



OPTION SYSTEMS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

Company Registration Number 02446995

OPTION SYSTEMS LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

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OPTION SYSTEMS LIMITED
OFFICERS AND PROFESSIONAL ADVISERS
YEAR ENDED 31 DECEMBER 2011

The board of directors

A G Parkinson
L Fox

Company secretary

J Parkinson

Registered office

Standards House
Meridian East
Meridian Business Park
Leicester
LE19 1WZ

Auditor

RSM Tenon Audit Limited
Rivermead House
7 Lewis Court
Grove Park
Enderby
Leicestershire
LE19 1SD

OPTION SYSTEMS LIMITED
THE DIRECTORS' REPORT
YEAR ENDED 31 DECEMBER 2011

The directors present their report and the financial statements of the company for the year ended 31 December 2011

Principal activity

The principal activity of the company during the year continued to be the supply of software, hardware and related consulting services specific to the clothing, footwear and home textile industries

Directors

The directors who served the company during the year were as follows

A G Parkinson
L Fox

Directors' responsibilities

The directors are responsible for preparing the Directors' 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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, 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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

In so far as the directors are, individually, aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Auditor

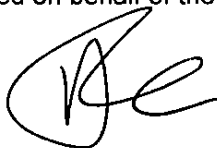
RSM Tenon Audit Limited have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the annual general meeting

OPTION SYSTEMS LIMITED
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 31 DECEMBER 2011

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

Signed on behalf of the directors

A handwritten signature in black ink, appearing to be 'A G Parkinson', written over a faint circular stamp or watermark.

A G Parkinson
Director

Approved by the directors on 1 June 2012

OPTION SYSTEMS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OPTION SYSTEMS LIMITED

YEAR ENDED 31 DECEMBER 2011

We have audited the financial statements of Option Systems Limited for the year ended 31 December 2011 on pages 6 to 12. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 an auditor's report 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

OPTION SYSTEMS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OPTION
SYSTEMS LIMITED *(continued)*
YEAR ENDED 31 DECEMBER 2011

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime

RSM Tenon Audit Limited

Stephen English, Senior Statutory Auditor
For and on behalf of

RSM Tenon Audit Limited
Statutory Auditor
Rivermead House
7 Lewis Court
Grove Park
Enderby
Leicestershire
LE19 1SD

1 June 2012

OPTION SYSTEMS LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2011

	Note	2011 £	2010 £
Turnover	2	1,468,605	1,509,072
Cost of sales		(201,648)	(210,174)
Gross profit		<u>1,266,957</u>	<u>1,298,898</u>
Administrative expenses		(1,158,984)	(1,381,830)
Operating profit/(loss)	3	<u>107,973</u>	<u>(82,932)</u>
Attributable to			
Operating profit before exceptional items		107,973	44,163
Exceptional administrative charge	3	-	(127,095)
		<u>107,973</u>	<u>(82,932)</u>
Profit/(loss) on ordinary activities before taxation		<u>107,973</u>	<u>(82,932)</u>
Tax on profit/(loss) on ordinary activities	5	-	20
Profit/(loss) for the financial year		<u><u>107,973</u></u>	<u><u>(82,912)</u></u>

The notes on pages 8 to 12 form part of these financial statements

OPTION SYSTEMS LIMITED

Registered Number 02446995

BALANCE SHEET**31 DECEMBER 2011**

	Note	2011 £	£	2010 £	£
Fixed assets					
Tangible assets	6		7,426		9,028
Current assets					
Debtors	7	939,303		843,753	
Cash at bank and in hand		259,650		313,832	
		<u>1,198,953</u>		<u>1,157,585</u>	
Creditors: amounts falling due within one year	9	<u>(878,223)</u>		<u>(916,430)</u>	
Net current assets			320,730		241,155
Total assets less current liabilities			<u>328,156</u>		<u>250,183</u>
Creditors: amounts falling due after more than one year	10		(60,000)		(90,000)
			<u>268,156</u>		<u>160,183</u>
Capital and reserves					
Called-up share capital	13		17,000		17,000
Share premium account	14		12,314		12,314
Profit and loss account	14		238,842		130,869
Shareholders' funds			<u>268,156</u>		<u>160,183</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

These financial statements were approved by the directors and authorised for issue on 1 June 2012, and are signed on their behalf by



A G Parkinson
Director

The notes on pages 8 to 12 form part of these financial statements

OPTION SYSTEMS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Turnover

The turnover shown in the profit and loss account represents the value of all goods and services delivered during the year, at selling price exclusive of Value Added Tax. Sales are recognised at the point at which the company has fulfilled its contractual obligations to the customer.

Research and development

Research and development costs incurred within the year are written off to the profit and loss account.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Cost represents purchase price together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Office fixtures, fittings and equipment	- 25% on cost per annum
Computer equipment and software	- 25% on cost per annum

Operating lease agreements

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year. The assets of the scheme are held separately from those of the company in an independently administered fund.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more or a right to pay less tax in the future have occurred by the balance sheet date, with certain limited exceptions.

Deferred tax is calculated on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

OPTION SYSTEMS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

1. Accounting policies (continued)

Foreign currencies

Transactions denominated in foreign currencies are recorded at the rates of exchange ruling at the dates of the transactions, or at an average rate for the period if the rates do not fluctuate significantly. Monetary assets and liabilities are translated at year end exchange rates or, where appropriate, at rates of exchange fixed under the terms of the relevant transaction. The resulting exchange rate differences are charged to the profit and loss account.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2. Turnover

Overseas turnover amounted to 11.31% (2010 - 11.12%) of the total turnover for the year.

