

**Warehouse Systems Limited**

**Report of the Directors and  
Financial Statements**

**Year ended 31 December 2008**



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

· **Warehouse Systems Limited (Registered number: 02421313)**

**Contents of the Financial Statements  
for the year ended 31 December 2008**

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## **Warehouse Systems Limited**

### **Company Information for the year ended 31 December 2008**

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<b>DIRECTORS:</b>	Mr N A Proctor Mrs S J Bell-Proctor Mr S P Smith Mr D W Wort
<b>SECRETARY:</b>	Mrs S J Bell-Proctor
<b>REGISTERED OFFICE:</b>	Systems House 4 Gelderd Business Park John Charles Way Leeds West Yorkshire LS12 6QB
<b>REGISTERED NUMBER:</b>	02421313 (England and Wales)
<b>AUDITORS:</b>	Jolliffe Cork LLP Chartered Accountants & Registered Auditors 33 George Street Wakefield West Yorkshire WF1 1LX
<b>BANKERS:</b>	National Westminster Bank plc 2nd floor, Jardine House 3 Commercial Street Forster Square Bradford West Yorkshire BD1 4WD

**Warehouse Systems Limited (Registered number: 02421313)**

**Report of the Directors  
for the year ended 31 December 2008**

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The directors present their report with the financial statements of the company for the year ended 31 December 2008.

**PRINCIPAL ACTIVITY**

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

**REVIEW OF BUSINESS**

Against a background of increasingly difficult trading conditions, the directors are satisfied with the results for the year. Despite a 24% reduction in turnover, the gross profit was maintained through the achievement of better margins.

The fall in economic activity that took effect in the second half of 2008 has continued into 2009 with business confidence low and larger scale warehousing projects either cancelled or deferred. Steps are being taken to ensure that the company is well placed to take advantage of the eventual upturn in the economy, albeit trading conditions remain very difficult.

**DIVIDENDS**

The total distribution of dividends for the year ended 31 December 2008 will be £2,075,000.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2008 to the date of this report.

Mr N A Proctor  
Mrs S J Bell-Proctor  
Mr S P Smith  
Mr D W Wort

**POLITICAL AND CHARITABLE CONTRIBUTIONS**

During the year the company made the following contributions:

	2008	2007
	£	£
Charitable	<u>1,075</u>	<u>1,858</u>

**FINANCIAL RISK MANAGEMENT OBJECTIVES**

The management of the business and the delivery of the company's objectives are subject to common industry risks and challenges with the key performance indicators being turnover, gross profit margin and pre-tax profits.

The key risks affecting the company include the procuring of warehouse projects at realistic prices, attracting and retaining key staff, cashflow/liquidity and market risk.

The directors continually monitor and evaluate the impact of the above risks and consider the potential impact of market conditions. The company employs a suitably qualified and experience workforce and continues to invest in the training and development of staff.

**Warehouse Systems Limited (Registered number: 02421313)**

**Report of the Directors  
for the year ended 31 December 2008**

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**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing 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 these 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;
- 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 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 AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, Jolliffe Cork LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

A handwritten signature in black ink, appearing to be 'N A Proctor', with a large 'X' mark to its left.

Mr N A Proctor - Director

28 October 2009

## **Report of the Independent Auditors to the Shareholders of Warehouse Systems Limited**

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We have audited the financial statements of Warehouse Systems Limited for the year ended 31 December 2008 on pages six to seventeen. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **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 on page three.

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 whether in our opinion the information given in the Report of the Directors 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 Report of the Directors 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.

**Report of the Independent Auditors to the Shareholders of  
Warehouse Systems Limited**

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**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 December 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 Report of the Directors is consistent with the financial statements.

