

EDE'S (UK) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 1998

Company No. 2672031

EDE'S (UK) LIMITED

FINANCIAL STATEMENTS

For the year ended 31 DECEMBER 1998

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 1998

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EDE'S (UK) LIMITED

CHAIRMAN'S STATEMENT

I am pleased to report that the year ended 31 December 1998 was yet another period of substantial growth for the Company.

Turnover for the year increased to £7.4million, a rise of 42% over the equivalent figure for 1997. Pre-tax profits rose to £969,274 from £133,812 in 1997.

The decision to change the Company's name from W Ede & Co Limited to Ede's (UK) Limited as detailed in last year's report appears to have been successful.

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 as forecast in last year's chairman's statement. Despite this increase in our business volumes, we have maintained the highest possible standards of service to both old and new clients.

The launch of the corporate brochure "Five Easy Steps to Office Relocation" detailing the full range of available services has been well received by our clients, with many of them using more than one aspect of the service range. A revision to the range of services is planned for 1999. A new service will allow us to provide an executive relocation package for our corporate clients who may, as a result of business activities, have to move home as well as office. This will be detailed within an updated corporate brochure that is being produced.

EDIT

As detailed in last year's report, Ede's Division Information Technology has continued to flourish and is becoming an integral part of the major move activities. Turnover attributable to EDIT exceeded £250,000 and has contributed positively to the profit of the company.

Move Management

The Move Management team headed by Barrie Blundell has developed from strength to strength. 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

As detailed in last year's report, work on our present site is complete and 100% occupied. We are undertaking a feasibility study to examine the possibilities of expanding some of our existing warehouses on site with minimised disruption to the business. The report is due shortly. I am pleased to announce that Ede's have taken on a site within 5 minutes of Canary Wharf and with easy access to the City. The site includes a 50,000 sq.ft. unit to be used to service the archiving needs of our clients in and around Canary Wharf. The building work is due for completion by October 1999, all the space once it becomes available has been pre-let to existing clients. Our company is looking for more space in this thriving part of London.

EDE'S (UK) LIMITED

CHAIRMAN'S STATEMENT

Major Projects

Barclays

Ede's were appointed by Barclays Asset Management Services to carry out the relocation of their Global Investors Division, Regional Financial Services and Stockbroker Division from 6 buildings in Central London to a new location close to the Tower of London.

The task in hand was to relocate approximately 1,200 staff over 6 weekends, with responsibility for the transfer of furniture, filing and IT units including the decommission and re-commission of the equipment. The final phase of the move process resulted in the transfer of over 600 units of IT equipment.

A major factor in the success of this move was the sequential filing operation that was undertaken. In excess of 3,500 metres of filing was transferred between buildings, much of which required reconfiguration to suit new storage arrangements.

Due to delays in the completion of the building, we encountered numerous problems. These were referred to in the well done letter from the client's move co-ordinator from which we quote, "Many of the moves were undertaken in less than ideal conditions, but they were nevertheless successfully completed. The crews demonstrated a lot of patience and understanding when faced with many changes".

The Boots Company PLC

Ede's won the Boots contract against stiff competition from both removal companies and relocation consultants.

The brief was to provide a full relocation service package comprising relocation project planning and management, IT support together with decommission and re-commissioning at the time of the moves, and a full removal service which included the packing and unpacking of all general filing.

The relocation to their new headquarters building at Beeston, Nottingham involved the effects of over 1,400 staff, some 2,000 items of IT equipment and over 2,750 metres of filing.

Head Office Manager, Neil Malik, in a letter of thanks to Ede's had this to say. "What you achieved was exceptional, not only in the magnitude of the move, but the timescales".

Ede's are pleased to report that Boots have recently appointed us to undertake the second phase of this mammoth project involving the relocation to Beeston of a further 1,600 staff from its Nottingham city centre offices.

Orange P.C.S. Limited

In early 1998 Ede's won the tender issued by Hutchison Telecom (Orange) to provide a full package of relocation services in connection with the establishment of a new purpose built Call Centre at their Darlington site.

In addition to removals, Ede's provided relocation project management and IT support services to Orange which resulted in the successful occupation of their new Call Centre by 450 staff over one weekend in April.

EDE'S (UK) LIMITED

CHAIRMAN'S STATEMENT

Orange P.C.S. Limited (continued)

Orange's Customer Services staff had to remain "on-line" to their customers throughout the move and as a result this relocation required meticulous planning and precise enactment. Orange's Head of Group Property & Facilities commented "My thanks to your whole team. Their contribution made a complex project seamless to our customers - a true example of excellence".

Since that time Ede's have been pleased to provide further services to Orange at their Darlington, Bristol, London and Hertford sites.

