Groundwell Logistics Limited

Annual report and financial statements

for the period ended 31 December 2010

Registered number 06998312

Groundwell Logistics Limited
Contents

<u>Registered Office</u>

9 Queensbridge

Patterdown

CHIPPENHAM

SN15 2NS

<u>Director</u>

T Stupfert

Auditor
Grant Thornton UK LLP
Registered Auditor
Chartered Accountants
1st Floor Explorer Building
Fleming Way
Manor Royal
CRAWLEY
RH10 9GT

Groundwell Logistics Limited
Director's report

The director presents his first report on the affairs of the company, together with the financial statements and the report of the independent auditor, for the seventeen month period ended 31 December 2010 The company was incorporated on 24 August 2009

The company is wholly owned by Groundwell Logistics (Swindon) Holdings Limited The company's ultimate parent company is Aurelius AG, which is incorporated in Germany

Principal activities

The company carried out warehouse and fulfilment activities during the period under review

The results of the company for the period are set out in the attached financial statements

Business review

On 1 October 2009 the company gained the contract to perform the warehousing and logistics operation of its then parent company, Book Club Associates Limited On 31 December 2009, Book Club Associates Limited sold its 100% holding in the company to Groundwell Logistics Swindon (Holdings) Limited

Using this significant contract as a base, the company sought to obtain new contracts from third parties relevant to its business of warehousing and logistics with limited success

The results of the company for the period are set out in the attached financial statements

The company carried out a number of restructuring activities throughout the period under review to reduce overheads to be in line with its reducing volumes

Financial highlights

The company's operating activities resulted in an operating loss for the period of £453,672 The company was supported by its main customer, Book Club Associates Limited, to enable it to achieve an equalisation of income and expenditure for most of the period under review However, this financial support ended on 30 September 2010, resulting in the business becoming unprofitable in the last quarter of 2010

Future developments

Book Club Associates Limited - the company's principal client – served notice to terminate its contract with the company late in 2010 As a result of this and failing to achieve any other significant contracts, the company carried out a final restructuring process resulting in serving notice of termination to all employees of the business before the year end

Going concern

As a result of the termination of the Book Club Associates Limited contract it is intended that the company will cease trading In the post balance sheet period, Book Club Trading Limited settled the company's redundancy liabilities - for which the company was fully provided at 31 December 2010

The director recognises that the company requires financial support to continue as a going concern and as such has sought and received assurances from Book Club Trading Limited, an Aurelius Group company, to provide the necessary financial support As such Book Club Trading Limited has provided evidence of its intention to waive both the period end balance and any additional balances recognised until the date of signing these financial statements

Principal risks and uncertainties

The director has reviewed the company's principal risks and uncertainties

Financial Risk Management

The company uses financial instruments comprising cash and cash equivalents, together with various items such as trade receivables and trade payables that arise directly from its operations The main risks arising from the financial instruments are interest rate risk, liquidity risk and credit risk The director reviews and agrees policies for managing these risks although it is recognised that the company requires additional funding and support to continue in business

Groundwell Logistics Limited
Director's report

Significant events since balance sheet date

Details of significant events since the balance sheet date are contained in note 17 to the financial statements

Dividends

The director does not recommend the payment of a dividend

Directors and directors' interests

The directors, who served during the period and since the period end, were as follows

A Day	appointed 19 November 2009	resigned 28 February 2011
P Wagner	appointed 27 January 2011	resigned 6 June 2011
T Stupfert	appointed 6 June 2011	

None of the directors had any interest in the ordinary shares of the company during or since the period end

Supplier payment policy

The company's policy is to settle terms of payment with suppliers when agreeing the terms of each transaction, ensure that suppliers are made aware of the terms of payment and abide by the terms of payment The company had no trade payables at the year end as supplies were managed by Book Club Associates Limited

