

**Vanderlande Industries  
United Kingdom Limited**

**Annual report and financial statements  
for the year ended 31 March 2008**

Registered no. 3298374



# **Vanderlande Industries United Kingdom Limited**

## **Annual report and financial statements for the year ended 31 March 2008**

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## Directors and advisers

### Executive directors

D Hyslop  
P J Gerretse  
H Molenaar

### Secretary and registered office

G J Bacon  
Aragon House  
Hampton Court  
59 Marsh Lane  
Hampton-in-Arden  
West Midlands  
B92 0AJ

### Independent auditors

PricewaterhouseCoopers LLP  
Cornwall Court  
19 Cornwall Street  
Birmingham  
B3 2DT

### Solicitors

Pinsent Masons  
3 Colmore Circus  
Birmingham  
B4 6BH

### Bankers

National Westminster Bank Plc  
Corporate Business Centre  
103 Colmore Row  
Birmingham  
West Midlands  
B3 3NS

**Directors' report for the year ended 31 March 2008**

The Directors present their annual report and the audited financial statements for the year ended 31 March 2008

**Principal Activities**

The principal activity of the Company is the design, supply, installation and servicing of integrated material handling systems manufactured by the parent company and third parties for distribution centres, e-commerce, parcel handling, manufacturing plants and baggage handling systems at airports

**Review of Business**

The trading performance for the year was very good with excellent progress made on all significant projects. The financial results in the year were in line with expectations, resulting in a reasonable level of profitability.

The level of new orders won within the year was above the previous year. In addition, significant opportunities are in the pipeline for the short to medium term.

The level of orders in hand increased due to the addition of a long term maintenance contract at Heathrow Airport Terminal 5.

<b>Key Performance Indicators</b>			
	<b>2008</b>	<b>2007</b>	<b>2006</b>
Sales per Employee	<b>£306,483</b>	£480,745	£825,997
Gross Profit Margin	<b>11.5%</b>	13.4%	12.5%
Gross Profit per Employee	<b>£35,204</b>	£64,480	£102,852
Return on Capital Employed	<b>53.8%</b>	96.7%	113.2%

**Future Development of Business**

The business now has a stable customer base with good growth opportunities from projects and maintenance contracts.

Maintenance sales continue to grow which is having the effect of lowering sales per employee from previous levels.

Future sales are expected to be lower than last year and stable in the medium term.

**Directors' report for the year ended 31 March 2008  
(continued)**

**Financial risk**

The risks facing the company are assessed on an ongoing basis. The Executive Directors evaluate the likelihood and potential impact of each risk and ensure appropriate action is taken to mitigate them.

A number of key risks such as liquidity, raw material prices, credit management, insurance and Health and Safety are governed by policies set directly by Vanderlande Industries BV and come under the control of the Executive Directors

**Dividends and transfers to reserves**

The profit and loss account for the year is set out on page 7. This shows a profit for the financial year of £571,616 (2007: £2,118,243)

The company has paid a dividend of £2.02 per share totalling £2,118,243 in respect of the financial year ended 31 March 2008 (2007: £3.77 per share totalling £3,953,368)

After payment of the dividend, the loss for the year of £1,546,627 (2007: loss of £1,835,125) was transferred to reserves

**Directors**

The directors of the company during the year ended 31 March 2008 and since the year then ended are set out below

E Boudewijn	(Resigned 30 May 2007)
D Hyslop	
P J Gerretse	
H Molenaar	(Appointed 30 May 2007)

## **Directors' report for the year ended 31 March 2008 (continued)**

### **Statement of directors' responsibilities in respect of the Annual Report and the financial statements**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company 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 UK 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, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Statement of disclosure of information to auditors**

In the case of each of the persons who are directors at the time when the report is approved under section 234ZA the following applies:

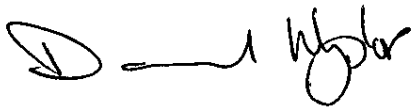
- a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and
- b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Directors' report for the year ended 31 March 2008  
(continued)**

**Auditors**

A resolution to reappoint the auditors, PricewaterhouseCoopers LLP, will be proposed at the annual general meeting

**By order of the board**

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

**D Hyslop  
Director**

4 July 2008

## Independent auditors' report to the members of Vanderlande Industries United Kingdom Limited

We have audited the financial statements of Vanderlande Industries United Kingdom Limited for the year ended 31 March 2008 which comprise the Profit and loss account, the Balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

### Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### Basis of audit opinion

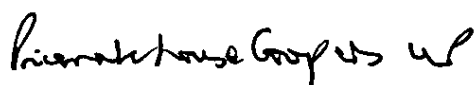
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2008 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.



