



**EDE'S (UK) LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 1999

Company No. 2672031

**EDE'S (UK) LIMITED**

**FINANCIAL STATEMENTS**

For the year ended 31 DECEMBER 1999

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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

Secretary:

L J Smith

Bankers:

Bank of Scotland  
West End Office  
St. James' Gate  
14 - 16 Cockspur Street  
LONDON  
SW1Y 5BL

Barclays Bank plc  
P O Box 95  
Croydon  
CR9 7RN

Auditors:

Grant Thornton  
Registered auditors  
Chartered accountants  
Grant Thornton House  
Melton Street  
Euston Square  
LONDON  
NW1 2EP

**EDE'S (UK) LIMITED**

**FINANCIAL STATEMENTS**

For the year ended 31 DECEMBER 1999

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# EDE'S (UK) LIMITED

## CHAIRMAN'S STATEMENT

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I am pleased to report that the year ended 31 December 1999 was yet another period of substantial growth for the company.

Turnover for the year increased to £9.1 million, a rise of 23% over the equivalent figure for 1998. Pre tax profits rose to £1,438,193 from £969,274 in 1998.

In order to consolidate our commitment to quality, we have achieved ISO 9002 accreditation for all parts of the business operation and have committed to Investors in People.

### **Business review**

During the past year we have increased our turnover in excess of the forecast in last year's chairman's statement. This change was brought about by Ede's ability to meet new challenges and provide a flexible and efficient operation. Indeed our success over the last number of years can be attributed to our focus on and understanding of the relocation market and to our constant emphasis on practical business solutions delivered to our clients on time and on budget. We have distinguished ourselves in a number of ways by engaging with our clients as team members and by transferring our knowledge and skills to ensure ongoing success for the client and Ede's. Notwithstanding this increase in business volumes, we have maintained the highest possible standards of service to both old and new clients.

Our success over the last 12 months is not only measured in financial terms as effectively managing our growth remains a top priority. We have continued to put in place the structure and processes to provide for the future.

The level of service has been recognised with the Company being named as runner-up for the Commercial Mover of the Year 1999. Of greater note it has recently been announced that Ede's have regained the title of Commercial Mover of the Year 2000 giving Ede's the title for three of the past five years.

As announced in last year's statement a new corporate brochure has been produced.

### **EDIT**

As detailed in previous reports, Ede's Division Information Technology has continued to flourish and is now an integral part of the major move activities. Turnover attributable to EDIT exceeded £500,000 and has contributed positively to the profit of the company.

### **Move Management**

The Move Management team headed by Barrie Blundell has continued to develop. A number of major blue chip companies have allowed Ede's to both manage and undertake their relocations, an example of this service is given later in the report under the Major Projects heading.

### **Premises**

I am pleased to announce the new warehouse at Docklands is nearly complete. The site that includes a 50,000 sq.ft unit to be used to service the archiving needs of our clients in and around Canary Wharf. All the space once it becomes available has been pre-let to existing clients. We have also taken short term leases locally to meet the needs of the demand for warehouse services.

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

### **CHAIRMAN'S STATEMENT**

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#### **Radiocommunications Agency**

Some three years ago Ede's won the tender to move the RA to their new premises at South Quay Plaza on the Isle of Dogs. Within weeks we were back to move them again following a blast from a bomb planted in a nearby vehicle that virtually destroyed their new building.

Following extensive repairs and refurbishment, 1999 saw the RA's third move by Ede's with the re-occupation of Wyndham House, South Quay Plaza, thankfully under happier circumstances.

This was the RA's largest move to date and included some 2,800 metres of filing which was packed and unpacked by Ede's plus around 1,000 units of IT equipment. Ede's assisted by EDIT our IT arm, provided a full project planning and management service, installed over 450 workstations, provided full IT support services including PC back-ups as well as decommissioning, recommissioning and carrying out the move in a single phase.

Following the move Ede's also managed the clearance of RA's vacated premises plus a full cleaning service before it was handed back to the landlords.

#### **OFTEL**

A rolling refurbishment programme at their Ludgate Hill building in London meant that OFTEL required Ede's to provide a first class relocation planning and management service to orchestrate a phased evacuation of their Ludgate Hill premises followed by a similar phased re-occupation.

Allowing for transfers both out and back, this relocation amounted to the movement of some 500 staff with moves both internally within Ludgate Hill and to and from external temporary premises in the City.

In addition to project management, Ede's provided a full decommissioning and recommissioning service for all desktop IT equipment, a packing and unpacking service of OFTEL's filing and storage of furniture between phases.