*Jolliffe Cork LLP*

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

28 October 2009

**Warehouse Systems Limited (Registered number: 02421313)**

**Profit and Loss Account  
for the year ended 31 December 2008**

	Notes	2008 £	2007 £
<b>TURNOVER</b>		<b>9,659,702</b>	<b>12,699,732</b>
Cost of sales		<u>7,142,912</u>	<u>10,142,897</u>
<b>GROSS PROFIT</b>		<b>2,516,790</b>	<b>2,556,835</b>
Administrative expenses		<u>2,315,588</u>	<u>1,883,442</u>
		<b>201,202</b>	<b>673,393</b>
Other operating income		<u>54,318</u>	<u>80,000</u>
<b>OPERATING PROFIT</b>	3	<b>255,520</b>	<b>753,393</b>
Interest receivable and similar income		<u>30,020</u>	<u>29,079</u>
		<b>285,540</b>	<b>782,472</b>
Interest payable and similar charges	4	<u>1,880</u>	<u>5,728</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>283,660</b>	<b>776,744</b>
Tax on profit on ordinary activities	5	<u>88,840</u>	<u>251,674</u>
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<u><b>194,820</b></u>	<u><b>525,070</b></u>

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous year.

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profits for the current year or previous year.

The notes form part of these financial statements



**Warehouse Systems Limited (Registered number: 02421313)**

**Balance Sheet**  
**31 December 2008**

	Notes	2008 £	2007 £
<b>FIXED ASSETS</b>			
Tangible assets	7	604,114	681,451
<b>CURRENT ASSETS</b>			
Stocks	8	-	1,345
Debtors	9	1,605,581	3,042,108
Cash at bank		<u>1,265,442</u>	<u>1,322,338</u>
		2,871,023	4,365,791
<b>CREDITORS</b>			
Amounts falling due within one year	10	<u>3,192,338</u>	<u>2,899,828</u>
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		<u>(321,315)</u>	<u>1,465,963</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>282,799</b>	<b>2,147,414</b>
<b>CREDITORS</b>			
Amounts falling due after more than one year	11	(15,565)	-
<b>PROVISIONS FOR LIABILITIES</b>	13	<u>(7,791)</u>	<u>(7,791)</u>
<b>NET ASSETS</b>		<u><b>259,443</b></u>	<u><b>2,139,623</b></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	1,000	1,000
Revaluation reserve	15	-	217,774
Profit and loss account	15	<u>258,443</u>	<u>1,920,849</u>
<b>SHAREHOLDERS' FUNDS</b>	19	<u><b>259,443</b></u>	<u><b>2,139,623</b></u>

The financial statements were approved by the Board of Directors on 28 October 2009 and were signed on its behalf by:



Mr N A Proctor - Director

The notes form part of these financial statements

**Warehouse Systems Limited (Registered number: 02421313)**

**Cash Flow Statement  
for the year ended 31 December 2008**

	Notes	2008 £	2007 £
<b>Net cash inflow from operating activities</b>	1	2,237,075	56,662
<b>Returns on investments and servicing of finance</b>	2	28,140	23,351
<b>Taxation</b>		(244,106)	(261,485)
<b>Capital expenditure</b>	2	37,775	882,030
<b>Equity dividends paid</b>		<u>(2,075,000)</u>	<u>(100,000)</u>
		(16,116)	600,558
<b>Financing</b>	2	<u>(40,780)</u>	<u>(260,896)</u>
<b>(Decrease)/Increase in cash in the period</b>		<u>(56,896)</u>	<u>339,662</u>
<b>Reconciliation of net cash flow to movement in net funds</b>	3		
(Decrease)/Increase in cash in the period		(56,896)	339,662
Cash outflow from decrease in debt and lease financing		<u>40,780</u>	<u>260,896</u>
Change in net funds resulting from cash flows		(16,116)	600,558
New hire purchase contracts		<u>(102,530)</u>	-
<b>Movement in net funds in the period</b>		(118,646)	600,558
<b>Net funds at 1 January</b>		<u>1,322,338</u>	<u>721,780</u>
<b>Net funds at 31 December</b>		<u>1,203,692</u>	<u>1,322,338</u>