**PricewaterhouseCoopers LLP**  
Chartered Accountants and Registered Auditors  
Birmingham

11 April 2008



## Profit and loss account for the year ended 31 March 2008

	Notes	2008 £	2007 £
<b>Turnover</b>	2, 3	<b>60,070,618</b>	70,669,466
Cost of sales		<b>(53,170,579)</b>	(61,190,909)
<b>Gross profit</b>		<b>6,900,039</b>	9,478,557
Net operating expenses	4	<b>(6,038,812)</b>	(6,552,573)
<b>Operating profit</b>		<b>861,227</b>	2,925,984
Interest receivable and similar income	8	<b>103,960</b>	145,550
Interest payable and similar charges	9	<b>(92,336)</b>	(8,266)
<b>Profit on ordinary activities before taxation</b>		<b>872,851</b>	3,063,268
Tax charge on profit on ordinary activities	10	<b>(301,235)</b>	(945,025)
<b>Profit for the financial year</b>	17	<b>571,616</b>	2,118,243

All items included in the above profit and loss account relate to continuing operations.

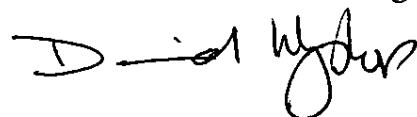
The company has no recognised gains and losses other than those included above and therefore no separate statement of total recognised gains and losses has been presented

There is no material difference between the profit on ordinary activities before taxation and the profit for the year stated above, and their historical cost equivalents.

## Balance sheet as at 31 March 2008

	Notes	2008 £	2007 £
<b>Fixed assets</b>			
Tangible assets	11	<u>560,243</u>	<u>625,971</u>
<b>Current assets</b>			
Stocks	12	1,853,583	1,107,475
Debtors	13	15,659,930	17,469,182
Cash at bank and in hand		312,790	3,384,458
		<u>17,826,303</u>	<u>21,961,115</u>
<b>Creditors: Amounts falling due within one year</b>	14	<u>(16,764,930)</u>	<u>(19,418,843)</u>
<b>Net current assets</b>		<u>1,061,373</u>	<u>2,542,272</u>
<b>Net assets</b>		<u>1,621,616</u>	<u>3,168,243</u>
<b>Capital and reserves</b>			
Called up share capital	16	1,050,000	1,050,000
Profit and loss account	17	571,616	2,118,243
<b>Total shareholders' funds</b>	18	<u>1,621,616</u>	<u>3,168,243</u>

The financial statements on pages 7 to 20 were approved at the board meeting on the date shown below and were signed on its behalf by:



D Hyslop  
Director

4 July 2008

## **Notes to the financial statements for the year ended 31 March 2008**

### **1 Principal accounting policies**

The financial statements are prepared on a going concern basis, in accordance with the Companies Act (1985) and applicable UK accounting and financial reporting standards. A summary of the more important accounting policies, which have been applied consistently, is set out below.

#### **Basis of accounting**

The financial statements have been prepared in accordance with the historical cost convention.

#### **Turnover**

Turnover comprises the value of work performed during the year on contracts, and the invoiced amount of the supply of miscellaneous goods and services, excluding VAT.

#### **Tangible fixed assets**

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their residual values, on a straight-line basis over the expected useful economic lives of the assets concerned. The periods over which assets are depreciated are:

Short leasehold improvements	10 to 15 years
Plant and machinery	3 to 10 years

#### **Operating leases**

Costs in respect of operating leases are charged on a straight-line basis over the lease term.

#### **Stocks and work in progress**

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost represents purchase price or production cost incurred including labour and attributable overheads based on normal levels of activity.

#### **Long-term contracts**

The amount of long-term contracts is stated at costs incurred, net of amounts transferred to cost of sales, after deducting foreseeable losses and payments made on account not matched with turnover and is included in work in progress. The amount by which recorded turnover is in excess of payments on account is included in debtors as amounts recoverable on long term contracts. Payments in excess of recorded turnover and long-term contract balances are included in creditors as payments received on account on long term contracts.

