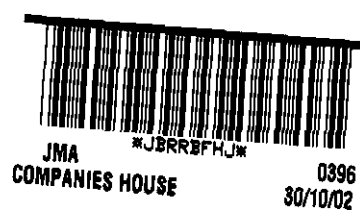


REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE PERIOD 4 JANUARY 2001 TO 31 DECEMBER 2001
FOR
D.B.S. (LIVERPOOL) LIMITED
FORMERLY COZY WINDOWS SYSTEMS LTD



D.B.S. (LIVERPOOL) LIMITED

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE PERIOD 4 JANUARY 2001 TO 31 DECEMBER 2001

	Page
Company Information	1
Report of the Directors	2
Statement of Directors' responsibilities	3
Report of the Independent Auditors	4
Profit and Loss Account	5
Balance Sheet	6
Notes to the Financial Statements	7

D.B.S. (LIVERPOOL) LIMITED

COMPANY INFORMATION
FOR THE PERIOD 4 JANUARY 2001 TO 31 DECEMBER 2001

DIRECTORS: D K Jones
R W Hughes

SECRETARY: R W Hughes

REGISTERED OFFICE: Guild Appleton & Co
Union House
21 Victoria Street
Liverpool
Merseyside
L1 6BD

REGISTERED NUMBER: 4135712 (England and Wales)

AUDITORS: KPMG LLP
Chartered Accountants
Registered Auditor

D.B.S. (LIVERPOOL) LIMITED

REPORT OF THE DIRECTORS
FOR THE PERIOD 4 JANUARY 2001 TO 31 DECEMBER 2001

The directors present their report with the financial statements of the company for the period 4 January 2001 to 31 December 2001.

INCORPORATION

The company was incorporated on 4 January 2001 and commenced trading on 1 April 2001.

PRINCIPAL ACTIVITY

On the 12th April 2001 the company acquired the trade and assets of DBS (Liverpool) Limited which company then changed its name and ceased to trade.

The principal activity of the company in the period under review was that of diesel and electrical auto engineers. On 2 May 2001, the company changed its name to D.B.S. (Liverpool) Limited from Cozy Windows Systems Limited.

REVIEW OF BUSINESS

The results for the period and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS

No dividends will be distributed for the period ended 31 December 2001.

DIRECTORS

The directors during the period under review were:

D K Jones	- appointed 11.4.01
R W Hughes	- appointed 11.4.01
C S Unsworth	- appointed 4.1.01
	- resigned 11.4.01

The directors holding office at 31 December 2001 did not hold any beneficial interest in the issued share capital of the company at date of appointment or 31 December 2001.

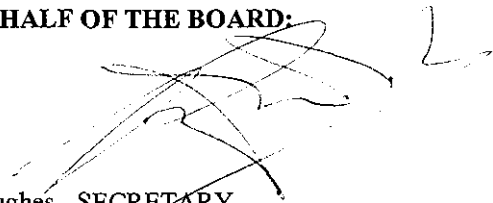
The beneficial interests of the directors holding office on 31st December in the issued share capital of the ultimate parent company, Sterling Mechanical Handling Limited, are disclosed in the accounts of that company.

Both the directors, being eligible, offer themselves for election at the forthcoming first Annual General Meeting.

AUDITORS

Our auditors KPMG have indicated to the directors that their business has transferred to a limited liability partnership, KPMG LLP. Accordingly KPMG resigned as auditors on 13 May 2002 and the directors thereupon appointed KPMG LLP to fill the vacancy arising. A resolution for the reappointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:


R W Hughes - SECRETARY

Dated: 23/12/02

Union House
21 Victoria Street
Liverpool
L1 6BD

D.B.S. (LIVERPOOL) LIMITED

REPORT OF THE DIRECTORS
FOR THE PERIOD 4 JANUARY 2001 TO 31 DECEMBER 2001

STATEMENT OF 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;
- 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.

D.B.S. (LIVERPOOL) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
D.B.S. (LIVERPOOL) LIMITED

We have audited the financial statements on pages five to ten.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 Report of the Directors 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.

Basis of audit 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 as at 31 December 2001 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG LP

KPMG LLP
Chartered Accountants
Registered Auditor

Dated: 29 October 2002.

D.B.S. (LIVERPOOL) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE PERIOD 4 JANUARY 2001 TO 31 DECEMBER 2001

	Notes	£	£
TURNOVER			421,625
Cost of sales			<u>257,810</u>
GROSS PROFIT			163,815
Distribution costs		30,974	
Administrative expenses		<u>117,865</u>	
			<u>148,839</u>
OPERATING PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2 - 3		14,976
Tax on profit on ordinary activities	4		<u>2,995</u>
PROFIT FOR THE FINANCIAL PERIOD AFTER TAXATION			<u>11,981</u>
Retained profit transferred to reserves	13		<u>£11,981</u>

The notes form part of these financial statements

D.B.S. (LIVERPOOL) LIMITED

BALANCE SHEET
31 DECEMBER 2001

	Notes	£	£
FIXED ASSETS:			
Tangible assets	5		51,271
CURRENT ASSETS:			
Stocks	6	48,270	
Debtors	7	135,471	
Cash in hand		34,010	
		217,751	
CREDITORS: Amounts falling due within one year	8	118,384	
NET CURRENT ASSETS:			<u>99,367</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			150,638
CREDITORS: Amounts falling due after more than one year	9		(136,960)
Provisions for liabilities and charges	10		<u>(1,695)</u>
			<u>£11,983</u>
CAPITAL AND RESERVES:			
Called up share capital	12		2
Profit and loss account			<u>11,981</u>
SHAREHOLDERS' FUNDS:	14		<u>£11,983</u>

ON BEHALF OF THE BOARD:

These financial statements were approved by the board of directors on 29/12/01 and were signed on Its behalf by:

R W Hughes
Director



D.B.S. (LIVERPOOL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 4 JANUARY 2001 TO 31 DECEMBER 2001

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with applicable Accounting Standards and with the requirements of the Companies Act 1985.

