

**EDE'S (UK) LIMITED**  
(formerly  
**W. EDE AND CO. LIMITED)**

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 1997



Company No. 2672031

**EDE'S (UK) LIMITED (formerly W. EDE AND CO. LIMITED)**

**FINANCIAL STATEMENTS**

For the year ended 31 DECEMBER 1997

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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:

T L Wall

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 (formerly W. EDE AND CO. LIMITED)**

**FINANCIAL STATEMENTS**

For the year ended 31 DECEMBER 1997

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## EDE'S (UK) LIMITED (formerly W. EDE AND CO. LIMITED)

### CHAIRMAN'S STATEMENT

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I am pleased to report that the year ended 31 December 1997 was another period of substantial growth for the company.

Turnover for the year increased by 42% over the equivalent figure for 1996 to £5.2m. Gross profit and operating profit have risen as expected with the increase in trading activity. Normalised pre-tax profits (i.e. excluding exceptional profits on the disposal of property) rose to £134,000 from £13,000 in 1996. Finance costs fell considerably in 1997 as a direct result of the company's ability to repay part of secured loans from the proceeds of the property disposal.

During the year, in order to enhance our corporate image, the company's name has been changed from W.Ede & Co. Limited to Ede's (UK) Limited and the corporate logo updated.

#### *Business review*

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

The company was awarded the title of Commercial Mover of the Year in 1997. This prestigious award is sponsored by the British Association of Removers. Ede's also won the award in 1996 and this is the first time that the same company has won the award for two years in succession. In addition, I am pleased to announce that Ede's were winners of the Best Planned Business Category and a finalist in the Growth Business Category of local awards sponsored by Business Link London South and Sutton Business Federation.

In order to expand towards a fully integrated relocation service, we have launched a new corporate brochure 'Five easy steps to office relocation'. The object of the brochure is to illustrate our full range of services from relocation to office refurbishment.

#### *'Edit'*

In order to fully compliment our relocation services, we have created "Edit" (Ede's Division Information Technology). This new division enables us to provide a full relocation package to our clients. To facilitate this new operation we have purchased three new 'high tech' vehicles with the new livery. During the year we have carried out a prestigious contract for Microsoft, details of which are given below.

#### *Move Management*

A major part of the provision of a fully integrated service is move/project management. I am pleased to announce that we have appointed Barrie Blundell as our Service Project Manager. Barrie has previously carried out these duties for a large International Quantity Surveying and Project Management Company, and as an Independent Relocation Consultancy. This new division has two full time managers complimented by existing staff.

## **EDE'S (UK) LIMITED (formerly W. EDE AND CO. LIMITED)**

### **CHAIRMAN'S STATEMENT**

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#### *Premises*

The development of our new site is now complete. We have carried out the total cladding of existing buildings, constructed three new warehouses and provided a goods lift to provide easier access to our three storey unit. New storage space has been let as it has become available and is now 100% occupied. Environmental considerations have been made by replacing the original perimeter fencing with a more aesthetically pleasing style incorporating patio areas. New lighting, improved roads and an upgraded CCTV system to cover the entire site have all been installed during the year under review.

#### *Major projects*

During 1997 we undertook and successfully completed a number of major relocation projects. The following are of particular interest:-

**Microsoft** - The world's largest computer software provider opened its new European Headquarters Campus at the Thames Valley Park. Ede's were contracted to provide packing assistance and the decommissioning and re-commissioning of all IT equipment including Microsoft's 'Net Lab'. Over 1,200 staff were moved during the four phases of the operation. Letters of recommendation and grateful thanks were received from Microsoft including an e-mail from Bill Gates himself!

**Linklater & Paines** - Reputed to have been the largest "fast track" move ever to have been undertaken. Linklater & Paines are a major legal practice who operated from three locations in London. In order to maintain business continuity there was a need to complete the task in the shortest amount of time possible. This included the sequential packing, transfer and unpacking of some 12 linear miles of legal documents and the movement of their prized legal library, supposedly the largest and most complete of its kind. The operation included the re-commissioning of all IT equipment and the movement of over 2,000 staff during two weekend phases. The entire move was completed within the deadlines and timescale agreed with the client.

