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The Quality Moving Group Limited

Abbreviated Financial Statements

Year Ended

30 June 2004



THE QUALITY MOVING GROUP LIMITED

Annual report and financial statements for the year ended 30 June 2004

Contents

Page:

1	Report of the auditor
2	Balance sheet
3	Notes forming part of the financial statements

Directors

M A Fleet
M D Fleet

Secretary and registered office

M A Fleet, Charnwood House, Gregory Boulevard, Nottingham, NG7 6NX

Company number

3557921

Auditor

Blueprint Audit Limited, Charnwood House, Gregory Boulevard, Nottingham, NG7 6NX

Accountants and Business Advisers

Tenon Limited, Charnwood House, Gregory Boulevard, Nottingham, NG7 6NX

Bankers

National Westminster Bank Plc, 24 Derby Road, Huyton, Liverpool, L36 9GF

**AUDITORS' REPORT TO THE QUALITY MOVING GROUP LIMITED UNDER SECTION 247B
OF THE COMPANIES ACT 1985**

To the shareholders of The Quality Moving Group Limited

We have examined the abbreviated financial statements set out on pages 2 to 7, together with the financial statements of the company for the year ended 30 June 2004 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the financial statements to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated financial statements on pages 2 to 7 are properly prepared in accordance with those provisions.

Blueprint Audit Limited

Blueprint Audit Limited
Chartered Accountants and Registered Auditor

22 December 2004

THE QUALITY MOVING GROUP LIMITED

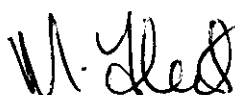
Balance sheet at 30 June 2004

	Note	2004	2003
		£	£
Fixed assets			
Intangible assets	2	280,000	300,000
Tangible assets	3	510,974	423,607
Investments	4	764	539
		<u>791,734</u>	<u>724,146</u>
Current assets			
Stocks		5,000	14,850
Debtors		482,729	410,403
Cash at bank and in hand		1,110	3,358
		<u>488,839</u>	<u>428,611</u>
Creditors: amounts falling due within one year		<u>(721,250)</u>	<u>(745,239)</u>
Net current liabilities		<u>(232,411)</u>	<u>(316,628)</u>
Total assets less current liabilities		<u>559,323</u>	<u>407,518</u>
Creditors: amounts falling due after more than one year	5	(410,357)	(476,776)
Provision for liabilities and charges		<u>(42,000)</u>	<u>(18,000)</u>
		<u>(452,357)</u>	<u>(494,776)</u>
		<u>106,966</u>	<u>(87,258)</u>
Capital and reserves			
Called up share capital	6	1,000	1,000
Profit and loss account		105,966	(88,258)
Equity shareholders' funds		<u>106,966</u>	<u>(87,258)</u>

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

The financial statements were approved by the Board on 14 December 2004

MD Fleet
Director



The notes on pages 3 to 7 form part of these financial statements.

THE QUALITY MOVING GROUP LIMITED

Notes forming part of the abbreviated financial statements for the year ended 30 June 2004

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The principal accounting policies, which have remained unchanged during the period, are as follows:

Going concern

These financial statements have been prepared under the going concern basis on the assumption that the company's bankers continue to offer financial facilities to the business to meet its day to day working capital requirements. On this basis and after discussions with the company's bankers the directors consider it appropriate to prepare the financial statements on the going concern basis.

Turnover

Turnover represents sales accrued to outside customers at invoiced amounts less value added tax on sales.

Group financial statements

Group financial statements have not been prepared since the company is entitled to the exemption conferred by Section 248 of the Companies Act 1985. The financial statements present information about the company as an individual undertaking and not about its group.

Depreciation

Depreciation is provided to write off the cost less estimated residual values, of all fixed assets, evenly over their expected useful lives. It is calculated at the following rates:

Motor vehicles	-	25% per annum reducing balance
Fixtures and fittings	-	25% per annum reducing balance

Goodwill

Goodwill arising on an acquisition of a trade is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. Positive goodwill is capitalised and amortised through the profit and loss account over the director's estimate of its useful economic life, being 20 years. Impairment tests on the carrying value of goodwill are undertaken:

- at the end of the first full financial year following acquisition;
- in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

THE QUALITY MOVING GROUP LIMITED

Notes forming part of the abbreviated financial statements for the year ended 30 June 2004
(Continued)

1 Accounting policies (Continued)

Deferred taxation

The payment of taxation is deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes. Full provision for deferred taxation is made under the liability method, without discounting, on all timing differences that have arisen, but not reversed by the balance sheet date, unless such provision is not permitted by FRS 19.