3. Operating profit/(loss)

Operating profit/(loss) is stated after charging/(crediting)

	2011 £	2010 £
Staff pension contributions	-	600
Depreciation of owned fixed assets	5,588	6,996
Loss on disposal of fixed assets	138	1,074
Auditor's remuneration	4,000	4,000
Net profit on foreign currency translation	(257)	(6,132)
Exceptional administrative charge	-	127,095
	-	127,095

The exceptional administrative charge in the prior year relates to the waiver of a loan due from B1 Solutions Limited, a fellow subsidiary undertaking.

4. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were

	2011 £	2010 £
Aggregate remuneration	198,724	195,795

5. Taxation on ordinary activities

Analysis of charge in the year

	2011 £	2010 £
Over provision in prior year	-	(20)

OPTION SYSTEMS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

6. Tangible fixed assets

	Office fixtures, fittings and equipment £	Computer equipment and software £	Total £
Cost			
At 1 January 2011	53,948	101,021	154,969
Additions	1,685	2,439	4,124
Disposals	(1,638)	(10,231)	(11,869)
At 31 December 2011	<u>53,995</u>	<u>93,229</u>	<u>147,224</u>
Depreciation			
At 1 January 2011	52,791	93,150	145,941
Charge for the year	761	4,827	5,588
On disposals	(1,500)	(10,231)	(11,731)
At 31 December 2011	<u>52,052</u>	<u>87,746</u>	<u>139,798</u>
Net book value			
At 31 December 2011	<u>1,943</u>	<u>5,483</u>	<u>7,426</u>
At 31 December 2010	<u>1,157</u>	<u>7,871</u>	<u>9,028</u>

7 Debtors

	2011 £	2010 £
Trade debtors	389,817	342,977
Amounts owed by group undertakings	525,598	476,658
Other debtors	22,254	22,484
Deferred taxation (note 8)	1,634	1,634
	<u>939,303</u>	<u>843,753</u>

Included within amounts owed by group undertakings is a balance of £377,347 (2010 £467,248) due in more than one year

8. Deferred taxation

The deferred tax included in the Balance sheet is as follows

	2011 £	2010 £
Included in debtors (note 7)	<u>1,634</u>	<u>1,634</u>

The balance of the deferred taxation account throughout the year was £1,634

OPTION SYSTEMS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

8 Deferred taxation (continued)

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of

	2011	2010
	£	£
Excess of depreciation over taxation allowances	1,634	1,634
	<u>1,634</u>	<u>1,634</u>

9. Creditors: amounts falling due within one year

	2011	2010
	£	£
Bank loans	30,000	30,000
Trade creditors	63,671	138,669
Amounts owed to group undertakings	100	90,000
Other taxation and social security	148,464	95,888
Other creditors	635,988	561,873
	<u>878,223</u>	<u>916,430</u>

10. Creditors: amounts falling due after more than one year

	2011	2010
	£	£
Bank loans	<u>60,000</u>	<u>90,000</u>

The bank loan is secured by way of a fixed and floating charge over the assets of the company and its fellow group undertakings

11. Commitments under operating leases

At 31 December 2011 the company had aggregate annual commitments under non-cancellable operating leases as set out below

	2011	2010
	£	£
Operating leases which expire		
Within 1 year	-	17,035
Within 2 to 5 years	7,617	14,137
	<u>7,617</u>	<u>31,172</u>

OPTION SYSTEMS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

12. Related party transactions

During the year the company recharged expenses of £251,658 (2010 £160,959) to B1 Solutions Limited, a fellow subsidiary undertaking. As stated in note 3, £Nil (2010 £127,095) of amounts due from B1 Solutions Limited has been waived during the year. At the year end amounts due from B1 Solutions Limited were £148,251 (2010 £9,411).

During the year the company incurred a management charge of £12,000 (2010 £12,000) from OSL Holdings Limited, the ultimate parent undertaking. An amount of £377,347 (2010 £467,247) was due from OSL Holdings Limited at the year end.

At the year end an amount of £100 (2010 £90,000) was due to OSL International Limited, the immediate parent undertaking of the company for part of the year.

During the year, a personal guarantee was provided by A G Parkinson, a director of the company, the maximum liability during the year being £40,000, in respect of the bank loan. There were no amounts paid or no liability incurred under this personal guarantee during the year.

13 Share capital

Allotted, called up and fully paid:

	2011		2010	
	No	£	No	£
1,700,000 Ordinary shares of £0.01 each	<u>1,700,000</u>	<u>17,000</u>	<u>1,700,000</u>	<u>17,000</u>

14. Reserves

	Share premium account £	Profit and loss account £
Balance brought forward	12,314	130,869
Profit for the year	–	107,973
Balance carried forward	<u>12,314</u>	<u>238,842</u>

15. Immediate and ultimate parent undertaking

At the year end, OSL Holdings Limited, a company registered in England and Wales, was the immediate and ultimate parent undertaking.

16. Ultimate controlling party

The ultimate controlling party is A G Parkinson by virtue of his majority interest in the issued share capital of OSL Holdings Limited.