Symbol Technologies Limited

Symbol Technologies are the worldwide leaders in bar-code technology and management. They wished to create a new UK and International Headquarters in Reading.

Following a rigorous tender process Ede's were appointed to undertake what was to be a fast track move relocating from five locations into the new building. The task included the relocation of all furniture, IT equipment, PCs, Servers and filing systems. A dedicated Senior Project Manager and a Specialist IT Project Manager were identified and appointed for the duration of the project.

Ede's relocated 320 staff to the new HQ, 130 staff were moved to other sites. Seven other consecutive moves were also accomplished including the European Repair Centre which carried a stock of more than one million spare parts.

The Facilities Manager, Mr David Duddell in his testimonial letter said "Symbol Technologies and Ede's achieved and surpassed expectations, every target was met resulting in not one single hour of lost business for Symbol Technologies".

We are pleased to report that Ede's have undertaken a number of follow up moves following the main relocation and continue to work for Symbol Technologies.

JH Marsh and McLennan

"MarshMac", who are one of the largest insurers worldwide, appointed Ede's to undertake a series of relocations during the year.

The assignment was broken down into two distinct stages. The first stage requiring the transfer of staff from two locations in Tower Hill to their new building in Docklands. Ede's were responsible for the transferring of their live filing ensuring its availability at all times, in addition moving the computers and personal crates for some 800 staff. The first phase was carried out over a four week period with pre and post move support either side of the move weekends.

The second stage of the move was to re-stack the remaining staff located in three buildings into one refurbished location. A number of enabling moves were undertaken to make space available for departments to occupy complete areas. This was followed by the actual relocation of a further 900 staff moving their furniture and bespoke filing systems. The second phase of this move was undertaken over a six-week period. All of the activities were completed within the agreed time scale and without disruption to the client's business activity.

The Head of Management Services, Bruce Wheeler, in his letter of thanks said, "We set a very ambitious timetable and somehow we managed to achieve our goals, your team linked very well and helped 'mastermind' our success".

EDE'S (UK) LIMITED

CHAIRMAN'S STATEMENT

Other Major Relocations carried out in 1998 were as follows:

Amec Process & Energy
Andersen Consulting
Credit Suisse First Boston
Dames & Moore
Department of Employment
East Surrey Water
Lawrence Graham
Logica
Merrill Lynch
Perpetual
Sunlight
WSP International

Future Projects

The consolidation process will continue during 1999. The expansion into the Docklands area will provide a solid platform for increased business in that area. Our expected turnover for 1999 is £8.2 million although profits will probably be down compared to 1998. The volume of work has increased while prices in the market place have become more competitive with a consequential reduction in margins.

Once again my thanks go to the Company's staff and professional advisers for their continued level of commitment and effort throughout 1998.

I look forward to another successful year in 1999.

A J Smith
Chairman

EDE'S (UK) LIMITED

REPORT OF THE DIRECTORS

The directors submit their report together with financial statements for the year ended 31 December 1998.

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 4.

Results and dividends

The results of the company are set out on page 9. The directors have proposed a dividend of £675,000 (1997: £nil).

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	1 January
	1998	1998
A J Smith	-	-
W F Tiernan	-	-
	<u> </u>	<u> </u>

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

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 Compliance


Many computer systems which express dates using only the last two digits of the year may malfunction due to the date change to the Year 2000. This risk to the business relates not only to the company's computer systems, but also to some degree on those of the company's customers and suppliers.

The company has finished the process of assessing the risks resulting from this issue. The company considers the likely impact on the business, and estimates the costs to be incurred, to be insignificant.

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
25 June 1999

REPORT OF THE AUDITORS TO THE MEMBERS OF

EDE'S (UK) LIMITED

We have audited the financial statements on pages 8 to 18 which have been prepared under the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 6, the company's directors are responsible for the preparation of the financial statements. 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 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 1998 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS**

**LONDON
25 JUNE 1999**

EDE'S (UK) LIMITED

PRINCIPAL ACCOUNTING POLICIES

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 value 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 lease 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 on behalf of a director. Payments to the scheme are charged to the profit and loss account in the year which they are made.

