

British Association of Removers  
(Services) Limited

DIRECTORS' REPORT AND ACCOUNTS

31 December 2002



Registered Number : 1288441

# British Association of Removers (Services) Limited

## DIRECTORS' REPORT

31 December 2002

---

The directors present their report and the audited accounts for the year ended 31 December 2002.

### PRINCIPAL ACTIVITY

The principal activity of the company continues to be the provision of bulk buying services for members of the British Association of Removers Limited.

### BUSINESS REVIEW

The directors continue to seek other services which may be of commercial advantage to members of the British Association of Removers Limited.

### RESULT AND DIVIDENDS

The profit for the year after tax amounted to £24,229 (2001: £11,444). It is recommended that no dividend be paid.

### DIRECTORS

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

P.R. Barrett	(Chairman)
J.A.S. Luxford	(resigned 5 May 2002)
J.R. Luxford	(appointed 5 May 2002)
D.J. Trenchard	
K.M. Steele	
J.N. Grice	
G.C. Sutherland	
A.J.W. Robinson	

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

Baker Tilly (formerly HLB Kidsons) have agreed to offer themselves for re-appointment as auditors of the company.

By order of the board

  
R.D. Syers  
Secretary

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

30 April, 2003

# British Association of Removers (Services) Limited

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

---

We are required under company law to prepare 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 these accounts we are required to:

- (a) select suitable accounting policies and apply them consistently;
- (b) make reasonable and prudent judgements and estimates;
- (c) state whether accounting standards have been followed, and give details of any departures; and
- (d) 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:

- (a) keeping proper accounting records;
- (b) safeguarding the company's assets; and
- (c) taking reasonable steps for the prevention and detection of fraud.

On behalf of the board



P.R. Barrett

Director

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

30 April 2003

# British Association of Removers (Services) Limited

## INDEPENDENT AUDITORS' REPORT

---

### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BRITISH ASSOCIATION OF REMOVERS (SERVICES) LIMITED

We have audited the financial statements on pages 4 to 10.

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 auditor's 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 DIRECTORS AND AUDITORS

As described in the statement of directors' responsibilities 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 December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Baker Tilly*  
BAKER TILLY

Registered Auditors  
Chartered Accountants  
2 Bloomsbury Street  
London WC1B 3ST

*30 April* 2003

# British Association of Removers (Services) Limited

## PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2002

	Note	2002 £	2001 £
TURNOVER	2	4,137,427	3,799,713
Cost of sales		<u>(3,607,235)</u>	<u>(3,378,756)</u>
GROSS PROFIT		530,192	420,957
Distribution costs		(71,109)	(73,389)
Administrative expenses		<u>(426,456)</u>	<u>(338,081)</u>
OPERATING PROFIT	3	32,627	9,487
Interest receivable	4	1,144	2,421
Interest payable	5	<u>(39)</u>	<u>(214)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		33,732	11,694
Taxation	7	<u>(9,503)</u>	<u>(250)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	14	<u><u>24,229</u></u>	<u><u>11,444</u></u>

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 year.

All activities are classed as continuing. There were no acquisitions during the year.

# British Association of Removers (Services) Limited

## BALANCE SHEET

at 31 December 2002

	Note	£	2002 £	£	2001 £
Fixed assets					
Tangible assets	8		386		1,450
Investments	9		<u>1,282</u>		<u>1,521</u>
			1,668		2,971
Current assets					
Stocks	10	42,667		36,566	
Debtors	11	755,764		767,377	
Cash at bank and in hand		<u>375,671</u>		<u>279,171</u>	
		1,174,102		1,083,114	
Creditors: amounts falling due within one year	12	<u>(937,487)</u>		<u>(872,031)</u>	
Net current assets			<u>236,615</u>		<u>211,083</u>
Net assets			<u>238,283</u>		<u>214,054</u>
Capital and reserves					
Called up share capital	13		2		2
Profit and loss account	14		<u>238,281</u>		<u>214,052</u>
Total equity shareholders' funds	15		<u>238,283</u>		<u>214,054</u>

