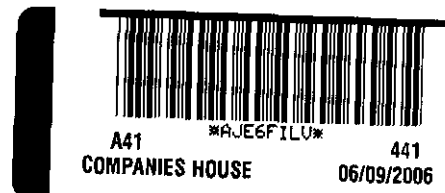


COMPANY REGISTRATION NUMBER 02421313

AMENDING

Warehouse Systems Limited
Financial Statements
31 December 2005



JOLLIFFE CORK LLP
Chartered Accountants & Registered Auditors
33 George Street
Wakefield
WF1 1LX

Warehouse Systems Limited

Financial Statements

Year Ended 31 December 2005

Contents	Page
Officers and Professional Advisers	1
The Directors' Report	2
Independent Auditors' Report to the Shareholders	4
Profit and Loss Account	6
Statement of Total Recognised Gains and Losses	7
Balance Sheet	8
Notes to the Financial Statements	9

Warehouse Systems Limited

Officers and Professional Advisers

The Board of Directors

Mr N A Proctor
Mrs S J Bell - Proctor

Company Secretary

Mrs S J Bell - Proctor

Registered Office

Systems House
4 Gelderd Business Park
John Charles Way
Leeds
West Yorkshire
LS12 6QB

Auditors

Jolliffe Cork LLP
Chartered Accountants
& Registered Auditors
33 George Street
Wakefield
WF1 1LX

Bankers

National Westminster Bank
Commercial Banking
PO BOX 1107
2nd Floor, Jardine House
3 Commercial Street
Forster Square
BD1 4WD

Warehouse Systems Limited

The Directors' Report

Year Ended 31 December 2005

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2005.

Principal Activities

The principal activity of the company during the year was the supply and installation of all types of warehouse and commercial storage systems, and the sale of catalogue industrial products.

The Directors and their Interests in the Shares of the Company

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 31 December 2005	At 1 January 2005
Mr N A Proctor	500	1
Mrs S J Bell - Proctor	<u>500</u>	<u>1</u>

Directors' Responsibilities

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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 9, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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. The directors 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.

Auditors

A resolution to re-appoint Jolliffe Cork LLP as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Warehouse Systems Limited

The Directors' Report *(continued)*

Year Ended 31 December 2005

Small Company Provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:
Systems House
4 Gelderd Business Park
John Charles Way
Leeds
West Yorkshire
LS12 6QB

Signed by order of the directors



Mrs S J Bell - Proctor
Company Secretary

Approved by the directors on 1 August 2006

Warehouse Systems Limited

Independent Auditors' Report to the Shareholders of Warehouse Systems Limited

Year Ended 31 December 2005

We have audited the financial statements of Warehouse Systems Limited for the year ended 31 December 2005 on pages 6 to 12 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005), under the historical cost convention, as modified by the revaluation of certain fixed assets and the accounting policies set out on page 9.

Respective Responsibilities of Directors and Auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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.

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 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.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard - Provisions available for Smaller Entities, in the circumstances set out in note 2 to the financial statements.

Warehouse Systems Limited

Independent Auditors' Report to the Shareholders of Warehouse Systems Limited *(continued)*

Year Ended 31 December 2005

Opinion

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 December 2005 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

33 George Street
Wakefield
WF1 1LX

1 August 2006

JOLLIFFE CORK LLP
Chartered Accountants
& Registered Auditors

Jolliffe

Warehouse Systems Limited

Profit and Loss Account

Year Ended 31 December 2005

	Note	2005 £	2004 £
Turnover		6,778,212	4,110,998
Cost of sales		5,259,902	2,967,121
Gross Profit		1,518,310	1,143,877
Administrative expenses		1,092,275	845,912
Operating Profit	3	426,035	297,965
Interest receivable and similar income		7,757	1,522
Interest payable and similar charges		(30,516)	(42,680)
Profit on Ordinary Activities Before Taxation		403,276	256,807
Tax on profit on ordinary activities		91,408	51,621
Profit on Ordinary Activities after Taxation		311,868	205,186
Equity dividends paid		211,700	65,000
Retained Profit for the Financial Year		100,168	140,186

The notes on pages 9 to 12 form part of these financial statements.

Warehouse Systems Limited

Statement of Total Recognised Gains and Losses

Year Ended 31 December 2005

	2005	2004
	£	£
Profit for the financial year attributable to the shareholders	311,868	205,186
Unrealised profit on revaluation of certain fixed assets	<u>—</u>	<u>89,830</u>
Total gains and losses recognised since the last annual report	<u>311,868</u>	<u>295,016</u>

The notes on pages 9 to 12 form part of these financial statements.