**Notes to the financial statements  
for the year ended 31 March 2008 (continued)**

**1 Principal accounting policies (continued)**

**Pensions**

The company operates a stakeholder pension scheme for its employees. Contributions to the scheme are charged to the profit and loss account in the period to which they relate.

The company operates a defined benefit scheme. However, all employees have ceased accruing benefits under this scheme and are instead contributing to the stakeholder pension scheme. The defined benefit scheme is no longer available to employees of the company. The fund is valued every three years by a professionally qualified independent actuary, the rates of contribution payable being determined by the actuary. In the intervening years the actuary reviews the continuing appropriateness of the rates.

The scheme liabilities and the scheme assets are measured at each balance sheet date. The scheme assets are measured at fair value. The scheme liabilities are measured on an actuarial basis. The difference between the fair value of the scheme assets and the actuarial value of the scheme liabilities is a surplus or deficit that is recognised as an asset or liability on the company's balance sheet. A surplus is only recognised to the extent that the company has access to future economic benefit from the surplus through either reduced contributions or refunds from the scheme. Changes in the scheme assets and scheme liabilities are reported in the profit and loss account or the statement of recognised gains and losses depending on the nature of the change.

In accordance with FRS 17 the surplus on the scheme has not been recognised as Vanderlande Industries UK Limited does not have access to future economic benefit from the surplus through either reduced contributions or refunds from the scheme.

The company provides no other post retirement benefits to its employees.

**Cash flow statement and related party transactions**

The company is a wholly owned subsidiary of Vanderlande Industries BV and is included in the consolidated financial statements of Vanderlande Industries BV. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard No.1 (Revised 1996). The company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the Vanderlande Industries BV group.

**Notes to the financial statements  
for the year ended 31 March 2008 (continued)**

**1 Principal accounting policies (continued)**

**Foreign currency**

Transactions undertaken which are determined in foreign currencies are translated into sterling at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rate of exchange at that date. All exchange differences are taken to the profit and loss account.

**Deferred taxation**

Deferred taxation has been recognised as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more taxation in future, or a right to pay less taxation in future. An asset is not recognised to the extent that the transfer of economic benefits in future is uncertain. Deferred tax assets and liabilities recognised have not been discounted.

**2 Segmental analysis by class of business**

	2008 £	2007 £
Project sales	46,753,701	65,956,770
Maintenance sales	13,316,917	4,712,696
	<u>60,070,618</u>	<u>70,669,466</u>

**3 Analysis by geographical area**

By destination	2008 £	2007 £
United Kingdom	60,048,567	70,173,610
Europe	22,051	495,856
	<u>60,070,618</u>	<u>70,669,466</u>

**4 Net operating expenses**

	2008 £	2007 £
Administrative expenses	<u>6,038,812</u>	<u>6,552,573</u>

**Notes to the financial statements  
for the year ended 31 March 2008 (continued)**

**5 Directors' emoluments**

	2008 £	2007 £
Aggregate emoluments	115,536	111,545
Company pension contributions to defined contribution scheme	9,621	10,098
	<u>125,157</u>	<u>121,643</u>

**6 Employee information**

The average monthly number of persons (including executive directors) employed by the company during the year was.

	2008 Number	2007 Number
Selling	15	17
Production	156	109
Administration	25	21
	<u>196</u>	<u>147</u>

	2008 £	2007 £
<b>Staff costs (for the above persons)</b>		
Wages and salaries	8,584,905	5,652,091
Social security costs	849,028	573,287
Other pension costs (see note 15)	365,244	305,577
	<u>9,799,177</u>	<u>6,530,955</u>

# Notes to the financial statements for the year ended 31 March 2008 (continued)

## 7 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging

	2008 £	2007 £
Depreciation - owned assets	188,295	195,072
Loss on disposal of fixed assets	-	3,443
Auditors' remuneration - audit services	33,440	28,670
- taxation services	7,849	9,645
- pension scheme audit	5,875	8,150
- other tax services	53,159	25,890
Operating lease charges - plant and machinery	-	15,444
- other	494,239	498,237
	<u>          </u>	<u>          </u>

