

**INTERACTIVE RECORDS MANAGEMENT LIMITED
(FORMERLY EDE'S (UK) LIMITED)**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2004



Company No 2672031

INTERACTIVE RECORDS MANAGEMENT LIMITED (FORMERLY EDE'S (UK) LIMITED)

FINANCIAL STATEMENTS

For the year ended 31 December 2004

Company registration number: 2672031

Registered office: Ede's Business Park
Restmor Way
Wallington
Surrey
SM6 7AH

Directors: R T Kanter - non-executive
T Robinson

Secretary: S Etheridge

Bankers: The Royal Bank of Scotland
62-63 Threadneedle Street
London
EC2R 8LA

Auditors: Grant Thornton UK LLP
Chartered Accountants
The Explorer Building
Fleming Way
Manor Royal
Crawley
West Sussex
RH10 9GT

INTERACTIVE RECORDS MANAGEMENT LIMITED (FORMERLY EDE'S (UK) LIMITED)

FINANCIAL STATEMENTS

For the year ended 31 December 2004

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CHAIRMAN'S STATEMENT

During 2004, the company commenced a detailed strategic review that examined the business prospects of the separate activities of Relocation and of Records Management. The key drivers for this review were a detailed consideration of activity cash generation and the separate activity business value creation.

Towards the end 2004, the directors reviewed business options from the strategic review and resolved that the company should seek a buyer for the Relocation activity, thereby affording total commercial focus and investment commitment, supporting the strong organic and new business growth of the company's Records Management activity.

The post balance sheet events' note of this Report and Accounts, record the effect of the transaction disposing of the Relocation activity, completed on 15 November 2005, with effect from 31 October 2005.

As a consequence of this restructuring, the business and trading name of the company's operating subsidiary has been changed from Ede's (UK) Limited to Interactive Records Management Limited. The Ede's trading name has long been associated, and been highly regarded in the commercial relocation business arena, and thus the board has decided to take this opportunity to re-brand its Records Management activity.

Business Review

For 2004, the business review reports on the combined relocation and records management activity. Turnover for 2004 was £8,777,114, an increase of 13.3% on 2003 activity. Profit before tax increased by £418,122 to £520,576.

While overall activity showed an improvement over 2003; the commercial relocation market remains highly price competitive, and with exceptional short lead times in the securing of major relocation projects. These dynamics are unhelpful in managing the total labour resource and costs.

The Records Management activity saw an increase in boxes in store of over 10 per cent. Growth in this activity is linked to investment in racked out storage facility capacity, which has been constrained by the cash requirements of the relocation activity and the group's debt repayment commitments.

Future Prospects

Investment has been made in new business management and project profitability analysis. While the early part of 2004, is expected to be difficult, this new sale activity is anticipated to generate improved like-for-like sales by increasing market share of the City relocation activity, and at an improved contribution.

R T Kanter
Chairman

INTERACTIVE RECORDS MANAGEMENT LIMITED (FORMERLY EDE'S (UK) LIMITED)

REPORT OF THE DIRECTORS

The directors submit their report together with financial statements for the year ended 31 December 2004.

Principal activity

The principal activity of the company was commercial office relocation, removals, warehousing, archiving and associated services. Following the year end, the company disposed of its commercial office relocation, removals and warehousing business. Further details are given in note 21.

Business review

The profit for the year after taxation amounted to £540,575 (2003: £66,360). The directors recommended and paid dividends of £1,200,000, resulting in a retained loss of £659,424.

The results of the company are set out on page 6. A review of the business is contained in the chairman's statement.

Directors and their interests

The directors of the company, who served during the year, are stated below.

R T Kanter (non-executive)

R A Pigott (appointed 23 January 2004 and resigned on 15 November 2005)

R J Skelton (resigned 21 May 2004)

N Tregarthen (appointed 18 May 2004 and resigned 23 June 2004)

T Robinson was appointed as a director on 25 October 2005.

No right to subscribe for shares in or debentures of the company were granted to or exercised by the directors during the year.

None of the directors had any interest in any of the shares of the company. The directors' interests in the share capital of the ultimate parent undertaking, Levetas Limited, are shown in that company's financial statements.

Directors' responsibilities for the financial statements

Company law in the United Kingdom 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 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
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- 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, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Change of name

On 24 November 2005, the company changed its name to Interactive Records Management Limited.

INTERACTIVE RECORDS MANAGEMENT LIMITED (FORMERLY EDE'S (UK) LIMITED)

REPORT OF THE DIRECTORS

Post balance sheet events

With effect from 31 October 2005, the company disposed of its trade and certain assets of its commercial office relocation, removals and warehousing activity. Further details are given in note 21.


Auditors

On 1 July 2004, the Grant Thornton partnership transferred its business to a limited liability partnership, Grant Thornton UK LLP. Under section 26(5) of the Companies Act 1989, the directors consented to extend the audit appointment to Grant Thornton UK LLP from 1 July 2004.