Approved by the board of directors on 30 April 2003

  
 P.R. Barrett - Director

# British Association of Removers (Services) Limited

## CASH FLOW STATEMENT

For the year ended 31 December 2002

	Notes	£	2002 £	£	2001 £
Net cash inflow from operating activities	17(a)		97,148		159,436
Returns on investment and servicing of finance					
Interest received		1,144		2,421	
Interest paid		<u>(39)</u>		<u>(214)</u>	
Taxation			1,105		2,207
Corporation tax paid			(1,753)		(650)
Capital expenditure					
Payments to acquire tangible fixed assets			<u>-</u>		<u>(1,160)</u>
Increase in cash	17(b)		<u>96,500</u>		<u>159,833</u>

# British Association of Removers (Services) Limited

## NOTES ON ACCOUNTS

31 December 2002

### 1 ACCOUNTING POLICIES

#### *Basis of accounting*

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

#### *Cost of sales*

Cost of sales is stated as all those costs directly incurred by the company in order to bring each product sold to its saleable condition.

#### *Stocks*

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

#### *Depreciation*

Depreciation of fixed assets is charged by equal annual instalments to write off their cost over the expected useful lives which are as follows:-

Office equipment                      3 years

#### *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.

#### *Foreign currencies*

Assets and liabilities denominated in foreign currencies are translated at the rate 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 the profit and loss account.

Assets, liabilities, and results of overseas subsidiaries are translated at the rate ruling at the balance sheet date. Exchange differences arising are dealt with through reserves.

### 2 TURNOVER

Turnover represents the invoiced value excluding value added tax of goods sold. The analysis of turnover by geographical area is as follows:

	2002 £	2001 £
United Kingdom	4,114,812	3,727,564
Rest of Europe	<u>22,615</u>	<u>52,149</u>
	<u>4,137,427</u>	<u>3,779,713</u>

### 3 OPERATING PROFIT

Operating profit on ordinary activities is stated after charging:

Depreciation	1,064	1,064
Auditors' remuneration	<u>4,000</u>	<u>3,863</u>

### 4 INTEREST RECEIVABLE

	2002 £	2001 £
Bank interest receivable	<u>1,144</u>	<u>2,421</u>

### 5 INTEREST PAYABLE

	2002 £	2001 £
Bank interest payable	<u>39</u>	<u>214</u>

### 6 STAFF COSTS

During the year the company employed only the 7 (2001: 8) directors to whom no remuneration was paid.

# British Association of Removers (Services) Limited

## NOTES ON ACCOUNTS

31 December 2002

7	TAXATION	2002 £	2001 £
	Current tax		
	United Kingdom corporation tax on profit for the year	8,000	250
	Adjustment in respect of previous year	<u>1,503</u>	<u>-</u>
		<u>9,503</u>	<u>250</u>
	Factors affecting tax charge for the year		
	Profit on ordinary activities before tax	<u>33,732</u>	<u>11,694</u>
	Profit on ordinary activities multiplied by the rate of corporation tax in the UK of 20% (10%)	6,746	1,169
	Effects of:		
	Expenses not deductible for tax purposes	2,160	-
	Capital allowances in excess of depreciation	(917)	(94)
	Marginal relief reduction	(301)	-
	Group relief claimed	-	(833)
	Adjustments to tax charge in respect of previous periods	1,503	-
	Roundings	<u>312</u>	<u>8</u>
		<u>9,503</u>	<u>250</u>
8	TANGIBLE FIXED ASSETS		Office equipment £
	Cost		
	At 31 December 2001 and 2002		<u>23,145</u>
	Depreciation		
	At 31 December 2001		21,695
	Charge for the year		<u>1,064</u>
	At 31 December 2002		<u>22,759</u>
	Net book amount		
	At 31 December 2002		<u>386</u>
	At 31 December 2001		<u>1,450</u>
9	INVESTMENTS	2002 £	2001 £
	31 December 2002	<u>1,282</u>	<u>1,521</u>
	This consists of an interest in Fedepack, an European Economic Interest Grouping registered in France the object of which is to negotiate, acquire and sell packaging, supplies and material.		
	The shareholding comprises 100 ordinary shares of 200 French francs each and represents an interest of 25%. The drop in value of the holdings represents the net losses incurred by Fedepack. The loss incurred in the current year was £239.		
10	STOCKS	2002 £	2001 £
	Goods for resale	<u>42,667</u>	<u>36,566</u>

