

ENDEVA FULFILMENT LIMITED
(FORMERLY TRUSHELFCO (No. 2769) LIMITED)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2001

Company Number: 4140198



ENDEVA FULFILMENT LIMITED
(FORMERLY TRUSHELFCO (No. 2769) LIMITED)

DIRECTORS' REPORT

The directors have pleasure in submitting their report and financial statements for the period since incorporating on 12 January 2001 to 30 September 2001.

Activities and Results

The principal activity of the Company is the storage, distribution and installation of domestic electrical appliances.

At the end of June 2001 the Box Clever Group, of which the Company is a member, underwent a corporate re-organisation of the companies acquired from Thorn and Granada in June 2000. The purpose of the re-organisation was to establish a legal structure, which reflected the revised operational requirements of the group and provided maximum flexibility for future development and achievement of strategic objectives. More specifically the Company entered in to a number of transactions with fellow group companies in order to transfer in the fulfilment activity from around the Box Clever Group.

The directors do not recommend the payment of a dividend for the period to 30 September 2001.

Change of Name

By Special Resolution of the Company, the name of the Company was changed on 15 March 2001 from Trushelfco (No. 2769) Limited to Endeva Fulfilment Limited.

Directors

The directors of the Company during the period were:-

S McGrath (appointed 13 February 2001 & resigned 6 March 2001)
E J Zuercher (appointed 12 January 2001 & resigned 13 February 2001)
A G Ryde (appointed 13 February 2001 & resigned 6 March 2001)
D C J Rowe (appointed 12 January 2001 & resigned 13 February 2001)
H R W Mavity (appointed 6 March 2001)
M J Neal (appointed 6 March 2001)

No director has or had an interest in any contract or arrangement to which the Company or any subsidiary is or was a party.

Directors' Interests in Shares and Share Options

None of the Directors had a direct interest in the issued share capital of the Company.

The interests of H R W Mavity and M J Neal in the shares and share options of the joint venture parent undertakings of Box Clever Technology Limited are disclosed in the accounts of Box Clever Technology Limited for the year ended 30 September 2001.

ENDEVA FULFILMENT LIMITED
(FORMERLY TRUSHELFCO (No. 2769) LIMITED)

DIRECTORS' REPORT
(Continued)

Political and charitable contributions

The company made no political or charitable contributions during the period.

Employment Policies

It is the policy of the Company to give full consideration to the employment, suitable placement and training of disabled persons on work they are qualified to do.

There are established procedures for employees to receive regular news and information regarding the business and development of the Company, including direct consultation with staff or their representatives where appropriate.

Post balance sheet events

During June 2002 the Box Clever Group securitised the rental asset income stream of Home Technology Finance Limited, a fellow subsidiary, as part of the overall refinancing of the Group's loan facilities.

Auditors

Pursuant to Section 386 of the Companies Act 1985, elective resolutions are in place to dispense with the obligation to appoint auditors annually.

By Order of the Board



B A R Gerrard
Secretary
19 July 2002

Registered Office: Technology House
Amphill Road
Bedford
MK42 9QQ

ENDEVA FULFILMENT LIMITED
(FORMERLY TRUSHELFCO (No. 2769) LIMITED)

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO 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 year. 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 which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

REPORT OF THE INDEPENDENT AUDITORS, KPMG AUDIT Plc,
TO THE MEMBERS OF ENDEVA FULFILMENT LIMITED
(FORMERLY TRUSHELF CO (No. 2769) LIMITED)

We have audited the financial statements on pages 5 to 13.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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.

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 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 30 September 2001 and of its profit for the period from 12 January 2001 (the date of incorporation) to 30 September 2001 and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

Milton Keynes

29 July 2002

ENDEVA FULFILMENT LIMITED
(FORMERLY TRUSHELFCO (No. 2769) LIMITED)

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 30 SEPTEMBER 2001

	Note	37 weeks to 30 September 2001 £'000
Turnover		14,389 =====
Staff costs	(1)	(3,541)
Depreciation on tangible assets	(7)	(552)
Other operating costs (includes operating exceptional items of £4,009,123; see note 5)		(8,237)
Operating costs		(12,330) =====
Profit on ordinary activities before taxation	(2)	2,059
Taxation on profit on ordinary activities	(4)	-
Retained profit on ordinary activities after taxation	(12)	2,059 =====

All items relate to acquired activities. All recognised gains and losses for the current period are shown in the primary statement above. There is no material difference between the profit on a historical cost basis and that described in the profit and loss account.

The notes and accounting policies on pages 7 to 13 form part of these financial statements.

