

**REGISTRAR'S COPY**



**EDE'S (UK) LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 DECEMBER 2001**

**Company No. 2672031**

**EDE'S (UK) LIMITED**

**FINANCIAL STATEMENTS**

For the year ended 31 December 2001

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Company registration number:

2672031

Registered office:

Sutton Business Centre  
Restmor Way  
Wallington  
Surrey  
SM6 7AH

Directors:

A J Smith  
W F Tiernan  
M Cox  
R T Kanter - non-executive  
R J Skelton FCCA

Secretary:

R J Skelton FCCA

Bankers:

The Royal Bank of Scotland  
62/63 Threadneedle Street  
London  
EC2R 8LA

Barclays Bank plc  
P O Box 95  
Croydon  
CR9 7RN

Bank of Scotland  
St James's Gate  
14 -16 Cockspur Street  
London  
SW1Y 5BL

Auditors:

Grant Thornton  
Registered Auditors  
Chartered Accountants  
Lees House  
21 Dyke Road  
Brighton  
East Sussex  
BN1 3GD

**EDE'S (UK) LIMITED**

**FINANCIAL STATEMENTS**

For the year ended 31 December 2001

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

### **CHAIRMAN'S STATEMENT**

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I am pleased to report that the company increased its turnover to £12.9m compared to £12.0m in the previous year. Gross profit also increased to £5.0m (2000-£4.0m). Operating Profits were £1.5m (2000: £2.0m) principally as a result of the change in management structure which I have outlined below.

A management buyout was completed in February 2001 with the financial support of Sand Aire Private Equity Limited and the Royal Bank of Scotland. Customers and staff have both responded positively to the new management which augers well for the future.

#### **Business review**

During the year the company continued to provide removal and relocation services to its clients. Amongst its major customers are Deutsche Bank, Credit Suisse First Boston and Merrill Lynch and carried out work at major Government buildings including the Home Office, Foreign & Commonwealth, and the Department of Trade and Industry.

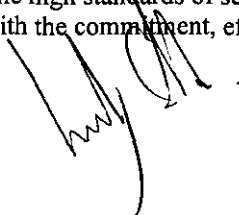
As well as removal and relocation services the company continues to develop additional services amongst them move management consultancy, archiving and warehousing and storage.

The year also saw the increase in the business achieved by "EDIT" which is the provision of IT management services during the removal and relocation process. This I feel is an important area for the company to expand as it very often "dovetails" into our existing business but can also provide the services on a stand alone basis.

The warehouse at Docklands became fully operational at the beginning of the year and can now allow the company to fully develop its presence in the archiving market that I believe will provide strong revenue streams in the future. Major customers serviced by this warehouse are Cameron & McKenna and Slaughter & May.

#### **Future prospects**

I am confident of the future as the company is now ideally positioned to offer a range of complementary services in the corporate relocation market, including, move management, relocation, archiving and document management. The high standards of service provided by the company are the cornerstone of its success and this is only achieved with the commitment, effort and support of the staff who on behalf of the board and its investors I thank.



A J Smith  
Chairman

9th May 2002

## **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 2001.

#### **Principal activity**

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

#### **Business review**

We are pleased to report that the year ended 31 December 2001 was another year of increased business.

Turnover for the year increased to £12.9m, a rise of 7% over the equivalent figure for 2000.

In February 2001 the company was the subject of a management buy in / buy out and this has necessitated a change to the company's infrastructure which resulted in an increase in the administration expenses compared to the previous year. Despite this Operating Profits were £1.5m (2000: £1.8m) a more than satisfactory outcome.

#### **Results and dividends**

The results of the company are set out on page 6. The directors recommended the payment of a final dividend of £900,000 and the balance of £61,094 has been transferred to reserves.

#### **Directors and their interests**

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

A J Smith  
W F Tiernan  
M Cox (appointed 7 February 2001)  
R T Kanter (appointed 18 March 2002)  
R J Skelton FCCA (appointed 26 March 2002)

J M Curtis was appointed as a director on 1 August 2001 and subsequently resigned on 5 October 2001.