Charitable and political contributions

The company made no political or charitable donations during the period

Auditor

Grant Thornton UK LLP was appointed as auditor on 5 January 2011 to fill a casual vacancy in accordance with section 485(3) of the Companies Act 2006 Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006

On behalf of the Board

Thomas Stupfert

Director 28. **September 2011**

Company registration number 06998312

Groundwell Logistics Limited
Director's responsibilities

The director is responsible for preparing the director's report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare such financial statements for each financial year Under that law the director has elected to prepare financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and Article 4 of the IAS Under company law the director must not approve the accounts unless the director is 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 these financial statements, the director is required to

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable IFRS accounting standards have been followed, subject to any material departures 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 director is responsible for keeping proper 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 The director is 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

Independent auditor's report to the members of Groundwell Logistics Limited

We have audited the financial statements of Groundwell Logistics Limited for the period ended 31 December 2010 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the related notes The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union

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 director and auditor

As explained more fully in the Director's Responsibilities Statement set out on page 5, the director is 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 (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www frc org uk/apb/scope/private cfm

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 2010 and of its loss for the period then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements

Independent auditors' report to the members of
Groundwell Logistics Limited

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 director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Grant Thornton UK LLP

Nicholas Page
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Gatwick
29 September 2011

Groundwell Logistics Limited
Statement of comprehensive income
For the period ended 31 December 2010

	Note	Period ended 31 December 2010 £
Continuing operations		
Revenue	4	2,298,678
Cost of sales		(69,000)
Gross profit		2,229,678
Administrative expenses	5	(2,683,350)
Operating loss		(453,672)
Loss before tax		(453,672)
Tax	8	-
Total comprehensive loss for the period	5	(453,672)
Attributable to		
Owners of the company		(453,672)

The accompanying notes on pages 11 to 21 form an integral part of the financial statements

Groundwell Logistics Limited
Statement of financial position
As at 31 December 2010

	Note	2010 £
Current assets		
Trade and other receivables	9	32,593
Total assets		32,593
Current liabilities		
Trade and other payables	10	(331,264)
Provisions	11	(155,000)
		(486,264)
Net liabilities		**(453,671)**
Equity		
Share capital	12	1
Retained earnings	13	(453,672)
Total equity		**(453,671)**

The financial statements of were authorised and approved by the director on 28 September 2011 They were signed by

Thomas Stupfert

Director

The accompanying notes on pages 11 to 21 form an integral part of the financial statements

Groundwell Logistics Limited

Statement of changes in equity
For the period ended 31 December 2010

	Share Capital £	Retained Earnings £	Total Equity £
Balance at 24 August 2009	-	-	-
£1 nominal share issued and fully paid	1	-	1
Total comprehensive loss for the period	-	(453,672)	(453,672)
Balance at 31 December 2010	1	(453,672)	(453,671)

Statement of Cash Flows
For the year ended 31 December 2010

	Note	Period ended 31 December 2010 £
Net cash decrease from operating activities	20	(326,411)
Cash flows from financing activities		
Receipt from share issue		1
Increase in borrowings		326,410
Net cash from financing activities		326,411
Net increase in cash and cash equivalents		-
Cash and cash equivalents at beginning of period		-
Cash and cash equivalents at end of period	20	-

The accompanying notes on pages 11 to 21 form an integral part of the financial statements

Groundwell Logistics Limited
Notes to the financial statements
For the period ended 31 December 2010

1 General information

Groundwell Logistics Limited is a company incorporated on 24 August 2009 in the United Kingdom The address of the registered office is given on page 2 The nature of the company's operations and its principal activities are set out in the director's report on page 3

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the company operates

2 Significant accounting policies

Basis of preparation

The financial statements have been prepared and approved by the director in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRSs") as they apply to the financial statements of the company for the period ended 31 December 2010 and applied in accordance with the Companies Act 2006

The financial statements have been prepared for the period from incorporation and are on the historical cost basis except where indicated otherwise in note 3