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD

S Etheridge
Secretary


25. 1. 2006

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF

INTERACTIVE RECORDS MANAGEMENT LIMITED (FORMERLY EDE'S (UK) LIMITED)

We have audited the financial statements of Interactive Records Management Limited (formerly Ede's (UK) Limited) for the year ended 31 December 2004, which comprise the principal accounting policies, the profit and loss account, the balance sheet and notes 1 to 21. 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 directors' report and the financial statements in accordance with applicable United Kingdom law and accounting standards 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 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 other information contained in the directors' report and the chairman's statement, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.


Basis of 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 2004 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
GATWICK

26 January 2006

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards and under the historical cost convention.

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

The company is exempt from preparing consolidated financial statements under Section 228 of the Companies Act 1985. The financial statements therefore present information about the company as an individual undertaking and not about its group.

TURNOVER

Turnover represents the amount receivable for services provided, exclusive of value added tax, duty and discounts.

DEPRECIATION

Depreciation is provided so as to write off the cost or valuation of assets over their expected useful lives, and has been calculated at the following annual rates:

Leasehold property	25% on cost
Plant and machinery	25% on cost
Fixtures and fittings	15% reducing balance
Motor vehicles	25% on cost

LEASED ASSETS

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

DEFERRED TAXATION

Deferred tax is recognised on all timing differences where the transactions or events that give the group an obligation to pay more tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantially enacted by the balance sheet date.

RETIREMENT BENEFITS

The pension costs charged against operating profits are the contributions payable to the scheme in respect of the accounting period.

The company also makes payments to a group personal pension plan on behalf of certain employees.

INTERACTIVE RECORDS MANAGEMENT LIMITED (FORMERLY EDE'S (UK) LIMITED)**PROFIT AND LOSS ACCOUNT**

For the year ended 31 December 2004

	Note	2004 £	2003 £
Turnover	1	8,777,114	7,747,301
Cost of sales		<u>(5,376,874)</u>	<u>(4,713,431)</u>
Gross profit		3,400,240	3,033,870
Distribution costs		(74,897)	(50,876)
Administrative expenses		<u>(2,775,859)</u>	<u>(2,848,378)</u>
Operating profit		549,484	134,616
Net interest	2	<u>(28,908)</u>	<u>(32,162)</u>
Profit on ordinary activities before taxation	1	520,576	102,454
Tax on profit on ordinary activities	4	<u>20,000</u>	<u>(36,094)</u>
Profit on ordinary activities after taxation		540,575	66,360
Dividends (equity)	5	<u>(1,200,000)</u>	-
(Loss)/profit transferred (from)/to reserves	13,14	<u>(659,424)</u>	<u>66,360</u>

All transactions arise from continuing activities.

There were no recognised gains or losses other than the (loss)/profit for the financial year.

The accompanying accounting policies and notes form an integral part of these financial statements.

INTERACTIVE RECORDS MANAGEMENT LIMITED (FORMERLY EDE'S (UK) LIMITED)

BALANCE SHEET AT 31 DECEMBER 2004

	Note	2004 £	2004 £	2003 £	2003 £
Fixed assets					
Tangible assets	6		1,240,541		1,517,004
Investments	7		200		200
			<u>1,240,741</u>		<u>1,517,204</u>
Current assets					
Debtors	8	1,521,819		1,824,464	
Cash at bank and in hand		<u>206,093</u>		<u>403,186</u>	
		<u>1,727,912</u>		<u>2,227,650</u>	
Creditors: amounts falling due within one year	9	<u>(1,162,472)</u>		<u>(1,148,410)</u>	
Net current assets			<u>565,440</u>		<u>1,079,240</u>
Total assets less current liabilities			<u>1,806,181</u>		<u>2,596,444</u>
Creditors: amounts falling due after more than one year	10		(68,881)		(179,720)
Provisions for liabilities and charges					
Deferred taxation	11		<u>(42,000)</u>		<u>(62,000)</u>
			<u>1,695,300</u>		<u>2,354,724</u>
Capital and reserves					
Called up share capital	12		10,000		10,000
Profit and loss account	13		<u>1,685,300</u>		<u>2,344,724</u>
Equity shareholders' funds	14		<u>1,695,300</u>		<u>2,354,724</u>

The financial statements were approved by the Board of Directors on

25th January '06



Directors

The accompanying accounting policies and notes form an integral part of these financial statements.

INTERACTIVE RECORDS MANAGEMENT LIMITED (FORMERLY EDE'S (UK) LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The turnover and profit on ordinary activities before taxation is attributable to commercial office relocation, removals, warehousing, archiving and associated services and arose wholly in the United Kingdom.