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:

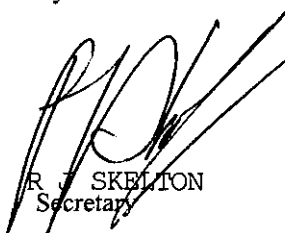
- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the 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. J. SKELTON  
Secretary

Registered office:

Sutton Business Centre  
Restmor Way  
Wallington  
Surrey  
SM6 7AH

9 May 2002

**EDE'S (UK) LIMITED**

We have audited the financial statements of Ede's (UK) Limited for the year ended 31 December 2001 which comprise the profit and loss account, the balance sheet, the accounting policies and notes 1 to 20. These financial statements have been prepared under the accounting policies set out therein.

**Respective responsibilities of the directors and auditors**

The directors' responsibilities for preparing the directors' report and the financial statements in accordance with applicable law and United Kingdom 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.

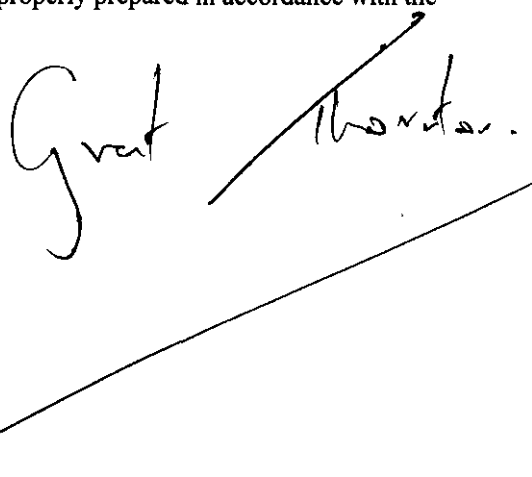
**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2001 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**

**BRIGHTON**

9 May 2002



## **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.

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 s228 of the Companies Act 1985. The financial statements therefore present information that 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
Motor vehicles	25% on cost
Fixtures and fittings	15% reducing balance

#### **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 taxation is provided for using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

#### **PENSION**

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 of its employees.



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

For the year ended 31 December 2001

	Note	2001 £	2000 £
Turnover	1	12,865,098	11,992,713
Cost of sales		<u>(7,871,624)</u>	<u>(7,984,350)</u>
Gross profit		4,993,474	4,008,363
Distribution costs		(177,868)	(209,043)
Administrative expenses		<u>(3,270,301)</u>	<u>(1,810,486)</u>
Operating profit		1,545,305	1,988,834
Net interest	2	<u>(49,946)</u>	<u>(172,394)</u>
Profit on ordinary activities before taxation	1	1,495,359	1,816,440
Tax on profit on ordinary activities	4	<u>(534,265)</u>	<u>(509,705)</u>
Profit for the financial year		961,094	1,306,735
Dividends	5	<u>(900,000)</u>	<u>(1,765,000)</u>
Transfer to/(from) reserves	13,14	<u><u>61,094</u></u>	<u><u>(458,265)</u></u>

All transactions arise from continuing activities.

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

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

# EDE'S (UK) LIMITED

## BALANCE SHEET AT 31 DECEMBER 2001

	Note	£	2001 £	£	2000 £
<b>Fixed assets</b>					
Tangible assets	6		1,614,622		1,583,362
Investments	7		200		100
			<u>1,614,822</u>		<u>1,583,462</u>
<b>Current assets</b>					
Debtors	8	2,744,428		3,642,162	
Cash at bank and in hand		<u>1,552,234</u>		<u>81,804</u>	
		4,296,662		3,723,966	
<b>Creditors: amounts falling due within one year</b>	9	<u>(3,272,459)</u>		<u>(2,722,621)</u>	
<b>Net current assets</b>			<u>1,024,203</u>		<u>1,001,345</u>
<b>Total assets less current liabilities</b>			2,639,025		2,584,807
<b>Creditors: amounts falling due after more than one year</b>	10		(580,216)		(640,092)
<b>Provisions for liabilities and charges</b>					
Deferred tax	11		<u>(53,000)</u>		-
			<u>2,005,809</u>		<u>1,944,715</u>
<b>Capital and reserves</b>					
Called up share capital	12		10,000		10,000
Profit and loss account	13		1,995,809		1,934,715
Shareholders' funds - equity interests	14		<u>2,005,809</u>		<u>1,944,715</u>

The financial statements were approved by the Board of Directors on

9th May 2002

A J SMITH

- Directors

R J SKELTON

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 2001

**1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

Turnover is attributable to the principal activity of the company as defined on page 1 and arose wholly in the United Kingdom.

