

COMPANIES HOUSE

**EDE'S (UK) LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 DECEMBER 2003**



**Company No 2672031**

**EDE'S (UK) LIMITED**

**FINANCIAL STATEMENTS**

*For the year ended 31 December 2003*

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Company registration number: 2672031

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

Directors: R J Skelton FCCA  
R T Kanter - non-executive  
R A Pigott

Secretary: R J Skelton FCCA

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

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

# **EDE'S (UK) LIMITED**

## **FINANCIAL STATEMENTS**

For the year ended 31 December 2003

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## EDE'S (UK) LIMITED

### CHAIRMAN'S STATEMENT

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In last years statement I referred to the high standards maintained by the company in delivering its service and this was evidenced by the recent award within the industry as Commercial Mover of the Year 2004. This was achieved against the background of a continuing downturn in the market and its resultant effect on the business thus making the achievement even more satisfying. On behalf of the board and investors I would like to thank all the staff for their hard work and dedication.

Turnover in 2003 declined by £2.5m over the previous year principally due to the economic downturn in the industry, a factor felt by the majority of companies in the commercial relocation market. This downturn was particularly noticeable in the financial services sector and the London region where the company has a number of major clients, all of whom reduced their activity in 2003.

#### **Business Review**

Turnover for the year was £7.7m (2002: £10.3m) which produced an operating profit of £135,000 (2002: £440,000).

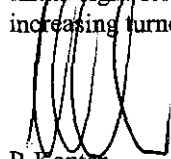
The company continued to supply relocation services to its clients who include Deutsche Bank, Credit Suisse First Boston and the Metropolitan Police along with major government establishments including the Home Office and the Department of Trade & Industry.

The warehouse at Docklands is fully operational and provides a state of the art archiving service for a number of major customers including Slaughter & May and Cameron Mckenna. During the year an existing warehouse at the company's head office was converted into another state of the art archiving property to house in excess of 200,000 boxes. A major blue chip customer now occupies over 75% of the building.

The company's services provide a comprehensive range including move management consultancy, archiving, warehouse and storage as well as relocation and removals.

#### **Future Prospects**

It is hoped that the low levels of activity experienced by the company in 2002 and 2003 are finally behind us and initial signs for 2004 show increasing business levels. With the cost saving initiatives instigated in 2003 and increasing turnover I am confident that the company will enjoy an improvement in its profitability this year.



R. Kanter  
Chairman

19 March 2004

# **EDE'S (UK) LIMITED**

## **REPORT OF THE DIRECTORS**

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The directors submit their report together with financial statements for the year ended 31 December 2003.

### **Principal activity**

*The principal activity of the company was commercial office relocation, removals, warehousing, archiving and associated services.*

### **Business review**

The turnover for 2003 was £7.7 million against a turnover for 2002 of £10.3 million, a reduction of 25%. This was principally as a result of the contraction of the commercial relocation market particularly in London where a large number of the company's clients are based.

The resultant decline in operating profits was principally a result of the decline in turnover and reduction in gross profit.

During the year the company has undertaken a cost reduction programme to reduce costs by £1 million and to assist in improving profitability.

### **Results and dividends**

The results of the company are set out on page 6.

### **Directors and their interests**

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

R T Kanter (non-exceutive)  
R J Skelton

R A Pigott was appointed as a director on 23 January 2004.

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.

## **EDE'S (UK) LIMITED**

### **REPORT OF THE DIRECTORS**

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#### **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.

#### **Auditors**

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

BY ORDER OF THE BOARD



R. Skelton  
Secretary

19 March 2004

# REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF

## EDE'S (UK) LIMITED

We have audited the financial statements of Ede's (UK) Limited for the year ended 31 December 2003, which comprise the principal accounting policies, the profit and loss account, the balance sheet and notes 1 to 20. 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

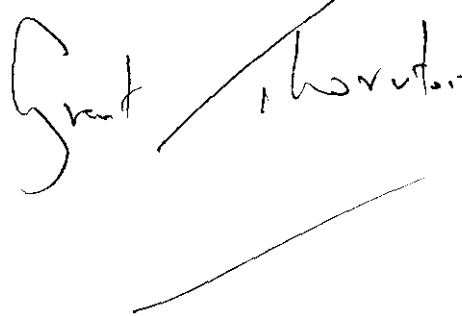
We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates 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 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

GRANT THORNTON  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS  
GATWICK  
19 March 2004

A handwritten signature in dark ink, appearing to read 'Grant Thornton', is written over a horizontal line. Below this line, there is another horizontal line that is not signed.

## **EDE'S (UK) LIMITED**

### **PRINCIPAL ACCOUNTING POLICIES**

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#### **BASIS OF PREPARATION**

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

Further details on the basis of preparation are detailed in note 1.

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.

