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BAZ-ROLL INTERNATIONAL LIMITED AND SUBSIDIARY COMPANIES
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2003



BAZ-ROLL INTERNATIONAL LIMITED AND SUBSIDIARY COMPANIES

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COMPANY INFORMATION

Directors: B. Malandrinos Esq. (Chairman)
Mrs. P. Malandrinos
Mrs. D.I. Henderson
P. Griffiths Esq.
T. Walker Esq.

Secretary: Mrs. P. Malandrinos

Auditors: Leach & Co.
Ashley House,
136 Tolworth Broadway
Surbiton, Surrey
KT6 7LA

Registered Office: Ashley House,
136 Tolworth Broadway
Surbiton, Surrey
KT6 7LA

Registered Number: 379548, England

BAZ-ROLL INTERNATIONAL LIMITED AND SUBSIDIARY COMPANIES

REPORT OF THE DIRECTORS TO THE MEMBERS OF BAZ-ROLL INTERNATIONAL LIMITED

The directors have pleasure in presenting their annual report and audited financial statements of the company and the group for the year ended 31 May 2003.

Principal activity

The principal activity of the group during the year was that of dealers in industrial and agricultural materials handling equipment.

Directors and their interests in the shares of the group

The directors who served on the board throughout the year, and their shareholdings in the company and in the subsidiary companies were as follows:

	Ordinary shares of £1 each			
	Baz-Roll International Limited		Baz-Roll Products Limited	
	1 June 2002	31 May 2003	1 June 2002	31 May 2003
B. Malandrinos Esq.	50	1,246	83	-
Mrs. P. Malandrinos	50	250	-	-
Mrs. D.I. Henderson	-	-	-	-
P. Griffiths Esq.	-	-	-	-
T. Walker Esq.	-	-	-	-

	Ordinary shares of £1 each	
	Skoots (Moving Systems) Limited	
	1 June 2002	31 May 2003
B. Malandrinos Esq.	167	-
Mrs. P. Malandrinos	-	-
Mrs. D.I. Henderson	-	-
P. Griffiths Esq.	-	-
T. Walker Esq.	-	-

Trustee shareholding

204 ordinary shares of £1 each are held by the Marina Malandrinos Will Trust. MA Boundy a partner in Leach & Co. the company's auditors, is a joint trustee with BA Malandrinos and ND Millett.

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 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;
- Follow applicable accounting standards, subject to any material departures disclosed and explained in the financial statements;
- 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.

BAZ-ROLL INTERNATIONAL LIMITED AND SUBSIDIARY COMPANIES**REPORT OF THE DIRECTORS
TO THE MEMBERS OF BAZ-ROLL INTERNATIONAL LIMITED****Events during the year**

On 1 June 2002 the company issued a further 400 ordinary shares of £1 each credited as fully paid out of accumulated reserves. On the same date it acquired the whole of the ordinary share capital of Baz-Roll Products Limited and Skoots (Moving Systems) Limited by issuing a further 1,200 ordinary shares of £1 each.

The consolidated accounts which accompany this Report have been prepared using the merger method of accounting. Consequently the consolidated accounts show corresponding amounts for the previous financial year adjusted as if the merger had occurred on 1 June 2001.

Auditors

Messrs. Leach & Co., Chartered Accountants, have expressed their willingness to continue in office and a resolution proposing their reappointment as auditors to the company will be put to the forthcoming annual general meeting.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small groups.

Signed on behalf of the board of directors



Mrs. D. Henderson
Secretary

Date: 11 December 2003

BAZ-ROLL INTERNATIONAL LIMITED AND SUBSIDIARY COMPANIES

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BAZ-ROLL INTERNATIONAL LIMITED

We have audited the financial statements of Baz-Roll International Limited for the year ended 31 May 2003 which comprise the Profit and Loss account, the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention and 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 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 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.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 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 affairs of the company and the group as at 31 May 2003 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Leach & Co.