# British Association of Removers (Services) Limited

## NOTES ON ACCOUNTS

31 December 2002

11	DEBTORS	2002 £	2001 £
	Trade debtors	735,563	749,076
	Amount owed by group undertakings	558	7,840
	Other debtors	19,419	10,136
	Prepayments	<u>224</u>	<u>325</u>
		<u>755,764</u>	<u>767,377</u>
12	CREDITORS: amounts falling due within one year	2002 £	2001 £
	Trade creditors	905,601	865,775
	Amounts owed to ultimate parent undertaking	18,988	1,763
	Corporation tax	8,000	250
	Accruals and deferred income	<u>4,898</u>	<u>4,243</u>
		<u>937,487</u>	<u>872,031</u>
13	CALLED UP SHARE CAPITAL	2002 and 2001 Issued and Fully Paid £	2002 and 2001 Issued and Fully Paid £
	Ordinary shares of £1 each (equity)	<u>100</u>	<u>2</u>
14	PROFIT AND LOSS ACCOUNT		2002 £
	Balance brought forward		214,052
	Profit for the year		<u>24,229</u>
	Balance carried forward		<u>238,281</u>
15	RECONCILIATION OF EQUITY SHAREHOLDERS' FUNDS	2002 £	2001 £
	Profit for the financial year	24,229	11,444
	Opening equity shareholders' funds	<u>214,054</u>	<u>202,610</u>
	Closing equity shareholders' funds	<u>238,283</u>	<u>214,054</u>
16	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.		

# British Association of Removers (Services) Limited

## NOTES ON ACCOUNTS

31 December 2002

### 17 NOTES TO THE CASH FLOW STATEMENT

(a) Reconciliation of operating profit to net cash inflow from operating activities		2002 £	2001 £
Operating profit		32,627	9,487
Depreciation		1,064	1,064
(Increase)/decrease in stocks		(6,101)	10,093
Decrease/(increase) in debtors		11,613	(35,622)
Decrease in investments		239	139
Increase/(decrease) in creditors		57,706	174,275
Net cash inflow from operating activities		<u>97,148</u>	<u>159,436</u>
(b) ANALYSIS OF NET DEBT		1 January 2002 £	Cash Flow 31 December 2002 £
Cash at bank and in hand		<u>279,171</u>	<u>96,500</u>
			<u>375,671</u>

### 18 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.

During the year the company provided supplies in the normal course of business to companies in which certain directors have a controlling interest. No such transactions are considered to be material.

#### TRANSACTIONS WITH OTHER KEY MANAGEMENT PERSONNEL

During the year the company paid £235,428 (2001 £208,675) in respect of management and administration services provided by Challenge Packaging Services, a partnership controlled by A F Allen, a member of the company's key management personnel. The company owed £20,838 (2001: £17,416) to Challenge Packaging Services at the balance sheet date.

The company also purchased goods and services totalling £256,772 (2001: £80,891) from Challenge Packaging Limited and £Nil (2001: £119,125) from Challenge Packaging (South East) Limited. Both of these companies are controlled by A F Allen. The company owed £49,494 (2001: £23,208) and £Nil (2001: £20,284) to Challenge Packaging Limited and Challenge Packaging (South East) Limited respectively at the balance sheet date.