#### *Future prospects*

I expect 1998 to be a year of continued consolidation, partly due to the completion of the site works and also due to the continued provision of our services to a number of long term clients. The new divisions put in place over the past year will, I believe, allow Ede's to expand its operations. Early indications are that the market place is buoyant and that Ede's are a desired provider of services.

I fully expect that the solid base established in recent years, combined with steady progress and the expansion of the new business divisions will result in further growth for the coming year with turnover approaching £7 million and profits rising at a similar rate.

Once again my thanks go to the Company's staff and professional advisers for their continued level of commitment and effort throughout 1997.

I look forward to another successful year in 1998.

**A J Smith**  
*Chairman*

# **EDE'S (UK) LIMITED (formerly W. EDE AND CO. LIMITED)**

## **REPORT OF THE DIRECTORS**

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The directors submit their report and the financial statements for the year ended 31 December 1997.

### **Principal activity**

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

### **Business review**

A comprehensive review of the business is contained within the Chairman's statement on pages 1 and 2.

### **Results and dividends**

The results of the company are set out on page 7. The directors do not recommend payment of a dividend.

### **Directors and their interests**

The names of 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 1997	1 January 1997
A J Smith	-	-
W F Tiernan (appointed 1 January 1997)	-	-

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 (formerly W. EDE AND CO. 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 and
- 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



T L Wall  
Secretary  
14/5/1998

## REPORT OF THE AUDITORS TO THE MEMBERS OF

### EDE'S (UK) LIMITED

We have audited the financial statements on pages 6 to 16 which have been prepared under the accounting policies set out on page 6.

#### Respective responsibilities of directors and auditors

As described on page 4, 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 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 1997 and 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

14 May 1998

## **EDE'S (UK) LIMITED (formerly W. EDE AND CO. LIMITED)**

### **PRINCIPAL ACCOUNTING POLICIES**

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#### **BASIS OF PREPARATION**

The financial statements have been prepared in accordance with applicable accounting standards 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 taken to the profit and loss account in the year which they are made.

**EDE'S (UK) LIMITED (formerly W. EDE AND CO. LIMITED)****PROFIT AND LOSS ACCOUNT**

For the year ended 31 DECEMBER 1997

	Note	1997 £	1996 £
<b>Turnover</b>		5,211,099	3,667,487
Cost of sales		<u>(4,003,723)</u>	<u>(2,883,960)</u>
<b>Gross profit</b>		1,207,376	783,527
Distribution costs		(149,208)	(101,536)
Administrative expenses		(809,168)	(484,476)
Other operating income		<u>13,295</u>	<u>14,541</u>
<b>Operating profit</b>	1	262,295	212,056
Profit on sale of fixed assets	2	-	399,867
Interest payable	3	<u>(128,483)</u>	<u>(199,103)</u>
<b>Profit on ordinary activities before taxation</b>		133,812	412,820
Taxation	5	<u>(12,475)</u>	<u>(34,000)</u>
<b>Profit on ordinary activities after taxation and retained profit for the year</b>		121,337	378,820
<b>Retained profits at 1 January 1997</b>		<u>446,704</u>	<u>67,884</u>
<b>Retained profits at 31 December 1997</b>		<u><u>568,041</u></u>	<u><u>446,704</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 (formerly W. EDE AND CO. LIMITED)**

**BALANCE SHEET AT 31 DECEMBER 1997**

	Note	1997	1996
		£	£
<b>Fixed assets</b>			
Tangible assets	6	2,106,605	1,524,179
<b>Current assets</b>			
Debtors	7	1,109,515	1,553,066
Cash in hand		<u>16,400</u>	<u>7,253</u>
		1,125,915	1,560,319
<b>Creditors: amounts falling due within one year</b>	8	<u>(1,656,039)</u>	<u>(1,654,784)</u>
<b>Net current liabilities</b>		<u>(530,124)</u>	<u>(94,465)</u>
<b>Total assets less current liabilities</b>		1,576,481	1,429,714
<b>Creditors: amounts falling due after more than one year</b>	9	<u>(763,067)</u>	<u>(737,637)</u>
<b>Net assets</b>		<u>813,414</u>	<u>692,077</u>
<b>Capital and reserves</b>			
Called up share capital	11	10,000	10,000
Revaluation reserve	12	230,666	235,373
Profit and loss account	12	<u>572,748</u>	<u>446,704</u>
<b>Shareholders' funds</b>			
- equity interests	13	<u>813,414</u>	<u>692,077</u>