LEACH & CO.
Chartered Accountants
& Registered Auditors

Ashley House,
136 Tolworth Broadway
Surbiton
Surrey, KT6 7LA

Date: 11 December 2003

BAZ-ROLL INTERNATIONAL LIMITED AND SUBSIDIARY COMPANIES

GROUP PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MAY 2003

	Note	2003	2002
TURNOVER	2	2,293,792	2,221,329
Cost of sales		1,407,318	1,347,350
GROSS PROFIT		886,474	873,979
Selling and distribution costs		66,246	50,669
Administrative expenses		646,693	595,392
OPERATING PROFIT	3	173,535	227,918
Investment income	6	8,025	4,969
Interest payable and similar charges		(21,129)	(28,757)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		160,431	204,130
Tax on profit on ordinary activities	7	36,584	45,748
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		123,847	158,382
Minority interests		-	-
PROFIT ATTRIBUTABLE TO MEMBERS			
OF THE HOLDING COMPANY	8	123,847	158,382
Proposed dividend on ordinary shares		-	-
RETAINED PROFIT FOR THE FINANCIAL YEAR		£ 123,847	£ 158,382

All of the group's operations are classed as continuing.

There are no recognised gains or losses other than those included in the profit and loss account.

BAZ-ROLL INTERNATIONAL LIMITED AND SUBSIDIARY COMPANIES

GROUP BALANCE SHEET
AS AT 31 MAY 2003

	Note	2003	2002
FIXED ASSETS			
Tangible assets	9	566,906	607,327
CURRENT ASSETS			
Stock	11	584,018	556,495
Debtors	12	637,939	625,305
Cash at bank and in hand		500,364	476,874
		<u>1,722,321</u>	<u>1,658,674</u>
CREDITORS: Amounts falling due			
within one year	13	<u>764,846</u>	<u>761,946</u>
NET CURRENT ASSETS		<u>957,475</u>	<u>896,728</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,524,381</u>	<u>1,504,055</u>
CREDITORS: Amounts falling due			
after one year		<u>(182,496)</u>	<u>(281,358)</u>
		<u>1,341,885</u>	<u>1,222,697</u>
PROVISION FOR LIABILITIES AND CHARGES			
Deferred taxation	15	(2,400)	(6,600)
MINORITY INTERESTS			
		<u>£ 1,339,485</u>	<u>£ 1,216,097</u>
CAPITAL AND RESERVES			
Called-up share capital	16	1,700	400
Profit and loss account	17	<u>1,337,785</u>	<u>1,215,238</u>
SHAREHOLDERS' FUNDS (All equity interest)		<u>£ 1,339,485</u>	<u>£ 1,215,638</u>

These accounts have been prepared in accordance with the special provisions relating to small companies within part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).



B. Malandrinos, Director

The financial statements were approved by the board of directors on 11 December 2003.

BAZ-ROLL INTERNATIONAL LIMITED

BALANCE SHEET
AS AT 31 MAY 2003

	Note	2003	2002
FIXED ASSETS			
Tangible assets	9	387,478	388,702
Investments	10	1,200	-
		<u>388,678</u>	<u>388,702</u>
CURRENT ASSETS			
Debtors	12	645,794	575,603
Cash at bank and in hand		54,514	36,041
		<u>700,308</u>	<u>611,644</u>
CREDITORS: Amounts falling due			
within one year	13	<u>559,554</u>	<u>459,742</u>
NET CURRENT ASSETS		<u>140,754</u>	<u>151,902</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>529,432</u>	<u>540,604</u>
CREDITORS: Amounts falling due			
after one year	14	<u>(166,041)</u>	<u>(242,698)</u>
		<u>363,391</u>	<u>297,906</u>
PROVISION FOR LIABILITIES AND CHARGES			
Deferred taxation	15	-	-
		<u>£ 363,391</u>	<u>£ 297,906</u>
CAPITAL AND RESERVES			
Called-up share capital	16	1,700	100
Profit and loss account	17	361,691	297,806
SHAREHOLDERS' FUNDS (All equity interest)		<u>£ 363,391</u>	<u>£ 297,906</u>

These accounts have been prepared in accordance with the special provisions relating to small companies within part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).



B. Malandrinos, Director

The financial statements were approved by the Board of Directors on 11 December 2003

BAZ-ROLL INTERNATIONAL LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2003

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 the Financial Reporting Standard for Smaller Entities (effective June 2002) under the historical cost convention.

The consolidated accounts have been prepared using the merger method of accounting. Consequently the consolidated accounts show corresponding amounts for the previous financial year adjusted as if the merger had occurred on 1 June 2001.

Turnover

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

Tangible fixed assets

Depreciation is provided on all tangible fixed assets other than freehold land at rates calculated to write off the cost of each asset over its expected useful life. Details are as follows:

Plant and machinery	15% p.a. straight line
Motor vehicles	25% p.a. on net book value
Fixtures and fittings	15% p.a. on net book value
Computer equipment	20% p.a. on net book value
Freehold buildings	2% p.a. on cost

Stocks

Stock and work in progress is valued at the lower of cost and estimated net realisable value, after making due allowance for obsolete and slow moving items.