The financial statements are presented in sterling, which is also the company's functional currency except where indicated

Going concern

As a result of the termination of the Book Club Associates Limited contract it is intended that the company will cease trading In the post balance sheet period Book Club Trading Limited settled the company's redundancy liabilities - for which the company was fully provided at 31 December 2010

The director recognises that the company requires financial support to continue as a going concern and as such has sought and received assurances from Book Club Trading Limited, an Aurelius Group company, to provide the necessary financial support As such Book Club Trading Limited has provided evidence of its intention to waive both the period end balance and any additional balances recognised until the date of signing these financial statements

Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements Further detail is contained in the Business review section of the director's report on page 3

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee All other leases are classified as operating leases

The Company as lessee

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred

2 Significant accounting policies (continued)

Retirement benefit costs

Payments to the defined contribution retirement benefit GPPP scheme with Aviva plc are charged as an expense as they fall due Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the company's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme

The company does not operate any defined benefit schemes

Taxation

Current tax is the tax currently payable based on taxable profit for the year

Deferred income taxes are calculated using the liability method on temporary differences Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases However, deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit In addition, tax losses available to be carried forward as well as other income tax credits to the company are assessed for recognition as deferred tax assets

Deferred tax liabilities are provided in full, with no discounting Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income Current and deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the statement of comprehensive income, except where they relate to items that are charged or credited directly to equity, in which case the related deferred tax is also charged or credited directly to equity

Financial Assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through the statement of comprehensive income, which are initially measured at fair value

Financial assets are classified into the following specified categories financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables' The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables' Loans and receivables are measured at amortised cost using the effective interest method, less any impairment Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial

2 Significant accounting policies (continued)

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each period end date

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis Objective evidence of impairment for a portfolio of receivables could include past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account When a trade receivable is considered uncollectible, it is written off against the allowance account Subsequent recoveries of amounts previously written off are credited against the allowance account Changes in the carrying amount of the allowance account are recognised in the statement of comprehensive income

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs

Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably

Restructuring

A restructuring provision is recognised when the company has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity

3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 2, the director is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant

Groundwell Logistics Limited
Notes to the financial statements (continued)
For the period ended 31 December 2010

3. Critical accounting judgements and key sources of estimation uncertainty (continued)

Critical judgements in applying the company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the director has made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in financial statements

Going Concern

The director has, at the time of approving the financial statements, reasonable expectations that the company has adequate resources, or financial support assurances, to continue in operational existence for the foreseeable future Thus they have continued to adopt the going concern basis of accounting in preparing the financial statements Further detail is contained in the Business review section of the director's report on page 3

Accounting Estimates and Judgements

In preparing the financial statements, management is required to make estimates and assumptions concerning the future Such judgements are based on historical experience, management's expectations of future events and other relevant factors The areas where significant estimates and assumptions have been required and which could result in a material adjustment to the carrying value of assets and liabilities within the next financial year are as follows

Trade receivables - provision for doubtful debts

The director has reviewed the trade receivables with a view to ensuring that the carrying value on the balance sheet is their best estimate of the recoverable value In making this judgement, they have considered the impact of changes to the business and historical recovery rates

New standards and interpretations

During the period, a number of new standards and interpretations have come into force and hence have been adopted, where applicable, by the company The adoption of these standards and interpretations has had no material effect on the company's financial statements

The accounting policies are consistent with the revisions and amendments to IFRS issued by the IASB, which are relevant to and effective for the annual period beginning 1 January 2010 These are as follows

- IFRS 3 *Business Combinations* (Revised 2008)
- IAS *27 Consolidated and Separate Financial Statements* (Revised 2008)
- *Improvements to IFRSs 2009*

There are no significant effects on current or future periods arising from the first-time application of these new requirements in respect of presentation, recognition and measurement

Groundwell Logistics Limited
Notes to the financial statements (continued)
For the period ended 31 December 2010