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The company has taken advantage of the exemption contained in FRS8 and has not disclosed transactions or balances with entities which form part of the same group.

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

Turnover

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

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Stocks

Stocks are stated at the lower of cost and net realisable value on a FIFO basis. Cost includes all direct costs incurred in bringing stocks to their present state and location.

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable for the period are charged in the profit and loss account.

2. STAFF COSTS

	£
Wages and salaries	88,348
Social security costs	8,617
Other pension costs	<u>6,552</u>
	<u>103,517</u>

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

Hire and Service	4
Selling	4
Administration	<u>1</u>
	<u>9</u>

D.B.S. (LIVERPOOL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 4 JANUARY 2001 TO 31 DECEMBER 2001

3. OPERATING PROFIT

The operating profit is stated after charging:

	£
Depreciation - owned assets	2,283
Auditors' remuneration	<u>1,350</u>
Directors' emoluments	<u>-</u>

4. TAXATION

Analysis of the tax charge

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

	£
United Kingdom corporation tax at 20% based on the profit for the year	1,300
Deferred taxation	<u>1,695</u>
	<u>2,995</u>

5. TANGIBLE FIXED ASSETS

	<u>Plant and machinery</u>	<u>Fixtures and fittings</u>	<u>Motor vehicles</u>	<u>Totals</u>
	£	£	£	£
COST:				
Additions	6,000	36,350	11,404	53,754
Disposals	<u>-</u>	<u>-</u>	<u>(200)</u>	<u>(200)</u>
At 31 December 2001	<u>6,000</u>	<u>36,350</u>	<u>11,204</u>	<u>53,554</u>
DEPRECIATION:				
Charge for period	<u>104</u>	<u>990</u>	<u>1,189</u>	<u>2,283</u>
At 31 December 2001	<u>104</u>	<u>990</u>	<u>1,189</u>	<u>2,283</u>
NET BOOK VALUE:				
At 31 December 2001	<u>5,896</u>	<u>35,360</u>	<u>10,015</u>	<u>51,271</u>

6. STOCKS

Spares	<u>£ 48,270</u>
--------	-----------------

There is no material difference between the replacement cost of stocks and their balance sheet amounts.

D.B.S. (LIVERPOOL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 4 JANUARY 2001 TO 31 DECEMBER 2001

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

	£
Trade debtors	83,330
Amounts owed by group undertakings	49,653
Prepayments & accrued income	<u>2,488</u>
	<u>135,471</u>

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

	£
Trade creditors	82,812
Amounts owed to group undertakings	26,967
Other creditors	1,118
Social security & other taxes	4,837
Taxation	1,300
Accrued expenses	<u>1,350</u>
	<u>118,384</u>

9. **CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	£
Amount owed to Parent Company	<u>136,960</u>

10. **PROVISION FOR LIABILITIES AND CHARGES**

Difference between accumulated depreciation and capital allowances.		Deferred Taxation
	Provided	Not Provided
	£	£
At beginning of period	-	-
Charge for the period	<u>1,695</u>	<u>-</u>
At end of period	<u>1,695</u>	<u>-</u>

11. **ACQUISITIONS**

On 12 April 2001 the company acquired the trade and assets of DBS (Liverpool) Limited. This acquisition was funded by a loan of £57,011 from Lansing Linde Sterling Limited.

	Book and fair value
	£
Fixed assets	
Tangible	50,000
Current assets	
Debtors	102,945
Stock	18,327
Total assets	<u>171,272</u>
Liabilities	
Trade and other creditors	(114,261)
Purchase consideration and cost of acquisition	<u>57,011</u>

The turnover and the loss after taxation of DBS (Liverpool) Limited from the beginning of its financial year, 1 January 2001, to the date of acquisition were £117,660 and £(763) respectively. For its previous financial year which began on 1 January 2000, the loss was £(4,570).

D.B.S. (LIVERPOOL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 4 JANUARY 2001 TO 31 DECEMBER 2001

12. CALLED UP SHARE CAPITAL

Authorised:			
Number:	Class:	Nominal value:	£
100,000	ORDINARY	£1	<u>100,000</u>

Allotted, issued and fully paid:			
Number:	Class:	Nominal value:	£
2	ORDINARY	£1	<u>2</u>

13. MOVEMENT ON RESERVES

	Profit and Loss account	Share Capital	Total
	£	£	£
Balance at 4 January 2001	-	2	2
Profit for period	<u>11,981</u>	<u>-</u>	<u>11,981</u>
Balance at 31 December 2001	<u>11,981</u>	<u>2</u>	<u>11,983</u>

14. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS

	2001
	£
Profit for the financial period	11,981
Shares issued in period	<u>2</u>
Net addition to shareholders funds	11,983
Opening shareholders' funds	-
Closing shareholders' funds	<u>11,983</u>

15. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the fund and amounted to £6,552.

16. ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary of Lansing Linde Sterling Limited registered England and Wales. The Ultimate holding company is Sterling Mechanical Handling Limited registered in England and Wales. Group accounts can be obtained from: Union House, 21 Victoria Street, Liverpool, L1 6BD

17. CONTINGENT LIABILITIES

The company has no contingent liabilities at 31st December 2001.

18. CAPITAL COMMITMENTS

There are no capital commitments at the end of the financial period for which provision has not been made.