Leased assets

Where assets are acquired under hire purchase and finance lease contracts that give rights approximating to ownership the assets are treated as if they had been purchased outright. The amount capitalised is, the present value of the minimum repayments payable during the lease term. The corresponding commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Hire purchase payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

Pensions

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

2 Intangible assets

	Purchased goodwill £
<i>Cost</i>	
At 1 July 2003 and 30 June 2004	400,000
<i>Amortisation</i>	
At 1 July 2003	100,000
Provided for the year	20,00
At 30 June 2004	120,000
<i>Net book value</i>	
At 30 June 2004	280,000
At 30 June 2003	300,000

THE QUALITY MOVING GROUP LIMITED

Notes forming part of the abbreviated financial statements for the year ended 30 June 2004
(Continued)

3 Tangible fixed assets

	Motor Vehicles £	Fixtures and fittings £	Total £
<i>Cost</i>			
At 1 July 2003	786,734	259,063	1,045,797
Additions	227,298	18,743	246,041
Disposals	(234,317)	(5,027)	(239,344)
At 30 June 2004	779,715	272,779	1,052,494
<i>Depreciation</i>			
At 1 July 2003	438,665	183,525	622,190
Provided for the year	88,773	19,140	107,913
Disposals	(184,695)	(3,884)	(188,579)
At 30 June 2004	342,743	198,781	541,524
<i>Net book value</i>			
At 30 June 2004	436,972	73,998	510,970
At 30 June 2003	348,069	75,538	423,607

The net book value of tangible fixed assets includes assets held under hire purchase contracts as follows:

	2004 £	2003 £
Motor vehicles	380,084	214,417

THE QUALITY MOVING GROUP LIMITED

Notes forming part of the abbreviated financial statements for the year ended 30 June 2004
(Continued)

4 Fixed asset investments

	Country of incorporation	Ordinary shares at cost		Aggregate capital and reserves 2004 & 2003 £
		2004 £	2003 £	
Unlisted shares in wholly owned dormant subsidiary companies				
Southport and Formby Removals Limited	UK	2	2	2
FC Morgan (Removals) Limited	UK	2	2	2
Liverpool Self Store Limited		2	2	2
Merseyside Self Store Limited		2	2	2
		8	8	8
Unquoted trade investment	£	£		
At 1 July	531	209		
Additions	225	322		
At 30 June		756	531	
Total fixed asset investments		764	539	

5 Creditors: amounts falling due after more than one year

Hire purchase commitments of £118,854 (2003: £89,627) falling due within one year and £102,109 (2003: £66,544) falling due after more than one year are secured on certain of the company's fixed assets.

The company has the following bank loan arrangements:

Commercial fixed rate loan repayable before 9 July 2008, interest charged at 2% above bank base rate.

Corporate loan repayable before August 2004, interest charged at 1% above bank base rate.

Assets held as security formally charged to the Bank, comprise a first legal mortgage dated 7 August 1998 over freehold property known as land lying to the south west of Ellis Ashton Street, Whiston, Knowsley, Merseyside (Premises owned by a partnership in which both of the directors have an interest), and an Unsecured Mortgage Debenture dated 5 August 1998 incorporating a fixed and floating charge over all current and future assets of the company.

THE QUALITY MOVING GROUP LIMITED

Notes forming part of the abbreviated financial statements for the year ended 30 June 2004
(Continued)

6 Share capital

	Authorised		Allotted, called up and fully paid	
	2004	2003	2004	2003
	£	£	£	£
Equity share capital				
Ordinary shares of £1 each	1,000,000	1,000,000	1,000	1,000

7 Related party transactions

Transactions concerning directors

The company occupies premises owned by a partnership in which MA Fleet and MD Fleet, directors of the company are partners, on a rent free basis. These premises are held as security by the company's bankers referred to in note 5 to these financial statements.

MA Fleet and MD Fleet each hold loan accounts with the company. The table which follows summaries the transactions in the period:

	MA Fleet		MD Fleet	
	2004	2003	2004	2003
	£	£	£	£
Maximum amount outstanding from the company during the year	10,285	25,735	1,582	11,301
Balance at 30 June (owing to)/from the company	10,285	(3,253)	1,582	4,301