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

For the year ended 31 DECEMBER 1998

	Note	1998 £	1997 £
Turnover	1	7,403,157	5,211,099
Cost of sales		<u>(5,074,089)</u>	<u>(4,003,723)</u>
Gross profit		2,329,068	1,207,376
Distribution costs		(219,420)	(149,208)
Administrative expenses		(1,018,624)	(809,168)
Other operating income		<u>5,500</u>	<u>13,295</u>
Operating profit		1,096,524	262,295
Net interest	2	<u>(127,250)</u>	<u>(128,483)</u>
Profit on ordinary activities before taxation	1	969,274	133,812
Tax on profit on ordinary activities	4	<u>(297,296)</u>	<u>(12,475)</u>
Profit for the financial year		671,978	121,337
Dividends	5	<u>(675,000)</u>	<u>-</u>
Transfer (from)/to reserves		<u><u>(3,022)</u></u>	<u><u>121,337</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 1998**

	Note	£	1998 £	£	1997 £
Fixed assets					
Tangible assets	6		3,593,641		2,106,605
Current assets					
Debtors	7	1,401,576		1,109,515	
Cash at bank and in hand		<u>29,484</u>		<u>16,400</u>	
		1,431,060		1,125,915	
Creditors: amounts falling due within one year	8	<u>(2,197,926)</u>		<u>(1,656,039)</u>	
Net current liabilities			<u>(766,866)</u>		<u>(530,124)</u>
Total assets less current liabilities			2,826,775		1,576,481
Creditors: amounts falling due after more than one year	9		<u>(743,262)</u>		<u>(763,067)</u>
			<u>2,083,513</u>		<u>813,414</u>
Capital and reserves					
Called up share capital	11		10,000		10,000
Revaluation reserve	12		1,503,787		230,666
Profit and loss account	12		<u>569,726</u>		<u>572,748</u>
Shareholders' funds - equity interests	13		<u>2,083,513</u>		<u>813,414</u>

The financial statements were approved by the Board of Directors on 25 June 1999

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 1998

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	1998 £	1997 £
Profit for the financial year	671,978	121,337
Unrealised surplus on revaluation of freehold land and buildings	<u>1,273,121</u>	<u>-</u>
Total recognised gains and losses for the year	<u><u>1,945,099</u></u>	<u><u>121,337</u></u>

	1998 £	1997 £
NOTE OF HISTORICAL COST PROFITS AND LOSSES		
Profit on ordinary activities before taxation	969,274	133,812
Difference between historical cost depreciation charge and depreciation charge based on revalued amounts	<u>12,350</u>	<u>4,707</u>
Historical cost profit on ordinary activities before taxation	<u><u>981,624</u></u>	<u><u>138,519</u></u>
Historical cost profit transferred to reserves	<u><u>9,328</u></u>	<u><u>126,044</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 1998

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:

	1998 £	1997 £
Hire of equipment	216,320	195,414
Depreciation of tangible fixed assets:		
- owned assets	165,252	92,322
- held under finance leases	71,655	100,745
Auditors' remuneration		
- audit services	<u>8,750</u>	<u>8,780</u>

2 NET INTEREST

	1998 £	1997 £
Bank loans, overdrafts and other loans repayable after five years	97,370	108,146
Hire purchase interest	29,144	20,337
Interest on late payment of taxation	2,773	-
Interest receivable	<u>(2,037)</u>	<u>-</u>
	<u>127,250</u>	<u>128,483</u>

3 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:

	1998 £	1997 £
Wages and salaries	2,328,054	1,557,309
Social security costs	228,333	165,074
Other pension costs	<u>-</u>	<u>30,000</u>
	<u>2,556,387</u>	<u>1,752,383</u>

EDE'S (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 DECEMBER 1998

DIRECTORS AND EMPLOYEES (CONTINUED)

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

	1998 Number	1997 Number
Relocation and related services	90	83
Administration	16	14
	<u>106</u>	<u>97</u>
	1998 £	1997 £

Remuneration in respect of directors was as follows:

Emoluments	<u>156,501</u>	<u>88,972</u>
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During the year, no directors (1997: none) participated in money purchase pension schemes.

4 TAX ON PROFIT ON ORDINARY ACTIVITIES

	1998 £	1997 £
United Kingdom corporation tax at 21% (1997: 31%)	38,443	12,475
Amount payable to the parent company in respect of tax saved by group relief	<u>258,853</u>	<u>-</u>
	<u>297,296</u>	<u>12,475</u>

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

5 DIVIDENDS

	1998 £	1997 £
Equity dividends		
Ordinary shares - final dividend at £67.50 per share	<u>675,000</u>	<u>-</u>

