

G-Flow Systems Limited

Report and Financial Statements

31 October 2002



G-Flow Systems Limited

Registered No: 4261242

Directors

John Anthony Biles T.D., B.Sc., FCA
Michael Ernest Hilton
Steven David Jones
Trevor Anthony Pemberton
Timothy Charles Ring

Secretary

Michael J R Porter

Auditors

Ernst & Young LLP
Cloth Hall Court
14 King Street
Leeds
LS1 2JN

Registered office

15-19 New Fetter Lane
London
EC4A 1LY

Directors' report

The directors present their report and financial statements for the period ended 31 October 2002.

Results and dividends

The profit for the period amounted to £nil. The directors do not recommend the payment of any dividends.

Principal activities and review of the business

The principal activity of the company during the period was the sale and marketing of conveyor equipment.

On 10th August 2001 the entire share capital of the company was acquired by Dexion Materials Handling Ltd, which was later renamed FKI Logistex Conveyors Ltd.

On 20 December 2002, Dexion Materials Handling Ltd was acquired by FKI plc.

The company ceased to trade on the 31 January 2003.

Directors

The directors who served the company during the period were as follows:

Michael Ernest Hilton
Timothy Charles Ring
John L Craven (resigned 19 December 2002)

There are no directors' interests requiring disclosure under the Companies Act 1985.

Subsequent to the period end, the following were appointed as directors of the company:

John Anthony Biles T.D., B.Sc., FCA (appointed 19 December 2002)

Steven David Jones (appointed 19 December 2002)

Trevor Anthony Pemberton (appointed 19 December 2002)

Incorporation

On the 30 July 2001, the company was incorporated as Broomco (2613) Ltd. On 10 August 2001, the company changed its name to G-Flow Systems Ltd. The company commenced trading on 5 November 2001.

Auditors

Ernst & Young LLP were appointed as auditor of the company by the directors during the period. A resolution re-appoint Ernst & Young as auditors of the company will be put to the members at the Annual General Meeting.

On behalf of the board



Steven David Jones
Director
29 May 2003

Statement of directors' responsibilities in respect of the financial statements

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; 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 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.

Independent auditors' report

to the members of G-Flow Systems Limited

We have audited the company's financial statements for the period ended 31 October 2002 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 8. These financial statements have been prepared on the basis of 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 auditors' 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 United Kingdom law and accounting standards.

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 audit opinion

We conducted our audit in accordance with United Kingdom 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.

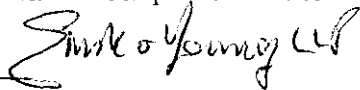
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report

to the members of G-Flow Systems Limited (continued)

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 October 2002 and of its results for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP
Registered Auditor
Leeds

29 May 2003

Profit and loss account
for the period ended 31 October 2002

	<i>Notes</i>	<i>2002</i> <i>£</i>
Turnover	2	1,662,179
Cost of sales		1,400,040
Gross profit		262,139
Administrative expenses		262,139
Profit on ordinary activities before taxation		—
Tax on profit on ordinary activities		—
Profit retained for the financial period		—

Statement of total recognised gains and losses

There are no recognised gains or losses other than the profit of £nil attributable to the shareholders for the period ended 31 October 2002.

Balance sheet

at 31 October 2002

	Notes	2002 £
Current assets		
Cash in hand		105,889
Current liabilities		
Creditors: amounts falling due in less than one year	5	105,887
Net current assets		<u>2</u>
Capital and reserves		
Called up share capital	6	<u>2</u>
Equity shareholders' funds	7	<u>2</u>



Steven David Jones
Director

29 May 2003

Notes to the financial statements

at 31 October 2002

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is small.

Related parties transactions

The company paid a management charge of £262,139 during the period to its parent company FKI Logistex Conveyors Ltd. An amount of £105,887 was outstanding at the period end. There were no other related party transactions that require disclosure.

Deferred taxation

Deferred tax is recognised as a liability or asset if the transactions or events that give rise to an obligation to pay more tax in the future or right to pay less tax in the future have occurred by the balance sheet date. Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties during the year.

Turnover is attributable to one activity, the sale of conveyor equipment, and the company ceased trading on 31st January 2003.

3. Staff costs

No salaries or wages have been paid to employees, including the directors, during the period.

4. Tax

There were no liabilities to corporation tax or deferred taxation in the period.

5. Creditors: amounts falling due in less than one year

	2002 £
Amounts owed to group undertakings	<u>105,887</u>

Notes to the financial statements

at 31 October 2002

6. Share capital

	<i>Authorised 2002 £</i>
Ordinary A shares of £1 each	<u>1,000</u>
	<i>Allotted, called up and fully paid No. £</i>
Ordinary A shares of £1 each	2 <u>2</u>

7. Reconciliation of shareholders' funds and movement on reserves

	<i>Share capital £</i>	<i>Profit and loss account £</i>	<i>Total share- holders' funds £</i>
On incorporation – 30 July 2001	–	–	–
New equity share capital subscribed	<u>2</u>	–	<u>2</u>
At 31 October 2002	<u>2</u>	–	<u>2</u>

On incorporation two shares of nominal value of £1 were issued.

8. Ultimate parent company

The ultimate parent undertaking at the period end was Dexion Materials Handling Ltd. On 20 December 2002, Dexion Materials Handling Ltd was acquired by FKI plc which became the ultimate parent undertaking. Copies of the accounts of Dexion Material Handling Limited can be obtained from 15-19 New Fetter Lane, London, EC4A 1LY.