The notes form part of these financial statements

**Notes to the Cash Flow Statement  
for the year ended 31 December 2008**

**1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2008 £	2007 £
Operating profit	255,520	753,393
Depreciation charges	111,210	110,304
Loss on disposal of fixed assets	30,882	8,356
Decrease in stocks	1,345	15,140
Decrease/(Increase) in debtors	1,436,527	(1,258,664)
Increase in creditors	401,591	428,133
<b>Net cash inflow from operating activities</b>	<b><u>2,237,075</u></b>	<b><u>56,662</u></b>

**2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	2008 £	2007 £
<b>Returns on investments and servicing of finance</b>		
Interest received	30,020	29,079
Interest paid	-	(5,728)
Interest element of hire purchase payments	(1,880)	-
<b>Net cash inflow for returns on investments and servicing of finance</b>	<b><u>28,140</u></b>	<b><u>23,351</u></b>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	(274,975)	(207,520)
Sale of tangible fixed assets	312,750	1,089,550
<b>Net cash inflow for capital expenditure</b>	<b><u>37,775</u></b>	<b><u>882,030</u></b>
<b>Financing</b>		
Loan repayments in year	-	(260,896)
Capital repayments in year	(40,780)	-
<b>Net cash outflow from financing</b>	<b><u>(40,780)</u></b>	<b><u>(260,896)</u></b>

The notes form part of these financial statements

**Warehouse Systems Limited (Registered number: 02421313)**

**Notes to the Cash Flow Statement  
for the year ended 31 December 2008**

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**3. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.1.08 £	Cash flow £	Other non-cash changes £	At 31.12.08 £
Net cash:				
Cash at bank	<u>1,322,338</u>	<u>(56,896)</u>		<u>1,265,442</u>
	<u>1,322,338</u>	<u>(56,896)</u>		<u>1,265,442</u>
Debt:				
Hire purchase	<u>-</u>	<u>40,780</u>	<u>(102,530)</u>	<u>(61,750)</u>
	<u>-</u>	<u>40,780</u>	<u>(102,530)</u>	<u>(61,750)</u>
Total	<u>1,322,338</u>	<u>(16,116)</u>	<u>(102,530)</u>	<u>1,203,692</u>

The notes form part of these financial statements

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**Notes to the Financial Statements  
for the year ended 31 December 2008**

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**1. ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention.

**Turnover**

Turnover represents net invoiced sales of goods, excluding value added tax.

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- 2% on cost
Plant and machinery	- 20% on reducing balance
Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer Equipment	- 25% on 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.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

• **Warehouse Systems Limited (Registered number: 02421313)**

**Notes to the Financial Statements - continued  
for the year ended 31 December 2008**

**2. STAFF COSTS**

	2008 £	2007 £
Wages and salaries	1,434,997	1,279,143
Social security costs	31,127	22,702
Other pension costs	17,758	14,251
	<u>1,483,882</u>	<u>1,316,096</u>

The average monthly number of employees during the year was as follows:

	2008	2007
Sales	10	10
Project Management	11	10
Administrative	4	5
Management	5	5
Design	2	2
Fabricators	2	-
	<u>34</u>	<u>32</u>

**3. OPERATING PROFIT**

The operating profit is stated after charging:

	2008 £	2007 £
Depreciation - owned assets	91,986	110,303
Depreciation - assets on hire purchase contracts	19,224	-
Loss on disposal of fixed assets	30,882	8,356
Auditors' remuneration	9,525	8,250

Directors' emoluments	<u>271,767</u>	<u>189,550</u>
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Information regarding the highest paid director for the year ended 31 December 2008 is as follows:

	2008 £
Emoluments	<u>101,381</u>

**4. INTEREST PAYABLE AND SIMILAR CHARGES**

	2008 £	2007 £
Bank loan interest	-	4,646
Interest on late paid VAT	-	1,082
Hire purchase	1,880	-
	<u>1,880</u>	<u>5,728</u>