## 8 Interest receivable and similar income

	2008 £	2007 £
Bank interest	103,960	145,550
	<u>103,960</u>	<u>145,550</u>

## 9 Interest payable and similar charges

	2008 £	2007 £
Bank overdraft and other borrowings	92,336	8,266
	<u>92,336</u>	<u>8,266</u>

## 10 Tax on profit on ordinary activities

	2008 £	2007 £
Analysis of charge for the year		
- Current year tax charge	232,992	987,044
- Adjustment in respect of prior years	651	(7,869)
Total current tax	<u>233,643</u>	<u>979,175</u>
Deferred tax		
- Origination and reversal of timing differences	67,592	(34,150)
Total deferred tax	<u>67,592</u>	<u>(34,150)</u>
Total tax charge	<u>301,235</u>	<u>945,025</u>

## Notes to the financial statements for the year ended 31 March 2008 (continued)

### 10 Tax on profit on ordinary activities (continued)

	2008 £	2007 £
<b>Factors affecting the tax charge for the year</b>		
Profit on ordinary activities before taxation	<b>872,851</b>	3,063,268
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2007 30%)	<b>261,855</b>	918,980
Effects of		
- Expenses not deductible for tax purposes	<b>38,729</b>	33,914
- Accelerated capital allowances and other timing differences	<b>(67,592)</b>	34,150
- Adjustments in respect of prior years	<b>651</b>	(7,869)
<b>Total current tax</b>	<b>233,643</b>	979,175

During the year, as a result of the change in UK Corporation Tax rates which will be effective from 1 April 2008, deferred tax balances have been remeasured. Deferred tax relating to timing differences which are expected to reverse prior to 1 April 2008 is measured at 30% and deferred tax relating to timing differences expected to reverse after 1 April 2008 is measured at the tax rate of 28% as these are the tax rates that will apply on reversal. This has not had a material impact on the profit and loss account.

### 11 Tangible fixed assets

	Short leasehold improvements £	Plant and machinery £	Total £
<b>Cost</b>			
At 1 April 2007	436,426	857,884	1,294,310
Additions	42,311	80,256	122,567
Disposals	-	(6,619)	(6,619)
<b>At 31 March 2008</b>	<b>478,737</b>	<b>931,521</b>	<b>1,410,258</b>
<b>Depreciation</b>			
At 1 April 2007	152,284	516,055	668,339
Charge for the year	67,535	120,760	188,295
Disposals	-	(6,619)	(6,619)
<b>At 31 March 2008</b>	<b>219,819</b>	<b>630,196</b>	<b>850,015</b>
<b>Net book value</b>			
<b>At 31 March 2008</b>	<b>258,918</b>	<b>301,325</b>	<b>560,243</b>
At 31 March 2007	284,142	341,829	625,971



**Notes to the financial statements  
for the year ended 31 March 2008 (continued)**

**12 Stocks**

	2008	2007
	£	£
Raw materials and consumables	1,514,759	-
Work in progress	338,824	1,107,475
	<u>1,853,583</u>	<u>1,107,475</u>

**13 Debtors**

	2008	2007
	£	£
<b>Due within one year</b>		
Trade debtors	13,488,150	12,032,043
Amounts recoverable on contracts	1,856,939	4,894,960
Prepayments and accrued income	281,276	402,125
Amounts owed by group undertakings	18,819	57,716
Deferred tax asset (see below)	14,746	82,338
	<u>15,659,930</u>	<u>17,469,182</u>

	2008	2007
	£	£
<b>Analysis of deferred tax asset balance</b>		
Accelerated capital allowances	2,154	1,182
Short term timing differences	2,214	73,947
Pension provision	10,378	7,209
	<u>14,746</u>	<u>82,338</u>

**14 Creditors: amounts falling due within one year**

	2008	2007
	£	£
Bank overdrafts	4,527,137	1,318,124
Trade creditors	4,235,292	4,913,734
Corporation tax	166,108	699,088
Other taxation and social security	2,131,157	1,199,909
Other creditors	7,381	246,491
Payments on account on long term contracts	1,909,480	7,159,243
Accruals and deferred income	983,860	551,117
Amounts owed to group undertakings	2,804,515	3,331,137
	<u>16,764,930</u>	<u>19,418,843</u>

