COMPANIES HOUSE

2603821

BAZ-ROLL INTERNATIONAL LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 1998

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COMPANIES HOUSE 22/12/98

BAZ-ROLL INTERNATIONAL LIMITED

COMPANY INFORMATION

DIRECTORS	B A Malandrinos P Malandrinos
SECRETARY	P Malandrinos
BANKERS	Lloyds Bank Plc 10 High Street Bracknell RG12 1BT
AUDITORS	Leach and Co. 18-20 George Street Richmond Surrey TW9 1PR
REGISTERED OFFICE	Ashley House 18-20 George Street Richmond Surrey TW9 1PR
REGISTERED NUMBER	2603821 (England and Wales)

BAZ–ROLL INTERNATIONAL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 1998

The directors present their annual report together with the audited financial statements of the company for the year ended 31 May 1998.

PRINCIPAL ACTIVITY

The principal activity of the company throughout the year continued to be that of dealers in industrial and agricultural machinery.

REVIEW OF BUSINESS

The results for the year are set out in the annexed profit and loss account.

Turnover has increased during the year by .4% to £465,256. The directors consider the profit for the year achieved on ordinary activities before taxation to be particularly satisfactory in the light of difficult trading conditions.

DIVIDENDS

The directors do not recommend the payment of a dividend for the year.

No dividends were declared in respect of the previous year.

DIRECTORS

The directors who held office during the year and their beneficial interests in the issued share capital were as follows:

	Ordinary shares of £1 each	
	31 May 1998	31 May 1997
B A Malandrinos	50	50
P Malandrinos	50	50

FIXED ASSETS

The movements in the fixed assets of the company are disclosed in note 7 to the financial statements.

DIRECTORS MATERIAL INTERESTS

During the year the company had dealings with Baz–Roll Products Limited a company in which the directors had a material interest. All transactions were entered into on an arms length basis.

BAZ—ROLL INTERNATIONAL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 1998

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 as at the end of the financial year 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;

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 maintaining proper accounting records which 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. 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.

AUDITORS

The auditors, Leach and Co., will be proposed for re—appointment in accordance with Section 384 of the Companies Act 1985.

Signed on behalf of the board of directors

P Malandrinos
Secretary

Approved by the board on: 4 December 1998

AUDITORS' REPORT TO THE SHAREHOLDERS OF

BAZ—ROLL INTERNATIONAL LIMITED

We have audited the financial statements on pages 5 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors
As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion
We conducted our audit in accordance with Auditing Standards 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.

Opinion
In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 May 1998 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

LEACH AND CO.
Registered Auditor and
Chartered Accountants

18—20 George Street
Richmond
Surrey TW9 1PR

4 December 1998

BAZ—ROLL INTERNATIONAL LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MAY 1998

	Notes	1998		1997	
		£	£	£	£
TURNOVER	2		465,256		463,298
Cost of sales			386,014		404,015
GROSS PROFIT			79,242		59,283
Selling and distribution costs		-		298	
Administrative expenses		31,739		28,577	
			31,739		28,875
OPERATING PROFIT	3		47,503		30,408
Other operating income			48,552		48,146
			96,055		78,554
Interest payable	5		39,528		31,176
PROFIT on ordinary activities before taxation			56,527		47,378
TAXATION on profit on ordinary activities	6		13,388		12,825
PROFIT on ordinary activities after taxation			43,139		34,553
RETAINED PROFIT BROUGHT FORWARD			43,537		8,984
BALANCE CARRIED FORWARD			£ 86,676		£ 43,537

There were no recognised gains nor losses other than those included in the profit and loss account.

None of the company's activities were acquired or discontinued during the above two years.

The notes on pages 7 to 11 form part of these financial statements.

BAZ—ROLL INTERNATIONAL LIMITED

BALANCE SHEET — 31 MAY 1998

	Notes	1998		1997	
		£	£	£	£
FIXED ASSETS					
Tangible assets	7		417,598		424,822
CURRENT ASSETS					
Stock	8	-		17,038	
Debtors	9	273,071		230,963	
Cash at bank and in hand		25,990		15,884	
		299,061		263,885	
CREDITORS: amounts falling due within one year	10	282,888		289,610	
NET CURRENT ASSETS/(LIABILITIES)			16,173		(25,725)
TOTAL ASSETS LESS CURRENT LIABILITIES			433,771		399,097
CREDITORS: amounts falling due after more than one year	11		346,995		355,460
			£ 86,776		£ 43,637
CAPITAL AND RESERVES					
Called up share capital	13		100		100
Profit and loss account			86,676		43,537
SHAREHOLDERS FUNDS	14		£ 86,776		£ 43,637

Approved by the board of directors on 4 December 1998 and signed on its behalf.