ENDEVA FULFILMENT LIMITED
(FORMERLY TRUSHELFCO (No. 2769) LIMITED)

BALANCE SHEET AS AT 30 SEPTEMBER 2001

	Note	£'000	2001 £'000
Fixed Assets:			
Intangible Assets	(6)		4,029
Tangible Assets	(7)		3,728
			<u>7,757</u>
Current Assets:			
Debtors: amounts falling due within one year	(8)	2,013	
		<u>2,013</u>	
Creditors: amounts falling due within one year	(9)	(4,792)	
Net current liabilities			<u>(2,779)</u>
Total assets less current liabilities			<u>4,978</u>
Provisions for liabilities and charges	(10)		(2,919)
Net Assets			<u><u>2,059</u></u>
<u>CAPITAL AND RESERVES</u>			
Called Up Equity Share Capital	(11)		-
Profit and Loss Account	(12)		2,059
Equity Shareholders' Funds	(13)		<u><u>2,059</u></u>

These accounts were approved by the Board of Directors on 19 July 2002 and signed on its behalf by



 M J Neal
 Director

The notes and accounting policies on pages 7 to 13 form part of these financial statements.

ENDEVA FULFILMENT LIMITED
(FORMERLY TRUSHELFCO (No. 2769) LIMITED)

ACCOUNTING POLICIES

1. Basis of Preparation

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

All of the Company's voting rights are controlled within the group headed by Box Clever Technology Limited. The Company has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of Box Clever Technology Limited, in which this company is included, can be obtained from the address given in note 15 to the financial statements.

2. Cash Flow Statements

Under Financial Reporting Standard 1, the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

3. Deferred Taxation

Deferred taxation is provided in the respect of assets and liabilities which it considered may crystallise within the foreseeable future.

4. Fixed Assets and Depreciation

Depreciation of plant & equipment and vehicles is calculated on cost at rates estimated to write off the relevant assets by equal amounts over their expected useful lives. Effect is given, where necessary, to commercial and technical obsolescence. The following useful lives are used:

Plant and equipment	- On a straight line basis over 3 to 7 years
Motor vehicles	- On a straight line basis over 3 years to net realisable value

5. Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value.

6. Goodwill

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on business combinations in respect of acquisitions is capitalised. Goodwill is amortised to nil on a straight line basis over its estimated useful life. Goodwill is amortised over periods of between 4 and 20 years.

ENDEVA FULFILMENT LIMITED
(FORMERLY TRUSHELFCO (No. 2769) LIMITED)

ACCOUNTING POLICIES
(Continued)

7. Pension costs

Contributions to the Granada and Thorn pension schemes are charged against profits as payments are made. Further details of the pension schemes are provided in the notes to the financial statements.

Contributions payable to defined contribution schemes are shown as a cost within the profit and loss account.

8. Turnover

Turnover represents the amounts derived from the provision of goods and services which fall within the Company's ordinary activities, stated net of value added tax.

ENDEVA FULFILMENT LIMITED
(FORMERLY TRUSHELFCO (No. 2769) LIMITED)

NOTES TO THE ACCOUNTS

1. **STAFF NUMBERS AND COSTS**

The average number of persons employed by the Company during the period was as follows:

37 weeks to
30 September
2001

Average number of employees	190
	=====

The aggregate payroll costs of these persons were as follows:

37 weeks to
30 September
2001
£'000

Wages & Salaries	3,200
Social Security	179
Pension	162

	3,541
	=====

2. **OPERATING PROFIT**

Operating profit is stated after charging:

37 weeks to
30 September
2001
£'000

Goodwill amortised	51
Depreciation on Property, plant, equipment, and vehicles	98
	=====

The remuneration of the directors and the auditors is borne by a fellow group company.

3. **PENSIONS**

The principal UK pension scheme which covers the majority of employees transferring to the Box Clever Group as part of the merger in June 2000 previously employed as part of Granada is the Granada Pension Scheme. The company also contributes towards the Thorn Pension Scheme with respect to employees previously employed by Thorn.

Contributions are also made to a number of defined contribution schemes for employees. Contributions payable to these defined contribution schemes are shown as a cost within the profit and loss account

ENDEVA FULFILMENT LIMITED
(FORMERLY TRUSHELFECO (No. 2769) LIMITED)

NOTES TO THE ACCOUNTS
(continued)

PENSIONS (continued)

FRS17

The company is a member of both the Granada Pension Scheme and Thorn Pension Scheme, both are defined benefit schemes. However, as permitted by FRS17, the company is exempt from accounting for these pension schemes as defined benefit schemes within the financial statements as the company is unable to identify its share of the underlying assets and liabilities from those of the other participating employers within the group defined benefit schemes. Therefore, the company has treated these pension schemes as if they were defined contribution schemes and therefore the contributions payable to these schemes for the year are shown as the cost within the profit and loss account. Payments made in relation to the Thorn Pension Scheme are made to Thorn Limited as required under the terms of the joint venture agreement.

Further details regarding the schemes are provided in the consolidated financial statements of Box Clever Technology Limited.