The profit on ordinary activities before taxation is stated after:

	2004 £	2003 £
Operating lease rentals		
- land and buildings	887,752	1,046,410
Hire of plant and machinery	79,948	109,172
Depreciation		
- tangible fixed assets, owned	247,980	280,898
- tangible fixed assets, held under finance leases	95,701	149,704
Auditors' remuneration		
- audit services	16,500	12,000
- non audit services	3,000	-

2 NET INTEREST

	2004 £	2003 £
Hire purchase interest	35,529	43,175
Interest receivable	(6,621)	(11,013)
	<u>28,908</u>	<u>32,162</u>

INTERACTIVE RECORDS MANAGEMENT LIMITED (FORMERLY EDE'S (UK) LIMITED)**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2004

3 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:

	2004 £	2003 £
Wages and salaries	3,553,356	3,176,864
Social security costs	378,400	337,720
Pension costs	45,070	50,998
	<u>3,976,826</u>	<u>3,565,582</u>

The average number of employees of the company during the year was:

	2004 Number	2003 Number
Relocation and related services	98	105
Administration	25	18
	<u>123</u>	<u>123</u>

Remuneration in respect of directors was as follows:

	2004 £	2003 £
Emoluments	101,183	64,076
Fees	26,250	26,247
	<u>127,433</u>	<u>90,323</u>

4 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax credit/(charge) is based on the profit for the year and represents:

	2004 £	2003 £
Under provision in previous years of corporation tax	-	(2,094)
	-	(2,094)
Deferred tax	20,000	(34,000)
	<u>20,000</u>	<u>(36,094)</u>

INTERACTIVE RECORDS MANAGEMENT LIMITED (FORMERLY EDE'S (UK) LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

TAX ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)

The tax assessed for the period is higher than the small companies rate of corporation tax in the UK of 19% (2003: 30%). The differences are explained as follows:

	2004 £	2003 £
Profit on ordinary activities before tax	<u>520,576</u>	<u>102,454</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2003: 30%)	98,909	30,736
Effect of:		
Expenses not deductible for tax purposes	2,327	1,096
Capital allowances in advance of depreciation	(1,716)	(36,626)
Movement in provisions	814	-
Utilisation of tax losses	(99,384)	-
Losses carried forward	-	4,794
Difference in tax rates	(950)	-
Adjustments to tax charge in respect of prior years	-	2,094
Current year tax charge	<u>-</u>	<u>2,094</u>

5 DIVIDENDS

	2004 £	2004 £
Equity dividend paid of £120 per share	<u>1,200,000</u>	<u>-</u>

INTERACTIVE RECORDS MANAGEMENT LIMITED (FORMERLY EDE'S (UK) LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

6 TANGIBLE FIXED ASSETS

	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 January 2004	18,420	669,818	1,790,726	1,238,711	3,717,675
Additions	-	12,839	10,245	56,197	79,281
Disposals	-	-	-	(115,791)	(115,791)
At 31 December 2004	<u>18,420</u>	<u>682,657</u>	<u>1,800,971</u>	<u>1,179,117</u>	<u>3,681,165</u>
Depreciation					
At 1 January 2004	18,419	562,671	506,604	1,112,977	2,200,671
Charge for the year	-	52,152	193,334	98,195	343,681
On disposals	-	-	-	(103,728)	(103,728)
At 31 December 2004	<u>18,419</u>	<u>614,823</u>	<u>699,938</u>	<u>1,107,444</u>	<u>2,440,624</u>
Net book amount at 31 December 2004	<u>1</u>	<u>67,834</u>	<u>1,101,033</u>	<u>71,673</u>	<u>1,240,541</u>
Net book amount at 31 December 2003	<u>1</u>	<u>107,147</u>	<u>1,284,122</u>	<u>125,734</u>	<u>1,517,004</u>

The net book value of assets held under finance leases and hire purchase contracts is as follows:

	Plant and machinery £'000	Fixtures and Fittings £'000	Motor vehicles £'000
Net book amount at 31 December 2004	<u>16,690</u>	<u>381,090</u>	<u>49,885</u>
Net book amount at 31 December 2003	<u>25,581</u>	<u>448,341</u>	<u>68,141</u>
Depreciation charge for the year	<u>5,891</u>	<u>67,251</u>	<u>22,559</u>

INTERACTIVE RECORDS MANAGEMENT LIMITED (FORMERLY EDE'S (UK) LIMITED)**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2004

7 FIXED ASSET INVESTMENTS

	2004	2003
	£	£
Shares in subsidiary undertaking	<u>200</u>	<u>200</u>

The investment represents the cost of the share capital of the company's wholly owned subsidiary undertakings, EDIT (UK) Limited and EDIT.COM Limited, which are registered in England and Wales. The companies are currently dormant. These companies were disposed of with effect from 31 October 2005.