The financial statements were approved by the Board of Directors on 14.5 - 1998

A J Smith - Director

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

**EDE'S (UK) LIMITED (formerly W. EDE AND CO. LIMITED)**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

For the year ended 31 DECEMBER 1997

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	1997 £	1996 £
Profit for the financial year	121,337	378,820
Unrealised surplus on revaluation of properties	<u>-</u>	<u>235,373</u>
Total recognised gains and losses relating to the year	<u><u>121,337</u></u>	<u><u>614,193</u></u>

**NOTE OF HISTORICAL COST PROFITS AND LOSSES**

	1997 £	1996 £
Reported profit on ordinary activities before taxation	133,812	412,820
Difference between a historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	<u>4,707</u>	<u>-</u>
Historical cost profit on ordinary activities before taxation	<u><u>138,519</u></u>	<u><u>412,820</u></u>
Historical cost profit for the year retained after taxation	<u><u>126,044</u></u>	<u><u>378,820</u></u>

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

# EDE'S (UK) LIMITED (formerly W. EDE AND CO. LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 DECEMBER 1997

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### 1 TURNOVER AND OPERATING PROFIT

Turnover and operating profit are attributable to the principal activity of the company and arose wholly in the United Kingdom.

Operating profit has been arrived at after charging:

	1997 £	1996 £
Hire of equipment	195,414	98,444
Depreciation of fixed assets:		
- owned assets	92,322	81,095
- under finance leases	100,745	58,745
Auditors' remuneration	<u>8,780</u>	<u>7,000</u>

### 2 PROFIT ON SALE OF FIXED ASSETS

Profit on sale of fixed assets includes a profit of £nil (1996: £355,994) on the disposal of freehold property.

### 3 INTEREST PAYABLE

	1997 £	1996 £
Bank loans, overdrafts and other loans repayable after five years	108,146	179,950
Hire purchase interest	<u>20,337</u>	<u>19,153</u>
	<u>128,483</u>	<u>199,103</u>

**EDE'S (UK) LIMITED (formerly W. EDE AND CO. LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 DECEMBER 1997

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**4 DIRECTORS AND OTHER EMPLOYEES**

	1997 Number	1996 Number
The average number of persons employed during the year, including the director was:		
Relocation and related services	83	72
Administration	<u>14</u>	<u>10</u>
	<u>97</u>	<u>82</u>

	1997 £	1996 £
The total remuneration was:		
Salaries and wages	1,557,309	1,030,016
Social security costs	165,074	66,430
Directors' pension costs	<u>30,000</u>	<u>-</u>
	<u>1,752,383</u>	<u>1,096,446</u>

The chairman received emoluments of £48,328 during the year (1996: £30,600). The aggregate amount of emoluments paid to directors was £88,972 (1996: £30,600).

**5 TAXATION**

	1997 £	1996 £
Corporation tax based on profits for the year at 31% (1996: 33%)	<u>12,475</u>	<u>34,000</u>

# EDE'S (UK) LIMITED (formerly W. EDE AND CO. LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 DECEMBER 1997

### 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 1997	1,330,000	18,420	64,483	49,194	357,807	1,819,904
Additions	<u>220,852</u>	<u>-</u>	<u>44,214</u>	<u>344,403</u>	<u>176,024</u>	<u>775,493</u>
At 31 December 1997	<u>1,550,852</u>	<u>18,420</u>	<u>108,697</u>	<u>383,597</u>	<u>533,831</u>	<u>2,595,397</u>
Depreciation						
At 1 January 1997	-	18,419	20,740	22,467	234,099	295,725
Charge for year	<u>23,973</u>	<u>-</u>	<u>21,782</u>	<u>43,854</u>	<u>103,458</u>	<u>193,067</u>
At 31 December 1997	<u>23,973</u>	<u>18,419</u>	<u>42,522</u>	<u>66,321</u>	<u>337,557</u>	<u>488,792</u>
Net book value						
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>
At 31 December 1996	<u>1,330,000</u>	<u>1</u>	<u>43,743</u>	<u>26,727</u>	<u>123,708</u>	<u>1,524,179</u>

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

	1997 £	1996 £
Motor vehicles	126,546	88,266
Freehold improvements	10,500	-
Fixtures and fittings	<u>60,851</u>	<u>-</u>
	<u>197,897</u>	<u>88,266</u>

The historical cost value of freehold land and buildings is £1,320,186 (1996: £1,094,627).