# Notes to the financial statements for the year ended 31 March 2008 (continued)

## 15 Pension and similar obligations

The company operates a defined benefit scheme called the Vanderlande Industries Retirement Benefits Scheme and the last full funding valuation was carried out as at 1 January 2005. A qualified independent actuary updated the results of that valuation to 31 March 2008 to obtain the figures in this disclosure note. The Projected Unit valuation method has been used. The major financial assumptions used by the actuary were:

	As at 31 March 2008	As at 31 March 2007	As at 31 March 2006
	%	%	%
Discount rate	6.70	5.30	5.00
Rate of increase in salaries	N/A	N/A	N/A
Rate of increase in pensions in payment	3.40	3.00	3.00
Inflation assumption	3.40	3.00	3.00
Increase to deferred benefits during deferment	3.40	3.00	3.00
Age of retirement	65 years	65 years	65 years

The assets in the scheme and the expected rates of return were:

	Long-term rate of return expected at 31 March 2008 %	Value at 31 March 2008 £'000	Long-term rate of return expected at 31 March 2007 %	Value at 31 March 2007 £'000	Long-term rate of return expected at 31 March 2006 %	Value at 31 March 2006 £'000
Equities	7.75	1,059	7.75	1,030	7.75	1,026
Property	7.25	27	7.25	62	7.25	66
Bonds	5.50	-	5.00	100	5.00	69
Others	5.25	113	4.00	49	4.00	46
Total market value of assets		1,199		1,241		1,207
Present value of scheme liabilities		(956)		(1,079)		(1,095)
Surplus in the scheme		243		162		112
Related deferred tax liability		(68)		(49)		(34)
Net pension asset		175		113		78

## Notes to the financial statements for the year ended 31 March 2008 (continued)

### 15 Pension and similar obligations (continued)

In accordance with FRS 17 the above asset has not been recognised as Vanderlande Industries UK Limited does not have access to future economic benefit from the surplus through either reduced contributions or refunds from the scheme

If the above amounts had been recognised in the financial statements, the company's net assets and profit and loss account reserve at 31 March 2008 would be as follows

	31 March 2008 £'000	31 March 2007 £'000	31 March 2006 £'000
Net assets excluding pension asset	1,622	3,168	5,003
Pension surplus	175	113	78
Net assets including pension asset	<u>1,797</u>	<u>3,281</u>	<u>5,081</u>
Profit and loss reserve excluding pension asset	572	2,118	3,953
Pension surplus	175	113	78
Profit and loss reserve including pension asset	<u>747</u>	<u>2,231</u>	<u>4,031</u>
<b>Reconciliation of present value of scheme liabilities</b>	<b>2008</b>	<b>2007</b>	
	<b>£'000</b>	<b>£'000</b>	
1 April	1,079	1,095	
Interest cost	57	54	
Benefits paid	-	(40)	
Actuarial loss	(180)	(30)	
<b>31 March</b>	<u><b>956</b></u>	<u><b>1,079</b></u>	
<b>Reconciliation of fair value of scheme assets</b>	<b>2008</b>	<b>2007</b>	
	<b>£'000</b>	<b>£'000</b>	
1 April	1,241	1,207	
Expected return on scheme assets	91	88	
Actuarial gains	(133)	(14)	
Benefits paid	-	(40)	
<b>31 March</b>	<u><b>1,199</b></u>	<u><b>1,241</b></u>	

The company did not make any contributions to the defined benefit scheme during the year and the company contribution rate for the coming year is nil

Contributions to the stakeholder defined contribution pension scheme during the year amounted to £365,244 (2007 £305,577)

## Notes to the financial statements for the year ended 31 March 2008 (continued)

### 15 Pension and similar obligations (continued)

The following amounts have not been recognised in the performance statements in the year to 31 March 2008 under the requirements of FRS 17:

<b>Analysis of the amount that would be charged to operating profit</b>	<b>2008 £'000</b>	<b>2007 £'000</b>
Current service cost	-	-
Gain on settlement	-	-
<b>Total operating charge</b>	<b>-</b>	<b>-</b>

<b>Analysis of amount credited to other finance income</b>	<b>2008 £'000</b>	<b>2007 £'000</b>
Expected return on pension scheme assets	91	88
Interest on pension scheme liabilities	(57)	(54)
<b>Net finance income</b>	<b>34</b>	<b>34</b>