Standards in issue not yet effective

The IASB and IFRIC have issued the following Standards and Interpretations which are in issue but not yet effective

- IFRS 9 Financial Instruments (effective 1 January 2013)
- IAS 24 (Revised 2009) Related Party Disclosures (effective 1 January 2011)
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments (effective 1 July 2010)
- Improvements to IFRS issued May 2010 (some changes effective 1 July 2010, others effective 1 January 2011)
- Deferred Tax Recovery of Underlying Assets - Amendments to IAS 12 Income Taxes (effective 1 January 2012)

The company does not anticipate that the adoption of these Standards and Interpretations will have a material effect on its financial statements on initial adoption

4 Revenue

An analysis of the company's revenue for the period is as follows

	Period ended 31 December 2010 £
Continuing operations	
Sales warehousing and logistic services	2,298,678

All revenue was obtained from the UK

5 Loss for the period

Loss for the period has been arrived at after charging

	Period ended 31 December 2010 £
Administration expenses	
Staff costs (note 6)	1,247,733
Restructuring costs (note 7)	777,694
Operating lease rentals - warehouse	321,750
Fees payable to the company's auditor for the audit of the company's annual accounts	-

No audit fee has been accrued as this is to be paid by another Aurelius Group company There were also no non audit fees paid to the auditor, Grant Thornton UK LLP

6 Staff costs & directors' remuneration

The average monthly number of employees during the period (including executive directors) was 51

The aggregate payroll costs were as follows

	Period ended 31 December 2010 £
Wages and salaries	1,151,343
Social security costs	67,672
Other pension costs (see note 15)	28,718
	1,247,733

Directors' remuneration

Remuneration in respect of directors for the period, or from date of appointment, are as follows

	Period ended 31 December 2010 £
Directors emoluments	154,913
Pension contributions	5,809
Aggregate emoluments	160,722

The highest paid director's emoluments were £160,722 during the period

One director was not remunerated by the company, but was paid by other companies in the Aurelius Group

7 Restructuring costs

	Period ended 31 December 2010 £
Redundancy costs	777,694

Redundancy costs have been incurred throughout the period as a result of lower order volumes necessitating reducing related costs, mainly employees To the extent that employees could not be redeployed, redundancy terms were agreed and settled, although a provision has been made for the few staff still to leave the business as at 31 December 2010 (see note 11)

Groundwell Logistics Limited
Notes to the financial statements (continued)
For the period ended 31 December 2010

8. Tax

	Period ended 31 December 2010 £
Current tax expense	-

Reconciliation of effective tax rate

	Period ended 31 December 2010 £
Loss before tax	(453,672)
Tax at the UK corporation tax rate of 28%	(127,028)
Tax effect of tax losses not recognised as deferred tax assets	127,028
Total current tax	-

9 Other financial assets

Trade and other receivables

	2010 £
Trade receivables, gross	32,593
Allowance for doubtful debts	-
Trade receivables, net	32,593

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost

The director considers that the carrying amount of trade and other receivables is approximately equal to their fair value

The company has no significant exposure to foreign currency or interest rate risk

10 Trade and other payables

	2010 £
Other payables	
VAT payable	4,854
Loan payable to Book Club Trading Limited	326,410
	331,264

During the period, direct trade supplies normally associated with a warehousing and logistics facility was ordered and settled by Book Club Associates Limited, an Aurelius Group company and main customer

For VAT no interest is charged on the amount outstanding provided it is paid within 30 days of the VAT period end The company has financial risk management policies in place to ensure that all payables are normally paid within the known period

The company received financial support during the period by Book Club Associates Limited, an Aurelius Group company and its main customer At year end, the financial loan was transferred to another Aurelius company, Book Club Trading Limited The loan has no terms of repayment and is non-interest bearing At the date of signing these financial statements, Book Club Trading Limited has provided evidence of its intention to waive both the period end balance and the 2011 additional intercompany debtor balance of £172,539