In February 1997, freehold land and buildings known as The Britax site were valued by King Sturge & Co, Chartered Surveyors, at £1,600,000. The valuation was undertaken on a vacant possession basis. No further 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 director, this asset is unlikely to be disposed of in the foreseeable future.

**EDE'S (UK) LIMITED (formerly W. EDE AND CO. LIMITED)****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 DECEMBER 1997

**7 DEBTORS**

	1997 £	1996 £
Trade debtors	1,086,741	751,597
Other debtors	<u>22,774</u>	<u>801,469</u>
	<u>1,109,515</u>	<u>1,553,066</u>

Other debtors includes £nil (1996: £800,000) representing the sale proceeds on the disposal of freehold property known as "The Bakery".

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

	1997 £	1996 £
Bank loans (secured)	109,000	390,000
Bank overdrafts (secured)	533,132	576,642
Trade creditors	628,818	167,227
Amounts owed to parent undertaking	10,316	169,251
Corporation tax	46,576	85,773
Social security and other taxes	112,076	89,304
Other creditors	48,510	57,334
Accruals and deferred income	90,903	73,580
Amounts due under finance leases	<u>76,708</u>	<u>45,673</u>
	<u>1,656,039</u>	<u>1,654,784</u>

Included within other creditors is a loan of £46,178 (1996: £50,000) 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 (formerly W. EDE AND CO. LIMITED)****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 DECEMBER 1997

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

	1997 £	1996 £
Bank loans (secured)	613,750	700,000
Obligations under finance leases (falling due between one and five years)	<u>149,317</u>	<u>37,637</u>
	<u>763,067</u>	<u>737,637</u>
Bank loans are repayable by instalments:		
Between one and two years	109,000	75,000
Between two and five years	327,000	225,000
After more than five years	<u>177,750</u>	<u>400,000</u>
	<u>613,750</u>	<u>700,000</u>

The bank loan and overdraft with Bank of Scotland are secured by a fixed and floating first legal charge over the company's freehold property and the assignment of and mortgage over life assurance policies for 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.

	Amount unprovided	
	1997 £	1996 £
Accelerated capital allowances	14,000	-
On revaluation of property	<u>140,000</u>	<u>77,500</u>
	<u>154,000</u>	<u>77,500</u>

**EDE'S (UK) LIMITED (formerly W. EDE AND CO. LIMITED)****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 DECEMBER 1997

**11 CALLED UP SHARE CAPITAL**

	1997 £	1996 £
Authorised: 10,000 ordinary shares of £1 each	<u>10,000</u>	<u>10,000</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 1997	235,373	446,704
Retained profit for the year	-	121,337
Realised profit on depreciation of revalued freehold property	<u>(4,707)</u>	<u>4,707</u>
At 31 December 1997	<u>230,666</u>	<u>572,748</u>

**13 RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS' FUNDS**

	1997 £	1996 £
Profit for the financial year after tax	121,337	378,820
Other recognised gains and losses	<u>-</u>	<u>235,373</u>
	121,337	614,193
Opening shareholders' funds at 1 January 1997	<u>692,077</u>	<u>77,884</u>
Closing shareholders' funds at 31 December 1997	<u>813,414</u>	<u>692,077</u>

# EDE'S (UK) LIMITED (formerly W. EDE AND CO. LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 DECEMBER 1997

### 14 FUTURE FINANCIAL COMMITMENTS

Operating leases:

	1997		1996	
	Land and buildings £	Other £	Land and buildings £	Other £
Annual commitments under operating leases expiring:				
Within one year	-	3,004	-	-
Between two and five years	-	-	16,500	16,500

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

### 15 CAPITAL COMMITMENTS

There were no capital commitments as at 31 December 1997 or at 31 December 1996.

### 16 CONTINGENT LIABILITIES

There were no contingent liabilities as at 31 December 1997 or at 31 December 1996.

### 17 ULTIMATE HOLDING COMPANY

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 the company is a member.

Sutton Business Centre Limited is the ultimate parent company, 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 £46,178 (1996: £50,000) from Timesquare Limited (note 8), there were no other related party transactions during the year.