#### **Equitas**

The refurbishment of Equitas' two buildings in Farnborough required a rolling programme of moves both internally and to a third, temporary building, which provided partial swing space.

Ede's were engaged to provide a comprehensive relocation planning and management service and to provide full technical support to Equitas' IT department through patching, decommissioning and recommissioning. The total programme involved the movement of over 400 staff.

#### **Boots**

1999 saw us back in Nottingham for phase two of Boots' relocation of some 3,000 staff to, and resiting within, their Beeston campus on the outskirts of the city. Following refurbishment, Boots Head Office building at Beeston had been linked with the new, adjacent building into which Ede's had moved some 1,400 staff in 1998.

It was then time to move some 1,600 staff from four city centre offices and offices on the Beeston site into the refurbished Head Office premises. As before, Ede's provided a full project management service to partner and guide Boots' project team to a successful relocation. Again, our IT division, EDIT, worked closely with Boots' IT staff to ensure that any potential problems from a technical standpoint were planned out of the equation. A full decommissioning and recommissioning service along with first line support was also provided and the move was successfully accomplished over four consecutive weekends.

## EDE'S (UK) LIMITED

### CHAIRMAN'S STATEMENT

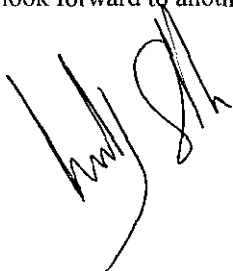
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#### **Future prospects**

The financial growth will continue during 2000 augmented by the consolidation of the internal business structures. Our quest to provide on-site move management and facilities support will form an important part of our forward thrust. Archive revenue is forecast to double, enhanced by the availability of our new Docklands warehouse. This facility will also allow us to support further the ever-increasing need of clients in the Canary Wharf area. Our expected turnover for 2000 is £11 million with commensurate profits. The relocation market is buoyant with a continued upsurge in the volume of work and Ede's continue to be a favoured provider.

My thanks go to all company staff and professional advisers for their continued level of support, commitment and effort throughout 1999.

I look forward to another successful year in 2000.

A handwritten signature in black ink, appearing to read 'A J Smith', is written over the printed name and title.

**A J Smith**  
**Chairman**  
**31 May 2000**

# 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 1999.

### Principal activity

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

### Business review

A comprehensive review of the business is contained within the Chairman's statement on pages 1 to 3.

### Results and dividends

The results of the company are set out on page 8. Interim dividends have been paid of £1,064,000 (1998: £nil). The directors do not recommend payment of a final dividend (1998: £675,000).

### Directors and their interests

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

The number of shares in the company in which the directors had an interest, as defined by the Companies Act 1985, were as follows:

	Ordinary shares of £1 each	
	31 December 1999	1 January 1999
A J Smith	-	-
W F Tiernan	-	-

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

The company is the wholly owned subsidiary of Sutton Business Centre Limited. The interests held by Mr A J Smith in Sutton Business Centre Limited are disclosed in the financial statements of that company.

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

### **REPORT OF THE DIRECTORS**

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#### **Directors' responsibilities for the financial statements**

Company law 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.

#### **Year 2000**

The company reviewed its computer systems for the impact of the Year 2000 date change, prepared an action plan to address the issue and carried out all necessary measures. All systems have continued to operate properly over the year 2000 date change and through any roll-over procedures that occurred at a later date.

The issue is complex, and no business can guarantee that there will be no Year 2000 problems. As all businesses are dependent on the compliance of their major customers, suppliers and other trading partners, any impact that has occurred on their systems will affect the company's business to a greater or lesser extent.

#### **Auditors**

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

BY ORDER OF THE BOARD



L J Smith  
Secretary  
31 May 2000



**REPORT OF THE AUDITORS TO THE MEMBERS OF**

**EDE'S (UK) LIMITED**

We have audited the financial statements on pages 7 to 18 which have been prepared under the accounting policies set out on page 7.

**Respective responsibilities of directors and auditors**

As described on page 5, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and report our opinion to you.

**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 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 at 31 December 1999 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**

**LONDON  
31 MAY 2000**

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

### **PRINCIPAL ACCOUNTING POLICIES**

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#### **BASIS OF PREPARATION**

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention, except that certain freehold properties are shown at their revalued amounts.

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

#### **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:

Freehold property	2% on cost
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 company makes payments to a personal pension scheme and to the W Ede & Co Executive Pension Scheme on behalf of a director. Payments to the scheme are charged to the profit and loss account in the year in which they are made.

