(11,611)
Profit on foreign exchange transactions	-	(2,265)

Included within the operating profit is a reduction of £568,066 of the provision of £1,068,066 which relates to an amount payable to one of the company's customers relating to an historic overcharging on storage facilities

4 Investment income	2008 £	2007 £
Bank interest	5,653	4,183
	<u>5,653</u>	<u>4,183</u>

5 Interest payable	2008 £	2007 £
Hire purchase interest	23,134	35,542
On overdue tax	(1,186)	-
	<u>21,948</u>	<u>35,542</u>

BAXTERS INTERNATIONAL REMOVALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2008

6	Taxation	2008 £	2007 £
	Domestic current year tax		
	U K corporation tax	97,539	(64,737)
	Adjustment for prior years	(106,869)	-
	Current tax charge	(9,330)	(64,737)
	Deferred tax		
	Deferred tax charge/credit current year	51,148	(20,358)
		<u>41,818</u>	<u>(85,095)</u>
	Factors affecting the tax charge for the year		
	Profit/(loss) on ordinary activities before taxation	<u>323,446</u>	<u>(681,583)</u>
	Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 27.10% (2007 - 30.00%)	<u>87,654</u>	<u>(204,475)</u>
	Effects of		
	Non deductible expenses	1,864	8,085
	Depreciation add back	92,881	120,307
	Capital allowances	(64,431)	(94,558)
	Adjustments to previous periods	(106,869)	-
	Other tax adjustments	(20,429)	105,904
		<u>(96,984)</u>	<u>139,738</u>
	Current tax charge	(9,330)	(64,737)

BAXTERS INTERNATIONAL REMOVALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2008

7 Tangible fixed assets

	Land and buildings Leasehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost or valuation					
At 1 June 2007	1	1,731,073	377,179	1,536,948	3,645,201
Revaluation	-	314,767	-	-	314,767
Additions	-	76,942	43,301	-	120,243
Disposals	-	(28,729)	-	(85,114)	(113,843)
At 31 May 2008	1	2,094,053	420,480	1,451,834	3,966,368
Depreciation					
At 1 June 2007	-	967,117	301,372	1,191,623	2,460,112
On disposals	-	(27,610)	-	(77,459)	(105,069)
Charge for the year	-	226,935	36,025	79,775	342,735
At 31 May 2008	-	1,166,442	337,397	1,193,939	2,697,778
Net book value					
At 31 May 2008	1	927,611	83,083	257,895	1,268,590
At 31 May 2007	1	763,956	75,807	345,325	1,185,089

At the year end the directors revalued the containers included in plant and machinery to market value with a total appreciation in value of £314,767

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

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Net book values				
At 31 May 2008	293,850	27,721	-	321,571
At 31 May 2007	417,651	-	9,225	426,876
Depreciation charge for the year				
At 31 May 2008	117,520	9,240	-	126,760
At 31 May 2007	121,183	-	3,075	124,258

BAXTERS INTERNATIONAL REMOVALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2008

8	Stocks	2008 £	2007 £
	Finished goods and goods for resale	54,648	26,723

9	Debtors	2008 £	2007 £
	Trade debtors	594,493	630,822
	Amounts owed by parent and fellow subsidiary undertakings	-	265,393
	Other debtors	18,683	58,170
	Prepayments and accrued income	314,011	222,379
		927,187	1,176,764

Amounts falling due after more than one year and included in the debtors above are

	2008 £	2007 £
Other debtors	-	14,100

BAXTERS INTERNATIONAL REMOVALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2008

10 Creditors: amounts falling due within one year	2008 £	2007 £
Bank loans and overdrafts	-	36,456
Net obligations under hire purchase contracts	176,301	142,727
Trade creditors	812,326	1,420,380
Amounts owed to parent and fellow subsidiary undertakings	473,053	487,424
Corporation tax	126,366	-
Other taxes and social security costs	75,112	92,162
Directors' current accounts	513	-
Other creditors	61,517	62,027
Accruals and deferred income	110,191	115,849
	<u>1,835,379</u>	<u>2,357,025</u>

Hire purchase contracts are secured on the assets to which they relate. Bank loans and overdrafts are secured by a fixed and floating charge over the assets of the company.

11 Creditors: amounts falling due after more than one year	2008 £	2007 £
Net obligations under hire purchase contracts	<u>81,637</u>	<u>168,872</u>
In more than one year but not more than two years	168,879	879,050
Net obligations under hire purchase contracts		
Repayable within one year	176,301	142,728
Repayable between one and five years	81,637	168,872
	<u>257,938</u>	<u>311,600</u>
Included in liabilities falling due within one year	(176,301)	(142,727)
	<u>81,637</u>	<u>168,873</u>

BAXTERS INTERNATIONAL REMOVALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2008

12 Provisions for liabilities

	Deferred tax liability £
Balance at 1 June 2007	117,253
Profit and loss account	51,148
	<u>168,401</u>
Balance at 31 May 2008	<u>168,401</u>

The deferred tax liability is made up as follows:

	2008 £	2007 £
Accelerated capital allowances	<u>168,401</u>	<u>117,253</u>

13 Share capital

	2008 £	2007 £
Authorised		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

14 Statement of movements on reserves

	Revaluation reserve £	Profit and loss account £
Balance at 1 June 2007	-	(201,282)
Profit for the year	-	281,628
Revaluation during the year	<u>314,767</u>	<u>-</u>
Balance at 31 May 2008	<u>314,767</u>	<u>80,346</u>

The company has revalued its containers to market value at the year end

BAXTERS INTERNATIONAL REMOVALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2008

15 Reconciliation of movements in shareholders' funds	2008 £	2007 £
Profit/(Loss) for the financial year	281,628	(596,488)
Other recognised gains and losses	314,767	-
Net addition to/(depletion in) shareholders' funds	596,395	(596,488)
Opening shareholders' funds	(201,182)	395,306
Closing shareholders' funds	395,213	(201,182)

16 Financial commitments

At 31 May 2008 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 May 2009

	Land and buildings		Other	
	2008 £	2007 £	2008 £	2007 £
Operating leases which expire				
Within one year	-	-	-	4,632
Between two and five years	-	-	52,106	57,690
In over five years	144,000	144,000	-	-
	144,000	144,000	52,106	62,322

17 Directors' emoluments	2008 £	2007 £
Emoluments for qualifying services	160,250	323,031

BAXTERS INTERNATIONAL REMOVALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2008

18 Employees

Number of employees

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

	2008 Number	2007 Number
Directors	2	3
Administration	10	18
Drivers and Porters	44	36
	<u>56</u>	<u>57</u>

Employment costs

	2008 £	2007 £
Wages and salaries	1,373,092	1,734,468
Social security costs	131,522	46,259
	<u>1,504,614</u>	<u>1,780,727</u>

19 Control

The parent company is Pureleaf Limited. Pureleaf Limited has no ultimate controlling party.

20 Related party transactions

Baxters International Removals Limited is a 100% subsidiary of Pureleaf Limited. At the year end Baxters International Removals Limited owed Pureleaf Limited £33,823 (2007: £265,393 debtor).

FBI Holdings Limited is a 100% subsidiary of Pureleaf Limited and, as such, is a related party of Baxters International Removals Limited. During the year FBI Holdings Limited charged rent of £Nil (2007: £173,640) to, and was charged depreciation of £30,000 (2007: £30,000) from Baxters International Removals Limited. At the year end Baxters International Removals Limited owed FBI Holdings Limited £439,230 (2007: £487,424).