Warehouse Systems Limited

Balance Sheet


31 December 2005

	Note	2005 £	2004 £
Fixed Assets			
Tangible assets	4	1,309,360	1,333,175
Investments	5	—	24,915
		<u>1,309,360</u>	<u>1,358,090</u>
Current Assets			
Stocks		65,998	69,922
Debtors	6	553,142	658,818
Cash at bank		822,918	431,680
		<u>1,442,058</u>	<u>1,160,420</u>
Creditors: Amounts Falling due Within One Year	7	<u>1,570,467</u>	<u>1,219,678</u>
Net Current Liabilities		<u>(128,409)</u>	<u>(59,258)</u>
Total Assets Less Current Liabilities		<u>1,180,951</u>	<u>1,298,832</u>
Creditors: Amounts Falling due after More than One Year	8	<u>260,895</u>	<u>478,944</u>
		<u>920,056</u>	<u>819,888</u>
Capital and Reserves			
Called-up equity share capital	10	1,000	2
Revaluation reserve		274,019	274,019
Profit and loss account	11	645,037	545,867
Shareholders' Funds		<u>920,056</u>	<u>819,888</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2005).

These financial statements were approved by the directors on the 1 August 2006 and are signed on their behalf by:

Mr N A Proctor



Mrs S J Bell - Proctor



The notes on pages 9 to 12 form part of these financial statements.

Warehouse Systems Limited

Notes to the Financial Statements

Year Ended 31 December 2005

1. Accounting Policies

Basis of Accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Fixed Assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold Property	-	2% on cost
Plant & Machinery	-	20% reducing balance
Fixtures & Fittings	-	15% reducing balance
Motor Vehicles	-	25% reducing balance
Computer Equipment	-	25% reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

2. Preparation of Financial Statements

In common with many other businesses of our size and nature we use our auditors to assist with the preparation of the financial statements.

3. Operating Profit

Operating profit is stated after charging:

	2005	2004
	£	£
Directors' remuneration	37,000	24,000
Staff pension contributions	10,705	7,910
Depreciation of owned fixed assets	79,580	76,752
Loss on disposal of fixed assets	29,389	3,401
Auditors' fees	4,750	3,900

Warehouse Systems Limited

Notes to the Financial Statements

Year Ended 31 December 2005

4. Tangible Fixed Assets

	Freehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Computer equipment £	Total £
Cost or Valuation						
At 1 Jan 2005	1,150,000	33,580	101,127	219,854	141,876	1,646,437
Additions	—	4,644	14,312	122,710	13,305	154,971
Disposals	—	—	—	(176,359)	—	(176,359)
Transfers	—	—	39,383	—	—	39,383
At 31 Dec 2005	1,150,000	38,224	154,822	166,205	155,181	1,664,432
Depreciation						
At 1 Jan 2005	61,660	25,041	51,185	78,086	97,290	313,262
Charge for the year	23,000	2,639	7,343	32,125	14,473	79,580
On disposals	—	—	—	(37,770)	—	(37,770)
At 31 Dec 2005	84,660	27,680	58,528	72,441	111,763	355,072
Net Book Value						
At 31 Dec 2005	1,065,340	10,544	96,294	93,764	43,418	1,309,360
At 31 Dec 2004	1,088,340	8,539	49,942	141,768	44,586	1,333,175

The company's freehold properties are valued at a 2004 valuation of £1,150,000.

Transfers represent the reclassification of fine art and antiques.

5. Investments

	Fine Art & Antiques £
Cost	
At 1 January 2005	24,915
Additions	14,468
Transfers	(39,383)
At 31 December 2005	—
Net Book Value	
At 31 December 2005	—
At 31 December 2004	24,915

Warehouse Systems Limited

Notes to the Financial Statements

Year Ended 31 December 2005

6. Debtors

	2005	2004
	£	£
Trade debtors	512,736	649,530
Other debtors	40,406	9,288
	<u>553,142</u>	<u>658,818</u>

7. Creditors: Amounts Falling due Within One Year

	2005	2004
	£	£
Bank loans and overdrafts	78,049	78,049
Trade creditors	1,301,013	999,353
Corporation tax	91,408	51,621
Other taxation and social security	93,441	82,783
Other creditors	6,556	7,872
	<u>1,570,467</u>	<u>1,219,678</u>

8. Creditors: Amounts Falling due after More than One Year

	2005	2004
	£	£
Bank loans and overdrafts	<u>260,895</u>	<u>478,944</u>

9. Related Party Transactions

The company was under the control of Mr N A Proctor and Mrs S J Bell - Proctor throughout the current and previous year.

Mr N A Proctor and Mrs S J Bell-Proctor each has a 25% interest in Dynamic Systems Limited. The amount owing to Dynamic Systems Limited at the year end was £68,309 (30 September 2004 - £5,137), which arises from purchases of £105,830 between the two companies and is included in trade creditors.

10. Share Capital

Authorised share capital:

	2005	2004
	£	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2005		2004	
	No	£	No	£
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>2</u>	<u>2</u>

Warehouse Systems Limited

Notes to the Financial Statements

Year Ended 31 December 2005

11. Profit and Loss Account

	2005	2004
	£	£
Balance brought forward	545,867	405,681
Retained profit for the financial year	100,168	140,186
Capitalisation of reserves (equity)	(998)	—
Balance carried forward	<u>645,037</u>	<u>545,867</u>