Deferred taxation

Full provision is made using the liability method for all timing differences.

Foreign currencies

Transactions in foreign currencies are converted to sterling at the rate ruling at the time of the transaction. Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

BAZ-ROLL INTERNATIONAL LIMITED AND SUBSIDIARY COMPANIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2003**

2. TURNOVER

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

3. OPERATING PROFIT

Group	
2003	2002
£	£

This is stated after charging:

Directors' remuneration (Note 5)	175,541	137,412
Auditors' remuneration	7,122	6,875
Depreciation of tangible fixed assets	58,861	48,300
Loss on sale of tangible fixed assets	1,774	8,841

4. STAFF COSTS

Group	
2003	2002
439,041	387,104
38,596	37,960
£ 477,637	£ 425,064

5. DIRECTORS' REMUNERATION

Group	
2003	2002
128,357	115,244
47,184	22,168
£ 175,541	£ 137,412

6. INVESTMENT INCOME

2003	2002
£ 8,025	£ 4,969

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

Group	
2003	2002
Based on the profit for the year:	
Corporation tax at 20.1% (2002- 21.3%)	40,784
Transfer from deferred taxation	41,488
Relating to prior years	850
	3,410
£ 36,584	£ 45,748

8. PARENT COMPANY PROFIT FOR THE YEAR ENDED 30 SEPTEMBER 2003

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the year, after taxation, was £64,285 (2002 - £48,939).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2003**

9. TANGIBLE FIXED ASSETS**THE GROUP**

Cost	Freehold land & buildings	Plant and machinery etc.	Total
At 1 June 2002	460,927	474,696	935,623
Additions	6,000	16,415	22,415
Disposals	-	(11,500)	(11,500)
At 31 May 2003	466,927	479,611	946,538
Depreciation			
At 1 June 2002	72,225	256,071	328,296
Provided this year	7,224	51,638	58,862
Released on disposals	-	(7,526)	(7,526)
At 31 May 2003	79,449	300,183	379,632

Net Book Values

At 31 May 2003	£ 387,478	£ 179,428	£ 566,906
At 31 May 2002	£ 388,702	£ 218,625	£ 607,327

Plant and machinery, etc.

Cost	Motor vehicles	Equipment fixtures and fittings	Plant and machinery	Total
At 1 June 2002	211,627	203,910	59,159	474,696
Additions	12,000	1,075	3,340	16,415
Disposals	(11,500)	-	-	(11,500)
At 31 May 2003	212,127	204,985	62,499	479,611
Depreciation				
At 1 June 2002	43,448	159,911	52,712	256,071
Provided this year	43,456	6,602	1,580	51,638
Released on disposals	(7,526)	-	-	(7,526)
At 31 May 2003	79,378	166,513	54,292	300,183

Net Book Values

At 31 May 2003	£ 132,749	£ 38,472	£ 8,207	£ 179,428
At 31 May 2002	£ 168,179	£ 43,999	£ 6,447	£ 218,625

The net book value of fixed assets at 31 May 2003 includes £69,636 (2002 £85,964) in respect of assets leased under finance leases or under hire purchase contracts.

The depreciation charge for the year includes £21,828 (2002 £22,705) in respect of assets leased under finance leases or under hire purchase contracts.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2003**

9. TANGIBLE FIXED ASSETS (Cont'd)**PARENT UNDERTAKING**

Cost	Freehold land and buildings	Total
At 1 June 2002	460,927	460,927
Additions	6,000	6,000
At 31 May 2003	466,927	466,927
Depreciation		
At 1 June 2002	72,225	72,225
Provided this year	7,224	7,224
At 31 May 2003	79,449	79,449
Net Book Values		
At 31 May 2003	£ 387,478	£ 387,478
At 31 May 2002	£ 388,702	£ 388,702

On 18 June 2001 Baz-Roll International Limited had its freehold land and buildings professionally valued by BBG Surveyors on behalf of Birmingham Midshires Commercial. The freehold land and buildings were valued at £410,000 as compared to their book value of £388,702. The directors have therefore left the freehold land and buildings stated at historical cost.