**Notes to the Financial Statements - continued  
for the year ended 31 December 2008**

**5. TAXATION**

**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows:

	2008 £	2007 £
Current tax:		
UK corporation tax	88,840	244,106
Over provision in prior year	-	(223)
Total current tax	88,840	243,883
Deferred tax	-	7,791
Tax on profit on ordinary activities	<u>88,840</u>	<u>251,674</u>

**Factors affecting the tax charge**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2008 £	2007 £
Profit on ordinary activities before tax	<u>283,660</u>	<u>776,744</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2007 - 30%)	79,425	233,023
Effects of:		
Permanent disallowable expenditure	28,380	11,238
Capital allowances in excess of depreciation	(12,707)	(155)
Rate change during the year	1,689	-
Marginal relief	(7,947)	-
Over provision in prior year	-	(223)
Current tax charge	<u>88,840</u>	<u>243,883</u>

**6. DIVIDENDS**

	2008 £	2007 £
Final	<u>2,075,000</u>	<u>100,000</u>

**Warehouse Systems Limited (Registered number: 02421313)**

**Notes to the Financial Statements - continued  
for the year ended 31 December 2008**

**7. TANGIBLE FIXED ASSETS**

	Freehold property £	Improvements to property £	Plant and machinery £
<b>COST</b>			
At 1 January 2008	300,000	-	40,233
Additions	-	63,200	177,253
Disposals	<u>(300,000)</u>	<u>-</u>	<u>(30,502)</u>
At 31 December 2008	<u>-</u>	<u>63,200</u>	<u>186,984</u>
<b>DEPRECIATION</b>			
At 1 January 2008	6,000	-	31,978
Charge for year	-	-	14,294
Eliminated on disposal	<u>(6,000)</u>	<u>-</u>	<u>(27,123)</u>
At 31 December 2008	<u>-</u>	<u>-</u>	<u>19,149</u>
<b>NET BOOK VALUE</b>			
At 31 December 2008	<u>-</u>	<u>63,200</u>	<u>167,835</u>
At 31 December 2007	<u>294,000</u>	<u>-</u>	<u>8,255</u>

	Fixtures and fittings £	Motor vehicles £	Computer Equipment £	Totals £
<b>COST</b>				
At 1 January 2008	191,875	339,622	215,465	1,087,195
Additions	6,236	104,005	26,811	377,505
Disposals	<u>(63,454)</u>	<u>(48,839)</u>	<u>(126,129)</u>	<u>(568,924)</u>
At 31 December 2008	<u>134,657</u>	<u>394,788</u>	<u>116,147</u>	<u>895,776</u>
<b>DEPRECIATION</b>				
At 1 January 2008	84,429	133,294	150,043	405,744
Charge for year	14,565	67,058	15,293	111,210
Eliminated on disposal	<u>(49,912)</u>	<u>(32,902)</u>	<u>(109,355)</u>	<u>(225,292)</u>
At 31 December 2008	<u>49,082</u>	<u>167,450</u>	<u>55,981</u>	<u>291,662</u>
<b>NET BOOK VALUE</b>				
At 31 December 2008	<u>85,575</u>	<u>227,338</u>	<u>60,166</u>	<u>604,114</u>
At 31 December 2007	<u>107,446</u>	<u>206,328</u>	<u>65,422</u>	<u>681,451</u>



**Warehouse Systems Limited (Registered number: 02421313)**

**Notes to the Financial Statements - continued  
for the year ended 31 December 2008**

**7. TANGIBLE FIXED ASSETS - continued**

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	<b>Motor vehicles £</b>
<b>COST</b>	
Additions	<u>102,530</u>
At 31 December 2008	<u>102,530</u>
<b>DEPRECIATION</b>	
Charge for year	<u>19,224</u>
At 31 December 2008	<u>19,224</u>
<b>NET BOOK VALUE</b>	
At 31 December 2008	<u><u>83,306</u></u>