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

For the year ended 31 DECEMBER 1999

	Note	1999 £	1998 £
<b>Turnover</b>	1	9,121,077	7,403,157
Cost of sales		<u>(5,974,251)</u>	<u>(5,074,089)</u>
<b>Gross profit</b>		3,146,826	2,329,068
Distribution costs		(263,490)	(219,420)
Administrative expenses		(1,318,541)	(1,018,624)
Other operating income		<u>800</u>	<u>5,500</u>
<b>Operating profit</b>		1,565,595	1,096,524
Net interest	2	<u>(127,402)</u>	<u>(127,250)</u>
<b>Profit on ordinary activities before taxation</b>	1	1,438,193	969,274
Tax on profit on ordinary activities	4	<u>(453,424)</u>	<u>(297,296)</u>
<b>Profit for the financial year</b>		984,769	671,978
Dividends	5	<u>(1,064,000)</u>	<u>(675,000)</u>
<b>Transfer from reserves</b>		<u><u>(79,231)</u></u>	<u><u>(3,022)</u></u>

All transactions arise from continuing activities.

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

**EDE'S (UK) LIMITED****BALANCE SHEET AT 31 DECEMBER 1999**

	Note	£	1999 £	£	1998 £
<b>Fixed assets</b>					
Tangible assets	6		4,255,665		3,593,641
<b>Current assets</b>					
Debtors	7	2,151,966		1,401,576	
Cash at bank and in hand		<u>27,062</u>		<u>29,484</u>	
		2,179,028		1,431,060	
<b>Creditors: amounts falling due within one year</b>					
	8	<u>(3,305,464)</u>		<u>(2,197,926)</u>	
<b>Net current liabilities</b>			<u>(1,126,436)</u>		<u>(766,866)</u>
<b>Total assets less current liabilities</b>			3,129,229		2,826,775
<b>Creditors: amounts falling due after more than one year</b>					
	9		<u>(726,249)</u>		<u>(743,262)</u>
			<u>2,402,980</u>		<u>2,083,513</u>
<b>Capital and reserves</b>					
Called up share capital	11		10,000		10,000
Revaluation reserve	12		1,902,485		1,503,787
Profit and loss account	12		<u>490,495</u>		<u>569,726</u>
<b>Shareholders' funds - equity interests</b>					
	13		<u>2,402,980</u>		<u>2,083,513</u>

The financial statements were approved by the Board of Directors on 31 May 2000

A J Smith - Director

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

**EDE'S (UK) LIMITED****STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

For the year ended 31 DECEMBER 1999

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

	1999 £	1998 £
Profit for the financial year	984,769	671,978
Unrealised surplus on revaluation of freehold land and buildings	<u>398,698</u>	<u>1,273,121</u>
Total recognised gains and losses for the year	<u><u>1,383,467</u></u>	<u><u>1,945,099</u></u>

	1999 £	1998 £
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**NOTE OF HISTORICAL COST PROFITS AND LOSSES**

Profit on ordinary activities before taxation	1,438,193	969,274
Difference between historical cost depreciation charge and depreciation charge based on revalued amounts	<u>29,287</u>	<u>12,350</u>
Historical cost profit on ordinary activities before taxation	<u><u>1,467,480</u></u>	<u><u>981,624</u></u>
Historical cost (loss)/profit transferred (from)/to reserves	<u><u>(49,944)</u></u>	<u><u>9,328</u></u>

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 1999

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

Turnover is attributable to the principal activity of the company and arose wholly in the United Kingdom.

The profit on ordinary activities is stated after charging:

	1999 £	1998 £
Hire of equipment	218,235	216,320
Depreciation of tangible fixed assets:		
- owned assets	166,027	165,252
- held under finance leases	208,030	71,655
Auditors' remuneration		
- audit services	<u>8,750</u>	<u>8,750</u>

### 2 NET INTEREST

	1999 £	1998 £
Bank loans, overdrafts and other loans repayable after five years	69,556	97,370
Hire purchase interest	39,117	29,144
Interest on pension scheme loan	18,595	-
Interest on late payment of taxation	134	2,773
Interest receivable	-	(2,037)
	<u>127,402</u>	<u>127,250</u>

### 3 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:

	1999 £	1998 £
Wages and salaries	2,484,621	2,328,054
Social security costs	244,937	228,333
Pension costs	<u>33,750</u>	-
	<u>2,763,308</u>	<u>2,556,387</u>

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

For the year ended 31 DECEMBER 1999

**DIRECTORS AND EMPLOYEES (CONTINUED)**

The average number of employees during the year, including the directors, was:

	1999 Number	1998 Number
Relocation and related services	100	90
Administration	<u>20</u>	<u>16</u>
	<u>120</u>	<u>106</u>

	1999 £	1998 £
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Remuneration in respect of directors was as follows:

Emoluments	191,297	156,501
Pension cost	<u>33,750</u>	<u>-</u>
	<u>225,047</u>	<u>156,501</u>

During the year, the company made contributions of £33,750 (1998: nil) to the W. Ede & Co Executive Pension Scheme; the sole beneficiary of the scheme is the Chairman.