4. TAXATION

The charge for Corporation Tax used in these accounts has been calculated at the rate of 30% on the taxable profit for the period. No Corporation Tax has been provided for in the current period as free group relief is available from fellow group companies.

5. OPERATING EXCEPTIONAL ITEM

Other operating costs include £4,009,123 exceptional costs incurred to rationalise and restructure the Company's trading operations.

6. GOODWILL

	£'000
<u>Cost</u>	
Additions in the year	4,080
At 30 September 2001	4,080
	=====
<u>Amortisation</u>	
Charge for the year	(51)
At 30 September 2001	(51)
	=====
<u>Net Book Value</u>	
At 30 September 2001	4,029
	=====

Additions to Goodwill during the period have arisen on transactions with TUK Holdings Limited and UK Consumer Electronics Limited as part of the Box Clever Group re-organisation in June 2001.

ENDEVA FULFILMENT LIMITED
(FORMERLY TRUSHELFCO (No. 2769) LIMITED)

NOTES TO THE ACCOUNTS
(continued)

GOODWILL (continued)

The directors consider each acquisition separately for the purpose of determining the amortisation period of any goodwill that arises. Goodwill is amortised over periods of between 4 and 20 years.

During the year the company acquired assets with a book value of £3.6m, which also equalled their fair value from UK Consumer Electronics Limited. The total consideration for the purchase of its 'equipment management business' was £7.2m, giving rise to additions to goodwill of £3.6m.

In addition to this the company also acquired assets with a book value of £3.0m, which also equalled their fair value from TUK Holdings Limited. The total consideration for the purchase of its 'equipment management business' was £3.5m, giving rise to additions to goodwill of £0.5m.

7. TANGIBLE ASSETS

	<u>Plant fixtures & fittings, and vehicles</u> £'000
<u>COST</u>	
Additions	11
Intergroup transfers	12,736
Disposals	(1,270)
At 30 September 2001	<u>11,477</u>
<u>DEPRECIATION</u>	
Charge for the year	(552)
Intergroup transfers	(8,430)
Disposals	1,233
At 30 September 2001	<u>(7,749)</u>
<u>NET BOOK VALUE</u>	
At 30 September 2001	<u>3,728</u>

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2001</u> £'000
Trade debtors	1,794
Prepayments and accrued income	219
	<u>2,013</u>

ENDEVA FULFILMENT LIMITED
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NOTES TO THE ACCOUNTS
(continued)

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2001</u>
	<u>£'000</u>
Amounts owed to group undertakings	3,886
Accruals and deferred income	906
	<u>4,792</u>

10. PROVISIONS FOR LIABILITIES AND CHARGES

	<u>Restructuring</u>	<u>Holiday pay</u>	<u>Total</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Provided in period	(2,897)	-	(2,897)
Transferred from other group companies	-	(22)	(22)
Balance at end of the period	<u>(2,897)</u>	<u>(22)</u>	<u>(2,919)</u>

The restructuring provision relates to costs resulting from decisions to reorganise the business. The holiday pay provision is in respect of contractual holiday pay obligations for certain current employees.

11. SHARE CAPITAL

At 30 September 2001:

	<u>2001</u>
	<u>£</u>
Authorised:	
Equity: 100 Ordinary shares of £1 each	100
Allotted, called up and fully paid:	
Equity: 2 Ordinary shares of £1 each	2

On 6 March 2001, 2 Ordinary shares were issued on incorporation to Box Clever Finance Limited at their nominal value of £1 per share.

ENDEVA FULFILMENT LIMITED
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NOTES TO THE ACCOUNTS
(continued)

12. RESERVES

Profit and loss reserve:	£'000
Retained profit for the period	2,059
At 30 September 2001	<u>2,059</u>

13. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	<u>2001</u> £'000
Retained profit for the period	2,059
New share capital subscribed (£2)	-
Closing shareholders' funds	<u>2,059</u>

14. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

Under the Box Clever VAT Group Registration, the Company is jointly and severally liable for VAT due by other Group companies. As at 30 September 2001 this amounted to £9.0m (2000: £8.3m).

Under the Box Clever Technology Group banking arrangements the Company is subject to a Debenture. The Debenture creates a legal mortgage over all property, buildings and fixtures, fixed and floating charges over the assets of the Company and of its subsidiaries and a mortgage and charge on the Group Shares. Borrowings under these arrangements totalled £858m at 30 September 2001 (2000: £860m)

15. ULTIMATE HOLDING COMPANY

The Company is a wholly owned subsidiary of Box Clever Finance Limited a company registered in England and Wales. The Company has been included in group accounts prepared by Box Clever Holdings Limited a company registered in England and Wales. The ultimate holding and controlling party is Box Clever Technology Limited, a company registered in England and Wales. The Company has been included in group accounts prepared by Box Clever Technology Limited and copies of the financial statements may be obtained by applying to - Technology House, Ampthill Road, Bedford, MK42 9QQ.