B A Malandrinos
Director

The notes on pages 7 to 11 form part of these financial statements.

BAZ—ROLL INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS — 31 MAY 1998

1 ACCOUNTING POLICIES

The principal accounting policies which are adopted in the preparation of the financial statements are set out below.

Basis of accounting

The financial statements have been prepared in accordance with applicable Accounting Standards under the historical cost convention (as modified by the revaluation of certain assets).

The company has taken advantage of the exemption in FRS 1 from the requirement to prepare a cash flow statement on the grounds that it is a small company.

Turnover

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

Tangible fixed assets

Depreciation is provided at rates calculated to write off each asset over its estimated useful life. The principal annual rates in use are:

Freehold buildings	2%	on cost

Foreign exchange

Transactions denominated in foreign currencies are converted into sterling and recorded at the exchange rates ruling at the date of the transaction.

2 TURNOVER

The turnover and profit for the year before taxation is attributable to the one principal activity of the company.

No exports were made by the company during the year.

3 OPERATING PROFIT

The operating profit is stated after charging:

	1998	1997
	£	£
Directors' emoluments	-	-
Depreciation	7,224	7,224
Auditors' remuneration	665	600

BAZ-ROLL INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 MAY 1998

(continued)

4 INCOME FROM FIXED ASSET INVESTMENTS

	1998	1997
	£	£
Rent receivable	47,783	48,146

5 INTEREST PAYABLE

	1998	1997
	£	£
Repayable within five years:		
Bank loans and overdrafts	39,528	31,176

6 TAXATION

	1998	1997
	£	£
Corporation tax on ordinary activities at 21%	13,388	12,825

7 TANGIBLE FIXED ASSETS

	Land and buildings	Total
Cost or valuation		
At 31 May 1997	460,927	460,927
At 31 May 1998	460,927	460,927
Depreciation		
At 31 May 1997	36,105	36,105
Charge for the year	7,224	7,224
At 31 May 1998	43,329	43,329
Net book value		
At 31 May 1998	£ 417,598	£ 417,598
At 31 May 1997	£ 424,822	£ 424,822

The net book value of land and buildings at 31 May 1998 is made up as follows:

	1998	1997
	£	£
Freehold buildings	417,598	424,822
	417,598	424,822

BAZ–ROLL INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 31 MAY 1998

(continued)

8 STOCK

	1998	1997
	£	£
Raw materials	-	17,038

9 DEBTORS

	1998	1997
	£	£
Trade debtors	233,928	163,776
Due from related companies	31,181	59,224
Prepaid expenses	7,962	7,963
	273,071	230,963

10 CREDITORS: amounts falling due within one year

	1998	1997
	£	£
Trade creditors	55,691	74,722
Accrued expenses	32,319	7,455
Social security and other taxes	6,630	19,748
Other creditors	174,860	174,860
	269,500	276,785
Taxation	13,388	12,825
	282,888	289,610

11 CREDITORS: amounts falling due after more than one year

	1998	1997
	£	£
Bank loans (note 12)	346,995	355,460
	346,995	355,460

BAZ-ROLL INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 31 MAY 1998

(continued)

12 BANK LOANS AND OVERDRAFTS

The aggregate amount of bank loans and overdrafts was as follows:

	1998	1997
	£	£
(a) Falling due within one year		
(b) Falling due after more than one year		
Bank loan	346,995	355,460
	346,995	355,460
Aggregate amounts	346,995	355,460

The bank loan is secured on the freehold property of the company. Interest only payments are to be made in connection with this loan at 2.5% p.a. above the Finance House Association Base Rate until 23 July 2001. The bank loan will then be repaid in full.

13 CALLED UP SHARE CAPITAL

	1998	1997
	£	£
Authorised		
Ordinary shares of £1 each	100	100
Allotted, called up and fully paid		
Ordinary shares of £1 each	100	100

14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1998	1997
	£	£
Profit for the year	43,139	34,553
Shareholders' funds at 31 May 1997	43,637	9,084
Shareholders' funds at 31 May 1998	86,776	43,637

BAZ—ROLL INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS — 31 MAY 1998

(continued)

15 ULTIMATE CONTROL

The company is controlled by B.A. Malandrinos Esq. a director of the company.