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

	1999 £	1998 £
Emoluments	<u>125,000</u>	<u>100,000</u>

**4 TAX ON PROFIT ON ORDINARY ACTIVITIES**

	1999 £	1998 £
United Kingdom corporation tax at 30.25% (1998: 21%)	460,018	38,443
Amount payable to the parent company in respect of tax saved by group relief	-	258,853
Over provision in previous years	<u>(6,594)</u>	<u>-</u>
	<u>453,424</u>	<u>297,296</u>

The corporation tax payable for the year has been reduced by £nil (1998: £258,853) because of group relief received from the parent company.

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

For the year ended 31 DECEMBER 1999

**5 DIVIDENDS**

	1999 £	1998 £
Equity dividends:		
Ordinary shares - interim dividend of £106.40 (1998: £nil) per share	1,064,000	-
Ordinary shares - final dividend of £nil (1998: £67.50) per share	<u>-</u>	<u>675,000</u>
	<u>1,064,000</u>	<u>675,000</u>

**6 TANGIBLE FIXED ASSETS**

	Freehold land and buildings £	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost or valuation						
At 1 January 1999	2,828,296	18,420	275,855	398,008	774,260	4,294,839
Additions	121,870	-	218,056	19,182	408,862	767,970
Disposals	-	-	(128,440)	-	(184,554)	(312,994)
Revaluation	<u>296,800</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>296,800</u>
At 31 December 1999	<u>3,246,966</u>	<u>18,420</u>	<u>365,471</u>	<u>417,190</u>	<u>998,568</u>	<u>5,046,615</u>
Depreciation						
At 1 January 1999	46,225	18,419	81,323	114,372	440,859	701,198
Provided in year	58,017	-	76,349	42,673	197,018	374,057
Eliminated on revaluation	(101,898)	-	-	-	-	(101,898)
Eliminated on disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(182,407)</u>	<u>(182,407)</u>
At 31 December 1999	<u>2,344</u>	<u>18,419</u>	<u>157,672</u>	<u>157,045</u>	<u>455,470</u>	<u>790,950</u>
Net book value						
At 31 December 1999	<u>3,244,622</u>	<u>1</u>	<u>207,799</u>	<u>260,145</u>	<u>543,098</u>	<u>4,255,665</u>
At 31 December 1998	<u>2,782,071</u>	<u>1</u>	<u>194,532</u>	<u>283,636</u>	<u>333,401</u>	<u>3,593,641</u>



## EDE'S (UK) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 DECEMBER 1999

#### TANGIBLE FIXED ASSETS (CONTINUED)

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

	1999 £	1998 £
Plant and equipment	177,992	147,116
Motor vehicles	507,534	251,564
Freehold improvements	-	10,290
Fixtures and fittings	43,940	51,694
	<u>729,466</u>	<u>460,664</u>

The historical cost of freehold land and buildings is £1,470,352 (1998: £1,348,482).

In May 1998, freehold land and buildings known as The Britax site were valued by King Sturge & Co, Chartered Surveyors, at £2,800,000. The valuation was undertaken on a vacant possession basis.

The directors have obtained advice from King Sturge & Co that the Industrial Property Database Monthly Index for industrial rental values increased by 10.6% between May 1998 and December 1999. They have applied this index to the 1998 valuation to produce a revised value at 31 December 1999, which has been reflected in the balance sheet.

No provision has been made in the deferred taxation account for the estimated corporation tax that would be payable on disposal at this valuation because, in the opinion of the directors, this asset is unlikely to be disposed of in the foreseeable future.