**EDE'S (UK) LIMITED****PROFIT AND LOSS ACCOUNT**

For the year ended 31 December 2003

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	Note	2003 £	2002 £
Turnover	2	7,747,301	10,252,281
Cost of sales		<u>(4,713,431)</u>	<u>(6,265,858)</u>
Gross profit		3,033,870	3,986,423
Distribution costs		(50,876)	(147,306)
Administrative expenses		<u>(2,848,378)</u>	<u>(3,399,319)</u>
Operating profit		134,616	439,798
Net interest	3	<u>(32,162)</u>	<u>(25,301)</u>
Profit on ordinary activities before taxation	2	102,454	414,497
Tax on profit on ordinary activities	5	<u>(36,094)</u>	<u>(131,942)</u>
Profit transferred to reserves	13,14	<u>66,360</u>	<u>282,555</u>

All transactions arise from continuing activities.

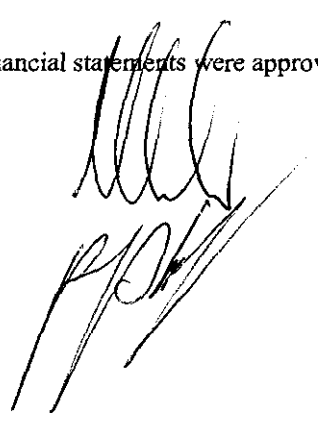
There were no recognised gains or losses other than the profit for the financial year.

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

**EDE'S (UK) LIMITED****BALANCE SHEET AT 31 DECEMBER 2003**

	Note	2003 £	2003 £	2002 £	2002 £
<b>Fixed assets</b>					
Tangible assets	6		1,517,004		1,200,538
Investments	7		<u>200</u>		<u>200</u>
			1,517,204		1,200,738
<b>Current assets</b>					
Debtors	8	1,824,464		1,725,452	
Cash at bank and in hand		<u>403,186</u>		<u>670,036</u>	
		2,227,650		2,395,488	
<b>Creditors: amounts falling due within one year</b>	9	<u>(1,148,410)</u>		<u>(939,267)</u>	
<b>Net current assets</b>			<u>1,079,240</u>		<u>1,456,221</u>
<b>Total assets less current liabilities</b>			2,596,444		2,656,959
<b>Creditors: amounts falling due after more than one year</b>	10		(179,720)		(340,595)
<b>Provisions for liabilities and charges</b>					
Deferred taxation	11		<u>(62,000)</u>		<u>(28,000)</u>
			<u>2,354,724</u>		<u>2,288,364</u>
<b>Capital and reserves</b>					
Called up share capital	12		10,000		10,000
Profit and loss account	13		<u>2,344,724</u>		<u>2,278,364</u>
<b>Equity shareholders' funds</b>	14		<u>2,354,724</u>		<u>2,288,364</u>

The financial statements were approved by the Board of Directors on 19 March 2004.



Directors

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

# EDE'S (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2003

### 1 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

During the year the company saw a decrease in sales due to declining economic activity, which reduced gross profit but despite this, the company achieved operating profits of £134,616.

In 2003 the company introduced cost saving measures designed to save in excess of £1 million of overheads and direct costs to improve profitability. Significant benefits have been achieved in 2003.

The company is owned by Levetas Limited and the financial statements of Ede's (UK) Limited should be read in conjunction with those of its parent company.

### 2 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:

	2003	2002
	£	£
Operating lease rentals		
- land and buildings	1,046,410	868,468
Hire of plant and machinery	109,172	45,251
Depreciation		
- tangible fixed assets, owned	280,898	266,675
- tangible fixed assets, held under finance leases	149,704	232,800
Auditors' remuneration	12,000	10,000

### 3 NET INTEREST

	2003	2002
	£	£
Hire purchase interest	43,175	62,398
Interest receivable	(11,013)	(37,097)
	32,162	25,301

# EDE'S (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2003

### 4 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:

	2003 £	2002 £
Wages and salaries	3,176,864	4,653,861
Social security costs	337,720	470,409
Pension costs	50,998	46,489
	<u>3,565,582</u>	<u>5,170,759</u>

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

	2003 Number	2002 Number
Relocation and related services	105	148
Administration	18	20
	<u>123</u>	<u>168</u>

Remuneration in respect of directors was as follows:

	2003 £	2002 £
Emoluments	64,076	358,430
Fees	26,247	23,333
	<u>90,323</u>	<u>381,763</u>

### 5 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge is based on the profit for the year and represents:

	2003 £	2002 £
Group relief	-	(158,615)
Under provision in previous years of corporation tax	(2,094)	1,673
	<u>(2,094)</u>	<u>(156,942)</u>
Deferred tax	(34,000)	25,000
	<u>(36,094)</u>	<u>(131,942)</u>

**EDE'S (UK) LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2003

**TAX ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)**

The tax assessed for the period is higher than the standard rate of corporation tax in the UK of 30%. The differences are explained as follows:

	2003 £	2002 £
Profit on ordinary activities before tax	<u>102,454</u>	<u>414,497</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30%	<u>30,736</u>	<u>124,349</u>
Effect of:		
Expenses not deductible for tax purposes	1,096	10,061
Capital allowances in advance of depreciation	(36,626)	26,455
Movement in provisions	-	(2,250)
Losses carried forward	4,794	-
Adjustments to tax charge in respect of prior years	<u>2,094</u>	<u>(1,673)</u>
Current year tax charge	<u>2,094</u>	<u>156,942</u>

**6 TANGIBLE FIXED ASSETS**

	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 January 2003	18,420	639,400	1,064,313	1,273,664	2,995,797
Additions	-	30,418	726,413	5,380	762,211
Disposals	-	-	-	(40,333)	(40,333)
At 31 December 2003	<u>18,420</u>	<u>669,818</u>	<u>1,790,726</u>	<u>1,238,711</u>	<u>3,717,675</u>
Depreciation					
At 1 January 2003	18,419	486,689	344,799	945,352	1,795,259
Charge for the year	-	75,982	161,805	192,815	430,602
On disposals	-	-	-	(25,190)	(25,190)
At 31 December 2003	<u>18,419</u>	<u>562,671</u>	<u>506,604</u>	<u>1,112,977</u>	<u>2,200,671</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>
Net book amount at 31 December 2002	<u>1</u>	<u>152,711</u>	<u>719,514</u>	<u>328,312</u>	<u>1,200,538</u>

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

	2003 £	2002 £
Plant and machinery	22,581	12,106
Fixtures and fittings	448,341	542,801
Motor vehicles	68,141	264,582
	<u>539,063</u>	<u>819,489</u>

**EDE'S (UK) LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2003

**7 FIXED ASSET INVESTMENTS**

	2003	2002
	£	£
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.

At 31 December 2003 the share capital and reserves of EDIT (UK) Limited and EDIT.COM Limited amounted to £100 each.

**8 DEBTORS**

	2003	2002
	£	£
Trade debtors	1,098,139	1,240,546
Amount due from parent undertaking	392,300	45,679
Amount due from related undertakings	-	43,073
Corporation tax recoverable	-	40,000
Other debtors	1,350	-
Prepayments and accrued income	332,675	356,154
	<u>1,824,464</u>	<u>1,725,452</u>

**9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2003	2002
	£	£
Bank overdraft (secured)	-	3,526
Trade creditors	555,849	289,367
Social security and other taxes	260,580	278,788
Other creditors	18,648	100
Accruals and deferred income	149,231	117,513
Obligations under finance leases	164,102	249,973
	<u>1,148,410</u>	<u>939,267</u>

**EDE'S (UK) LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2003

**10 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2003	2002
	£	£
Amounts due under finance leases		
- after one and within two years	126,730	164,459
- after two and within five years	52,990	176,136
	<u>179,720</u>	<u>340,595</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.

	2003	2002
	£	£
Accelerated capital allowances	67,000	29,000
Other timing differences	-	(1,000)
Losses	(5,000)	-
	<u>62,000</u>	<u>28,000</u>
At 1 January	28,000	53,000
Transfer from/(to) profit and loss account	34,000	(25,000)
At 31 December	<u>62,000</u>	<u>28,000</u>

**12 SHARE CAPITAL**

	2003	2002
	£	£
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 2003	2,278,364
Profit retained for the financial year	66,360
At 31 December 2003	<u>2,344,724</u>

# EDE'S (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2003

### 14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2003	2002
	£	£
Profit for the financial year	66,360	282,555
Shareholder's funds at 1 January	<u>2,288,364</u>	<u>2,005,809</u>
Shareholder's funds at 31 December	<u>2,354,724</u>	<u>2,288,364</u>

### 15 CAPITAL COMMITMENTS

The company had no capital commitments at 31 December 2003 or 31 December 2002.

### 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 £6,278,097 (2002: £7,795,597).

The company has an agreement with Teacrate plc for the sale and rehire of crates. Ede's (UK) Limited is committed to purchase all Ede's branded crates should Ede's no longer wish to use Teacrate exclusively. The purchase price is dependent upon the age of the crate. At 31 December 2003 the purchase commitment was £24,604 (2002: £27,338).

### 17 PENSIONS

Ede's (UK) 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 £50,998 (2002: £46,489) 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 (2002: £731,761) are due within one year. The leases to which these amounts relate expire as follows:

	2003	2002
	£	£
Between two and five years	142,650	101,761
In five years or more	<u>717,500</u>	<u>630,000</u>
	<u>860,150</u>	<u>731,761</u>

**EDE'S (UK) LIMITED****NOTES TO THE FINANCIAL STATEMENTS**For the year ended 31 December 2003

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**19 TRANSACTIONS WITH OTHER RELATED PARTIES**

Related party transactions were as follows:

Related party	Relationship	2003	2002	2003	2002
		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	33,500	11,750	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.