**8. STOCKS**

	<b>2008 £</b>	<b>2007 £</b>
Stocks	<u>-</u>	<u>1,345</u>

**9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2008 £</b>	<b>2007 £</b>
Trade debtors	1,101,899	1,897,143
Amounts owed by group undertakings	-	1,075,000
Amounts owed by related undertakings	37,218	176
Amounts recoverable on contract	363,611	3,432
Other debtors	45,617	3,150
Prepayments and accrued income	<u>57,236</u>	<u>63,207</u>
	<u><u>1,605,581</u></u>	<u><u>3,042,108</u></u>

**10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2008 £</b>	<b>2007 £</b>
Hire purchase contracts (see note 12)	46,185	-
Trade creditors	2,522,580	2,385,439
Amounts owed to group undertakings	353,750	-
Tax	88,840	244,106
Social security and other taxes	42,000	36,263
VAT	114,513	145,267
Accruals and deferred income	<u>24,470</u>	<u>88,753</u>
	<u><u>3,192,338</u></u>	<u><u>2,899,828</u></u>

Notes to the Financial Statements - continued  
for the year ended 31 December 2008

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2008	2007
	£	£
Hire purchase contracts (see note 12)	<u>15,565</u>	<u>-</u>

12. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

	2008	2007
	£	£
Net obligations repayable:		
Within one year	46,185	-
Between one and five years	<u>15,565</u>	<u>-</u>
	<u>61,750</u>	<u>-</u>

13. PROVISIONS FOR LIABILITIES

	2008	2007
	£	£
Deferred tax	<u>7,791</u>	<u>7,791</u>

	Deferred tax £
Balance at 1 January 2008	<u>7,791</u>
Balance at 31 December 2008	<u>7,791</u>

14. CALLED UP SHARE CAPITAL

Authorised:		Nominal value:	2008	2007
Number:	Class:		£	£
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

Allotted and issued:		Nominal value:	2008	2007
Number:	Class:		£	£
1,000	Share capital	£1	<u>1,000</u>	<u>1,000</u>

**Notes to the Financial Statements - continued  
for the year ended 31 December 2008**

**15. RESERVES**

	<b>Profit and loss account £</b>	<b>Revaluation reserve £</b>	<b>Totals £</b>
At 1 January 2008	1,920,849	217,774	2,138,623
Profit for the year	194,820		194,820
Dividends	(2,075,000)		(2,075,000)
Transfer from revaluation reserve	217,774	(217,774)	-
At 31 December 2008	<u>258,443</u>	<u>-</u>	<u>258,443</u>

**16. ULTIMATE PARENT COMPANY**

The ultimate parent company is Warehouse Systems Holdings Limited, a company registered in England and Wales.

**17. CONTINGENT LIABILITIES**

Subsequent to the year end, the company has given a performance guarantee in the amount of £1,500,000 in respect of a contract undertaken by Dynamic Systems Limited, a company in which the shareholders of Warehouse Systems Holdings Limited have a non-controlling 50% interest.

**18. RELATED PARTY DISCLOSURES**

The company was under the control of the directors throughout the current and previous year.

During the year the company recharged expenditure in the sum of £45,837 to, and incurred costs in the sum of £5,778 from Dynamic Systems Limited, a company in which Mr N A Proctor and Mrs S J Bell-Proctor have a non-controlling 50% interest.

On 27 February 2008 Mr N A Proctor and Mrs S J Bell-Proctor received an interest free loan from the company of £400,000; this loan was repaid in full on 12 August 2008.

**19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<b>2008 £</b>	<b>2007 £</b>
Profit for the financial year	194,820	525,070
Dividends	<u>(2,075,000)</u>	<u>(100,000)</u>
Net (reduction)/addition to shareholders' funds	<u>(1,880,180)</u>	425,070
Opening shareholders' funds	<u>2,139,623</u>	<u>1,714,553</u>
Closing shareholders' funds	<u>259,443</u>	<u>2,139,623</u>