10. INVESTMENTS HELD AS FIXED ASSETS

Shares in subsidiary undertakings (unlisted) - at cost

Company	
2003	2002
£ 1,200	£ 1,200

Subsidiary undertakings:

Name of Company	Holding	Held	Nature of Business
Baz-Roll Products Limited	Ordinary shares	100.0%	Factors of material handling equipment
Skoots (Moving Systems) Limited	Ordinary shares	100.0%	Suppliers of material handling equipment

11. STOCK

Raw materials

Group	
2003	2002
£ 584,018	£ 556,495

12. DEBTORS

Trade debtors
Other debtors

Group		Company	
2003	2002	2003	2002
615,512	593,876	645,794	570,399
22,427	31,429	-	5,204
£ 637,939	£ 625,305	£ 645,794	£ 575,603

BAZ-ROLL INTERNATIONAL LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2003

	Group		Company	
	2003	2002	2003	2002
13. CREDITORS: Amounts falling due within one year				
Trade creditors	148,686	151,865	69,117	52,562
Amounts due to subsidiary undertakings	-	-	85,382	55,310
Corporation tax	40,810	41,336	19,500	14,615
Taxation and social security costs	63,060	80,412	20,614	34,041
Other creditors	482,186	458,951	364,941	303,214
Obligations under finance leases and hire purchase	30,104	29,382	-	-
	<u>£ 764,846</u>	<u>£ 761,946</u>	<u>£ 559,554</u>	<u>£ 459,742</u>

	Group		Company	
	2003	2002	2003	2002
14. CREDITORS: Amounts falling due after one year				
Other creditors	166,041	242,698	166,041	242,698
Obligations under finance leases and hire purchase	16,455	38,660	-	-
	<u>£ 182,496</u>	<u>£ 281,358</u>	<u>£ 166,041</u>	<u>£ 242,698</u>

On 21 July 2001 a loan of £308,000 was granted to the company by B.A. Malandrinos and £50,000 was granted by P.Malandrinos. Interest is being charged on the above loans at a rate of 2% above the minimum lending rate. Interest and capital payments are to be made in respect of these loans over the next four years resulting in them being repaid by July 2006.

	Group		Company	
	2003	2002	2003	2002
15. DEFERRED TAXATION				
Provision for deferred corporation tax in respect of accelerated capital allowances	<u>£ 2,400</u>	<u>£ 6,600</u>	<u>£ -</u>	<u>£ -</u>

16. **SHARE CAPITAL****Authorised**

As previously stated

At 1 June 2002	100	100	100	100
Created on 1 May 2003	9,900		9,900	
At 1 June 2002	<u>£ 10,000</u>	<u>£ 100</u>	<u>£ 10,000</u>	<u>£ 100</u>

Allotted, called-up and fully paid

As previously stated subsidiaries	100	100		
subsequently acquired		300		
At 1 June 2002			100	100
Capitalisation of reserves on 1 May 2003	400		400	
share capital of Baz-Roll Products Limited and Skoots (Moving Systems) Limited	1,200		1,200	
	<u>£ 1,700</u>	<u>£ 400</u>	<u>£ 1,700</u>	<u>£ 100</u>

BAZ-ROLL INTERNATIONAL LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2003

	Group		Company	
	2003	2002	2003	2002
17. STATEMENT OF MOVEMENT ON RESERVES				
Profit and loss account				
As previously stated		248,867		
subsidiaries				
subsequently acquired		807,989		
At 1 June 2002	1,215,238		297,806	248,867
Capitalisation of reserves on 1 May 2003	(400)		(400)	
Merger adjustment	(900)			
Profit retained for the year	123,847	158,382	64,285	48,939
At 31 May 2003	<u>£ 1,337,785</u>	<u>£ 1,215,238</u>	<u>£ 361,691</u>	<u>£ 297,806</u>

18. RELATED PARTY TRANSACTIONS

During the year Baz-Roll International Limited made sales totalling £764,752 (2002 £644,130) to Baz-Roll Products Limited a wholly owned subsidiary of the company. These transactions were entered into on an arms length basis.

An administration charge of £30,000 (2002 £30,000) was payable by the company to Baz-Roll Products Limited.

19. ULTIMATE CONTROL

The company is under the control of BA Malandrinos, a director, who together with his wife holds 83% of the company's issued capital.

20. MERGER

On 1 June 2002 Baz-Roll International Limited acquired the whole of the ordinary share capital of Baz-Roll Products Limited and Skoots (Moving Systems) Limited by issuing a further 1,200 ordinary shares of £1 each.

The consolidated accounts have been prepared using the merger method of accounting. Consequently the consolidated accounts show corresponding amounts in the previous financial year adjusted as if the merger had occurred on 1 June 2001.