<b>Statement of total recognised gains and losses (STRGL)</b>	<b>2008 £'000</b>	<b>2007 £'000</b>
Actual return less expected return on pension scheme assets	(133)	(14)
Experience gains and losses arising on the scheme liabilities	(10)	(15)
Changes in assumptions underlying the present value of the scheme liabilities	190	45
<b>Actuarial gain recognised in STRGL</b>	<b>47</b>	<b>16</b>

<b>Analysis of movement in surplus during the year</b>	<b>2008 £'000</b>	<b>2007 £'000</b>
Surplus in scheme at beginning of the year	162	112
Movement in year		
- Other finance income	34	34
- Actuarial gain recognised in STRGL	47	16
<b>Surplus in scheme at end of the year</b>	<b>243</b>	<b>162</b>

<b>Details of experience gains and losses for the year</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
Difference between the expected and actual return on scheme assets					
- Amount (£'000)	(133)	(14)	185	17	214
- Percentage of scheme assets	(11%)	(1%)	15%	2%	14%
Experience gains and losses on scheme liabilities					
- Amount (£'000)	(10)	(15)	(3)	(88)	392
- Percentage of the present value of the scheme liabilities	(1%)	(1%)	0%	(10%)	30%
Total amount recognised in statement of total recognised gains and losses					
- Amount (£'000)	47	16	13	(172)	442
- Percentage of the present value of the scheme liabilities	5%	1%	1%	(20%)	34%

## Notes to the financial statements for the year ended 31 March 2008 (continued)

### 16 Called up share capital

	2008 £	2007 £
<b>Authorised</b>		
500,000 ordinary shares of £1 each	500,000	500,000
1,000,000 redeemable ordinary shares of £1 each	1,000,000	1,000,000
	<u>1,500,000</u>	<u>1,500,000</u>
<b>Allotted, called up and fully paid</b>		
250,000 ordinary shares of £1 each	250,000	250,000
800,000 redeemable ordinary shares of £1 each	800,000	800,000
	<u>1,050,000</u>	<u>1,050,000</u>

The company may, at any time since 31 March 2007, give not less than four weeks prior notice in writing to the holders of the redeemable shares of its intention to redeem all or part of the issued and fully paid up redeemable shares

In all other respects, the redeemable shares shall rank pari passu with the ordinary shares

### 17 Profit and loss account

	2008 £
At 1 April 2007	2,118,243
Loss for the financial year	(1,546,627)
<b>At 31 March 2008</b>	<u>571,616</u>

### 18 Reconciliation of movements in total shareholders' funds

	2008 £	2007 £
Profit for the year	571,616	2,118,243
Dividends (note 19)	(2,118,243)	(3,953,368)
Loss for the financial year, being decrease in shareholders' funds	(1,546,627)	(1,835,125)
Opening shareholders' funds	3,168,243	5,003,368
<b>Closing shareholders' funds</b>	<u>1,621,616</u>	<u>3,168,243</u>

**Notes to the financial statements  
for the year ended 31 March 2008 (continued)**

**19 Dividends**

	2008 £	2007 £
Dividend of £2 02 per share (2007 £3 77 per share)	<u>2,118,243</u>	<u>3,953,368</u>

**20 Capital commitments**

	2008 £	2007 £
Capital expenditure that has been contracted for but has not been provided for in the financial statements	<u>11,610</u>	<u>2,013</u>

**21 Financial commitments**

At 31 March 2008, the company had annual commitments under non-cancellable operating leases as follows

	2008		2007	
	Land and Buildings £	Other £	Land and Buildings £	Other £
Expiring within one year	-	51,850	-	54,261
Expiring between two and five years	119,595	101,269	119,595	139,728
Expiring in more than five years	167,620	-	157,000	-
	<u>287,215</u>	<u>153,119</u>	<u>276,595</u>	<u>193,989</u>

**22 Immediate parent company**

The directors regard Vanderlande Industries BV (Netherlands) to be the immediate parent, in view of its 100% ownership of the company's ordinary share capital. Vanderlande Industries BV (Netherlands) heads the smallest and largest group into which the results of the company are consolidated. Accounts are available from Vanderlandelaan 2, 5466 RB Veghel, Postbus 18, Netherlands

**23 Ultimate controlling party**

The directors regard Vanderlande Industries BV to be the ultimate parent and controlling party