The director considers that the carrying amount of trade and other payables approximates to their fair value

11 Provisions

Restructure provision	£
At 24 August 2009	-
Additional provision in the period	155,000
At 31 December 2010	**155,000**

The restructure provision represents management's best estimate of the termination costs of employees due to leave the company in early 2011

Groundwell Logistics Limited
Notes to the financial statements (continued)
For the period ended 31 December 2010

12 Share capital

	2010 £
Authorised 1,000,000 ordinary shares of £1 each	1,000,000
Issued and fully paid 1 ordinary share of £1 each	1

The company has one class of ordinary shares which carry no right to fixed income

13. Equity movements

	Share capital £	Retained earnings £	Total £
Balance at 24 August 2009	-	-	-
Share issue and receipt of payment	1	-	1
Net loss for the period	-	(453,672)	(453,672)
Balance at 31 December 2010	**1**	**(453,672)**	**(453,671)**

On 24 August 2009 the company issued one ordinary share at par value

14 Financial assets and liabilities

Fair value measurement methods

Measurement methods for financial assets and liabilities accounted for amortised cost are described below

The carrying amount of trade and other receivables, trade and other payables and loans payable is considered a reasonable approximation of fair value

Financial assets

Assets	**Loans & receivables 2010 £**
Trade and other receivables	32,593

The company's financial assets are all current and are classified as loans and receivables under IAS 39 and are held at amortised cost

14. Financial assets and liabilities (continued)

Financial liabilities

Assets	Other financial liabilities 2010 £
Trade and other payables	4,853
Loans payable	326,410
	331,263

The company's financial liabilities are all current and are classified as other financial liabilities under IAS 39 and are held at amortised cost

15 Retirement benefit schemes

Defined contribution scheme

For the 17 month period to 31 December 2010, the company made contributions to the Defined Contribution GPPP Scheme held at Aviva plc of £28,718

16 Events after the balance sheet date

Following the year end, all the company's employees left under terms of redundancy, which was paid from the continuing financial support of Book Club Trading Limited The provision shown in note 11 was released with no material variation to amount paid out The outstanding trade debtors were received and VAT creditor paid At the date of signing these financial statements, Book Club Trading Limited has provided evidence of its intention to waive both the period end balance shown in note 10 and the 2011 additional intercompany loan debtor balance of £172,539, leaving the company as a non-trading entity

17 Operating lease arrangements

The company as lessee

	2010 £
Minimum lease payments under operating leases recognised as an expense in the period - property lease	321,750

At the balance sheet date, the company had no outstanding commitments for future minimum lease payments under non-cancellable operating leases Since the year end the property lease has been surrendered at no additional cost to the company,

Groundwell Logistics Limited
Notes to the financial statements (continued)
For the period ended 31 December 2010

18. Related party transactions

Trading transactions

During the period, the company entered into the following transactions and have a balance at 31 December 2010 with other group companies of

	Property lease	Logistics cost recharge	Balance due from/(to) at 31 December 2010
	£	£	£
Old Book Club Associates Limited	322,500	-	-
Book Club Associates Limited	-	2,264,803	-
Book Club Trading Limited - loan	-	-	(326,410)

19 Parent and ultimate holding company

The company is wholly owned by Groundwell Logistics (Swindon) Holdings Limited, registered in England, UK The ultimate holding company is Aurelius AG, a company also registered in Germany The registered address of Aurelius AG is Ludwig-Ganghofer-Straße 6, 82031 Grunwald, Germany

20. Notes to the cash flow statement

	2010
	£
Operating loss	(453,672)
Cash generated by operations	
Increase in trade receivables	(32,593)
Increase in trade and other payables	4,854
Increase in provisions	155,000
Net cash movement from operating activities	(326,411)

Cash and cash equivalents

	2010
	£
Cash and bank balances	-