EDE'S (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 DECEMBER 1998

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 1998	1,550,852	18,420	108,697	383,597	533,831	2,595,397
Additions	28,296	-	168,743	14,411	240,429	451,879
Surplus on revaluation	1,249,148	-	-	-	-	1,249,148
Disposals	-	-	(1,585)	-	-	(1,585)
At 31 December 1998	<u>2,828,296</u>	<u>18,420</u>	<u>275,855</u>	<u>398,008</u>	<u>774,260</u>	<u>4,294,839</u>
Depreciation						
At 1 January 1998	23,973	18,419	42,522	66,321	337,557	488,792
Provided in year	46,225	-	39,329	48,051	103,302	236,907
Eliminated on revaluation	(23,973)	-	-	-	-	(23,973)
Eliminated on disposals	-	-	(528)	-	-	(528)
At 31 December 1998	<u>46,225</u>	<u>18,419</u>	<u>81,323</u>	<u>114,372</u>	<u>440,859</u>	<u>701,198</u>
Net book value						
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>
At 31 December 1997	<u>1,526,879</u>	<u>1</u>	<u>66,175</u>	<u>317,276</u>	<u>196,274</u>	<u>2,106,605</u>

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

	1998 £	1997 £
Plant and equipment	147,116	-
Motor vehicles	251,564	126,546
Freehold improvements	10,290	10,500
Fixtures and fittings	<u>51,694</u>	<u>60,851</u>
	<u>460,664</u>	<u>197,897</u>

EDE'S (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 DECEMBER 1998

TANGIBLE FIXED ASSETS (CONTINUED)

The historical cost of freehold land and buildings is £1,348,482 (1997: £1,320,186).

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. A revaluation was made as a result of this exercise.

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

	1998 £	1997 £
Trade debtors	1,377,716	1,086,741
Other debtors	23,860	22,774
	<u>1,401,576</u>	<u>1,109,515</u>

8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1998 £	1997 £
Bank loans (secured)	109,000	109,000
Bank overdrafts (secured)	549,988	533,132
Trade creditors	381,056	628,818
Corporation tax	38,443	46,576
Social security and other taxes	192,518	112,076
Amounts owed to parent undertaking	486,389	10,316
Other creditors	87,190	48,510
Accruals and deferred income	133,080	90,903
Amounts due under finance leases	220,262	76,708
	<u>2,197,926</u>	<u>1,656,039</u>

Included within other creditors is a loan of £34,928 (1997: £46,178) from Timesquare Limited, a company in which the chairman has a 51% equity interest. The loan attracts interest at 3% above base rate and is repayable within the next two years. Timesquare Limited has waived the right to interest payable for the current year.

EDE'S (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 DECEMBER 1998

9 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1998 £	1997 £
Bank loans (secured)	504,750	613,750
Amounts due under finance leases (falling due between one and five years)	<u>238,512</u>	<u>149,317</u>
	<u>743,262</u>	<u>763,067</u>
Bank loans are repayable by instalments:		
Between one and two years	109,000	109,000
Between two and five years	327,000	327,000
After more than five years	<u>68,750</u>	<u>177,750</u>
	<u>504,750</u>	<u>613,750</u>

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.

	1998 £	1997 £
Accelerated capital allowances	24,000	14,000
On revaluation of property	<u>530,000</u>	<u>140,000</u>
	<u>554,000</u>	<u>154,000</u>

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

For the year ended 31 DECEMBER 1998

11 CALLED UP SHARE CAPITAL

	1998 £	1997 £
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 1998	230,666	572,748
Loss for the financial year	-	(3,022)
Revaluation of freehold property	<u>1,273,121</u>	<u>-</u>
At 31 December 1998	<u>1,503,787</u>	<u>569,726</u>

13 RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS' FUNDS

	1998 £	1997 £
Profit for the financial year	671,978	121,337
Dividends	<u>(675,000)</u>	<u>-</u>
	(3,022)	121,337
Other recognised gains and losses	1,273,121	-
Opening shareholders' funds at 1 January 1998	<u>813,414</u>	<u>692,077</u>
Closing shareholders' funds at 31 December 1998	<u>2,083,513</u>	<u>813,414</u>

EDE'S (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 DECEMBER 1998

14 LEASING COMMITMENTS

Operating leases:

	1998		1997	
	Land and buildings £	Other £	Land and buildings £	Other £
Annual commitments under operating leases expiring: Within one year	-	-	-	3,004

15 CAPITAL COMMITMENTS

There were no capital commitments as at 31 December 1998 or at 31 December 1997.

16 CONTINGENT LIABILITIES

There were no contingent liabilities as at 31 December 1998 or at 31 December 1997.

17 ULTIMATE PARENT UNDERTAKING

The company is a wholly owned subsidiary of Sutton Business Centre Limited, a company registered in England and Wales, which heads up the largest and smallest group of which this company is a member.

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 the entire issued share capital of Sutton Business Centre Limited.

18 RELATED PARTY TRANSACTIONS

As a wholly owned subsidiary of Sutton Business Centre Limited, the company is exempt from the requirement 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.

Apart from the loan of £34,928 (1997: £46,178) from Timesquare Limited (note 8), there were no other related party transactions during the year.