At 31 December 2004 the share capital and reserves of EDIT (UK) Limited and EDIT.COM Limited amounted to £100 each.

8 DEBTORS

	2004	2003
	£	£
Trade debtors	1,138,147	1,098,139
Amount due from parent undertaking	-	392,300
Other debtors	16,670	1,350
Prepayments and accrued income	367,002	332,675
	<u>1,521,819</u>	<u>1,824,464</u>

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004	2003
	£	£
Bank overdraft	87,908	-
Trade creditors	313,815	555,849
Social security and other taxes	303,700	260,580
Amount due to parent undertaking	6,032	-
Other creditors	19,463	18,648
Accruals and deferred income	292,085	149,231
Obligations under finance leases	139,469	164,102
	<u>1,162,472</u>	<u>1,148,410</u>

INTERACTIVE RECORDS MANAGEMENT LIMITED (FORMERLY EDE'S (UK) LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

10 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2004	2003
	£	£
Amounts due under finance leases		
- after one and within two years	57,481	126,730
- after two and within five years	11,400	52,990
	<u>68,881</u>	<u>179,720</u>

Obligations under finance leases are secured on the assets to which they relate.

11 DEFERRED TAXATION

Deferred taxation provided for in the financial statements is set out below.

	2004	2003
	£	£
Accelerated capital allowances	44,000	67,000
Short term timing differences	(2,000)	(5,000)
	<u>42,000</u>	<u>62,000</u>
At 1 January 2004	62,000	28,000
Transfer (to)/ from profit and loss account	(20,000)	34,000
At 31 December 2004	<u>42,000</u>	<u>62,000</u>

12 SHARE CAPITAL

	2004	2003
	£	£
Authorised		
50,000 ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>
Allotted, called up and fully paid		
10,000 ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

13 PROFIT AND LOSS ACCOUNT

	£
At 1 January 2004	2,344,724
Loss retained for the financial year	(659,424)
At 31 December 2004	<u>1,685,300</u>

INTERACTIVE RECORDS MANAGEMENT LIMITED (FORMERLY EDE'S (UK) LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2004 £	2003 £
(Loss)/profit for the financial year	(659,424)	66,360
Shareholder's funds at 1 January	<u>2,354,724</u>	<u>2,288,364</u>
Shareholder's funds at 31 December	<u>1,695,300</u>	<u>2,354,724</u>

15 CAPITAL COMMITMENTS

The company had no capital commitments at 31 December 2004 or 31 December 2003.

16 CONTINGENT LIABILITIES

The company has guaranteed the bank and other borrowings of its parent undertaking Levetas Limited. The amount outstanding at the year end was £5,884,326 (2003: £6,278,097).

The company has an agreement with Teacrate plc for the sale and rehire of crates. Interactive Records Management Limited is committed to purchase all branded crates should the company no longer wish to use Teacrate exclusively. The purchase price is dependent upon the age of the crate. At 31 December 2004 the purchase commitment was £22,143 (2003: £24,604).

17 PENSIONS

Interactive Records Management Limited contributes to a group personal pension plan on behalf of some of its employees. The scheme is called the Deutedes Retirement Plan. During the year contributions of £45,070 (2003: £50,998) were paid to the scheme. The company also has a money purchase pension scheme available for all employees to participate in. During the year no contributions were made to this scheme.

18 LEASING COMMITMENTS

Operating lease payments for rent of land and buildings amounting to £860,150 (2003: £860,150) are due within one year. The leases to which these amounts relate expire as follows:

	2004 £	2003 £
Between two and five years	142,650	142,650
In five years or more	<u>717,500</u>	<u>717,500</u>
	<u>860,150</u>	<u>860,150</u>

INTERACTIVE RECORDS MANAGEMENT LIMITED (FORMERLY EDE'S (UK) LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

19 TRANSACTIONS WITH OTHER RELATED PARTIES

As a wholly owned subsidiary of Levetas Limited, the company is exempt from the requirements of FRS8 to disclose transactions with other members of the group.

Related party transactions were as follows:

Related party	Relationship	2004	2003	2004	2003
		Year end balance due £	Year end balance due £	Net amount invoiced during year £	Net amount invoiced during year £
SandAire Private Equity Limited	Shareholder and loans advanced to ultimate parent undertaking	23,500	33,500	20,000	20,000

20 ULTIMATE PARENT UNDERTAKING

The company is a wholly owned subsidiary of Levetas Limited, a company registered in England and Wales.

21 POST BALANCE SHEET EVENTS

With effect from 31 October 2005, the company disposed of its trade and certain assets of its commercial office relocation, removals and warehousing activity. The consideration received was as follows:

	£
Fixed assets and trade	659,000
Liabilities waived	185,000
Total	<u>844,000</u>

Additionally, Levetas Limited (the holding company) underwent a financial restructuring, details of which are set out in that company's financial statements.