The profit on ordinary activities is stated after charging:

	2001 £	2000 £
Operating lease rentals		
- land and buildings	790,714	294,716
- machinery	117,615	67,777
Depreciation of tangible fixed assets:		
- owned assets	148,323	186,019
- held under finance leases	384,940	282,741
Auditors' remuneration		
- audit services	10,000	9,000

**2 NET INTEREST**

	2001 £	2000 £
Bank loans, overdrafts and other loans	8,833	62,010
Hire purchase interest	72,750	55,459
Interest on pension scheme loan	-	54,925
	81,583	172,394
Bank interest receivable	(31,637)	-
	49,946	172,394

**3 DIRECTORS AND EMPLOYEES**

Staff costs during the year were as follows:

	2001 £	2000 £
Wages and salaries	4,797,474	3,693,538
Social security costs	491,628	366,341
Pension costs	43,418	34,999
	5,332,520	4,094,878

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

For the year ended 31 December 2001

**3 DIRECTORS AND EMPLOYEES (CONTINUED)**

The average number of employees in the year were as follows.

	2001 Number	2000 Number
Relocation and related services	160	135
Administration	27	25
	<u>187</u>	<u>160</u>

	2001 £	2000 £
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Remuneration in respect of directors was as follows:

Emoluments	<u>364,011</u>	<u>140,571</u>
Pension contributions to money purchase schemes	<u>2,432</u>	<u>-</u>

The amounts set out above include remuneration in respect of the highest paid director as follows:

	2001 £	2000 £
Emoluments	<u>118,845</u>	<u>94,815</u>

**4 TAX ON PROFIT ON ORDINARY ACTIVITIES**

The tax charge is based on the result for the year as follows:

	2001 £	2000 £
United Kingdom corporation tax at 30%	135,000	510,000
Group relief	340,000	-
Deferred tax (note 11)	53,000	-
	<u>528,000</u>	<u>510,000</u>
Under/(over) provision in previous years of corporation tax	6,265	(295)
	<u>534,265</u>	<u>509,705</u>

**5 DIVIDENDS**

	2001 £	2000 £
Equity dividends:		
Ordinary shares - interim dividend in 2000 of £176.50 per share	-	1,765,000
- final dividend in 2001 of £90.00 per share	900,000	-
	<u>900,000</u>	<u>1,765,000</u>

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

For the year ended 31 December 2001

**6 TANGIBLE FIXED ASSETS**

	Short leasehold £	Plant machinery £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 January 2001	18,420	515,986	711,132	1,343,512	2,589,050
Additions	-	77,818	320,072	194,717	592,607
Disposals	-	-	-	(55,585)	(55,585)
<b>At 31 December 2001</b>	<b>18,420</b>	<b>593,804</b>	<b>1,031,204</b>	<b>1,482,644</b>	<b>3,126,072</b>
<b>Depreciation</b>					
At 1 January 2001	18,419	280,432	123,718	583,119	1,005,688
Provided in the year	-	122,609	96,452	314,202	533,263
Eliminated on disposals	-	-	-	(27,501)	(27,501)
<b>At 31 December 2001</b>	<b>18,419</b>	<b>403,041</b>	<b>220,170</b>	<b>869,820</b>	<b>1,511,450</b>
<b>Net book amount</b>					
<b>At 31 December 2001</b>	<b>1</b>	<b>190,763</b>	<b>811,034</b>	<b>612,824</b>	<b>1,614,622</b>
<b>Net book amount</b>					
<b>At 31 December 2000</b>	<b>1</b>	<b>235,554</b>	<b>587,414</b>	<b>760,393</b>	<b>1,583,362</b>

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

	2001 £	2000 £
Plant and equipment	40,438	48,840
Motor vehicles	605,319	725,448
Fixtures and fittings	638,674	458,030
	<b>1,284,431</b>	<b>1,232,318</b>

**7 INVESTMENT**

	2001 £	2000 £
Shares in subsidiary undertaking	<b>200</b>	<b>100</b>

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 2001 the share capital and reserves of EDIT (UK) Limited and EDIT.COM Limited amounted to £100 each.