#### 7 DEBTORS

	1999 £	1998 £
Trade debtors	2,116,366	1,377,716
Other debtors	35,600	23,860
	<u>2,151,966</u>	<u>1,401,576</u>

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

For the year ended 31 DECEMBER 1999

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

	1999 £	1998 £
Bank loans (secured)	109,000	109,000
Bank overdrafts (secured)	512,425	549,988
Trade creditors	684,768	381,056
Corporation tax	460,018	38,443
Social security and other taxes	363,785	192,518
Amounts owed to parent undertaking	396,128	486,389
Other creditors	452,284	87,190
Accruals and deferred income	36,640	133,080
Amounts due under finance leases	<u>290,416</u>	<u>220,262</u>
	<u>3,305,464</u>	<u>2,197,926</u>

Included within other creditors is a loan of £150,000 due to the W Ede & Co executive pension scheme and a loan of £300,000 due to the Chairman's own personal pension scheme. The loans attract interest at 3% above the bank base rate and are repayable on demand.

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

	1999 £	1998 £
Bank loans (secured)	395,750	504,750
Amounts due under finance leases	<u>330,499</u>	<u>238,512</u>
	<u>726,249</u>	<u>743,262</u>

Amounts falling due after more than one year are repayable by instalments:

Between one and two years

Bank loan	109,000	109,000
Finance leases	247,911	238,512

Between two and five years

Bank loan	286,750	327,000
Finance leases	82,588	-

After more than five years

Bank loan	<u>-</u>	<u>68,750</u>
	<u>726,249</u>	<u>743,262</u>

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

For the year ended 31 DECEMBER 1999

**CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (CONTINUED)**

The bank loan and overdraft with Bank of Scotland are secured by a fixed and floating charge over the company's assets and a specific first legal charge over the company's freehold property. In addition, the bank has an assignment of, and mortgage over, life assurance policies covering the lives of the directors. Both the loan and overdraft bear interest at 2.25% above the bank's base rate.

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

**10 DEFERRED TAXATION**

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

	1999 £	1998 £
Accelerated capital allowances	69,426	24,000
On revaluation of property	649,609	530,000
Other timing differences	8,480	-
	<u>727,515</u>	<u>554,000</u>

**11 CALLED UP SHARE CAPITAL**

	1999 £	1998 £
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>

**12 RESERVES**

	Revaluation reserve £	Profit and loss account £
At 1 January 1999	1,503,787	569,726
Retained loss for the financial year	-	(79,231)
Revaluation in the year	<u>398,698</u>	<u>-</u>
At 31 December 1999	<u>1,902,485</u>	<u>490,495</u>

## EDE'S (UK) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 DECEMBER 1999

#### 13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1999 £	1998 £
Profit for the financial year	984,769	671,978
Dividends	(1,064,000)	(675,000)
	(79,231)	(3,022)
Other recognised gains and losses	398,698	1,273,121
Opening shareholders' funds at 1 January 1999	2,083,513	813,414
Closing shareholders' funds at 31 December 1999	2,402,980	2,083,513

#### 14 CAPITAL COMMITMENTS

As at 31 December 1999 the company was committed to acquire motor vehicles of £129,666 financed under a finance lease over a term of 3 years.

There were no capital commitments at 31 December 1998.

#### 15 CONTINGENT LIABILITIES

During the year the company entered into an agreement with Teacrate plc for the sale and rehire of crates. Edes UK Limited is committed to repurchase all Edes branded crates should Edes no longer wish to use Teacrate exclusively. The repurchase price is dependent upon the age of the crate. At 31 December 1999 the repurchase commitment was £37,500.

As at 31 December 1998 there were no contingent liabilities.

#### 16 ULTIMATE PARENT UNDERTAKING AND ULTIMATE CONTROLLING PARTY

The company is a wholly owned subsidiary of Sutton Business Centre Limited, a company registered in England and Wales, which heads the largest and smallest group for which group accounts have been drawn up which include this company.

Sutton Business Centre Limited is the ultimate parent undertaking, and ultimate control of the group rests with the chairman, Mr A J Smith, who holds a beneficial interest in the entire issued share capital of Sutton Business Centre Limited.

## EDE'S (UK) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 DECEMBER 1999

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#### 17 TRANSACTIONS WITH DIRECTORS AND RELATED PARTIES

As a wholly owned subsidiary of Sutton Business Centre Limited, the company is exempt from the requirements of FRS8 to disclose transactions with other members of the group headed by that company. Group accounts are available from Companies House.

Amounts owed to the parent company at the year end are shown in note 8. Other related party transactions comprise the following:

	Connected party	Transaction	Amount £	Balance £
AJS FURBS pension scheme	A J Smith	loan	300,000	300,000
W Ede & Co Executive Pension Scheme	A J Smith	loan	150,000	150,000
A J Smith (Director)		loan	250,000	-

#### 18 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.