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

For the year ended 31 December 2001

**8 DEBTORS**

	2001 £	2000 £
Trade debtors	2,400,491	2,962,657
Amount due from parent undertaking	12,607	9,000
Amount due from related undertaking	-	233,000
Corporation tax recoverable	5,000	-
Prepayments and accrued income	326,330	437,505
	<u>2,744,428</u>	<u>3,642,162</u>

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

	2001 £	2000 £
Amount due to parent undertaking	1,240,000	-
Bank overdrafts (secured)	54,501	863,434
Trade creditors	608,928	606,963
Corporation tax	-	150,000
Social security and other taxes	678,337	389,392
Other creditors	1,430	3,739
Accruals and deferred income	251,474	234,458
Amounts due under finance leases	437,789	474,635
	<u>3,272,459</u>	<u>2,722,621</u>

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

	2001 £	2000 £
Amounts due under finance leases		
1 - 2 years	267,199	321,686
2 - 5 years	313,017	318,406
	<u>580,216</u>	<u>640,092</u>

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

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

For the year ended 31 December 2001

**11 DEFERRED TAXATION**

Deferred taxation provided and not provided for in the financial statements is set out below.

	Provided 2001 £	Not provided 2000 £
Accelerated capital allowances	56,000	63,989
Other timing differences	(3,000)	-
	<u>53,000</u>	<u>63,989</u>
At 1 January	-	-
Transfer from profit and loss account	53,000	-
At 31 December 2001	<u>53,000</u>	<u>-</u>

**12 CALLED UP SHARE CAPITAL**

	2001 £	2000 £
Authorised: 50,000 ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>
Called up, allotted 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 2001	1,934,715
Retained profit for the financial year	61,094
At 31 December 2001	<u>1,995,809</u>

**14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2001 £	2000 £
Profit for the financial year	961,094	1,306,735
Dividends	(900,000)	(1,765,000)
Increase/(decrease) in shareholders funds in the year	<u>61,094</u>	<u>(458,265)</u>
Opening shareholders' funds	<u>1,944,715</u>	<u>2,402,980</u>
Closing shareholders' funds	<u>2,005,809</u>	<u>1,944,715</u>

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

### **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2001

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#### **15 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 £43,418 (2000: £34,999) were paid to the scheme. The company also has a money purchase pension scheme available for all employees to participate in. The company made no contributions in the year.

#### **16 CAPITAL COMMITMENTS**

The company had no capital commitments at 31 December 2001. As at 31 December 2000 the company was committed to acquire motor vehicles of £69,200 financed under a finance lease over a term of 3 years.

#### **17 CONTINGENT LIABILITIES**

The company has an agreement with Teacrate plc for the sale and rehire of crates. Ede's (UK) Limited is committed to purchase all Edes branded crates should Edes no longer wish to use Teacrate exclusively. The purchase price is dependent upon the age of the crate. At 31 December 2001 the purchase commitment was £37,500 (2000: £37,500).

#### **18 ULTIMATE PARENT UNDERTAKING AND ULTIMATE CONTROLLING PARTY**

The company is a wholly owned subsidiary of Springmede Limited, a company registered in England and Wales. Levetas Limited a company registered in England and Wales is the ultimate parent undertaking.



## EDE'S (UK) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2001

#### 19 TRANSACTIONS WITH DIRECTORS AND RELATED PARTIES

Amounts owed from or to the parent company at the year end are shown in notes 8 and 9. Other related party transactions comprise the following:

During 2000 the company made an interest free loan to a director, Mr W F Tiernan. The maximum liability during the year was £82,213. The loan was fully repaid by the year end.

The company paid rent during the year to Southdown Holdings Limited (SHL), a company controlled by A J Smith, of £400,000 (2000: £133,333) of which £96,667 was prepaid at the year end (2000: £Nil).

Other related party transactions are as follows:

Related party	Relationship	Year end balance due to £	2001 Net amount invoiced during the year £	2000 Year end balance due from £
Sand Aire Private Equity Limited	Shareholder and loans advanced to ultimate parent undertaking	18,333	18,333	Nil
Sutton Business Centre	Director A J Smith	8,191	56,872	209,748
Timesquare	Director A J Smith	14,679	14,679	Nil

During the year the company was charged £16,667 in respect of consultancy services by Mr R Kanter, a director of the ultimate parent company.

#### 20 LEASING COMMITMENTS

The company rents crates for use in its business. However these are rented as the need arises and, therefore, the company does not have a fixed commitment for rentals in future periods.

The company are committed to making payments of £757,263 (2000: £664,000) in the next year on operating leases for rent of land and buildings expiring as follows:

	2001 £	2000 £
Between 2 and 5 years	127,263	34,000
After more than 5 years	630,000	630,000
	<u>757,263</u>	<u>664,000</u>