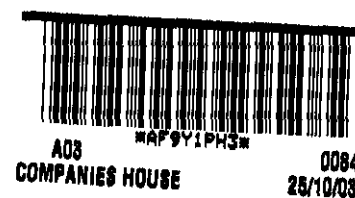


KINGFISHER COLOURS LIMITED

ABBREVIATED FINANCIAL STATEMENTS

For the year ended 31st December, 2002

Company Registration No. 1498805



SPECIAL REPORT OF THE AUDITORS
to
KINGFISHER COLOURS LIMITED
UNDER SECTION 247B OF THE
COMPANIES ACT 1985

We have examined the Abbreviated Financial Statements on pages 2 to 6 together with the full statutory Financial Statements of Kingfisher Colours Limited for the year ended 31st December, 2002, prepared under Section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Directors are responsible for preparing the Abbreviated Financial Statements in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the Company is entitled to deliver Abbreviated Financial Statements prepared in accordance with Sections 246(5) and (6) of the Act to the registrar of companies and whether the Financial Statements to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

BASIS OF OPINION

We have carried out the procedures we considered necessary to confirm, by reference to the audited Financial Statements, that the Company is entitled to deliver Abbreviated Financial Statements and that the Abbreviated Financial Statements to be delivered have been properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full Financial Statements.

OPINION

In our opinion the Company is entitled to deliver Abbreviated Financial Statements prepared in accordance with Sections 246(5) and 246(6) of the Companies Act 1985, and the Abbreviated Financial Statements on pages 2 to 6 are properly prepared in accordance with those provisions.

Woburn House
Yelverton,
Devon, PL20 6BS.


SIMON MURRAY & CO.
Chartered Accountants
and Registered Auditors

Dated: 21st October, 2003

KINGFISHER COLOURS LIMITED

ABBREVIATED BALANCE SHEET

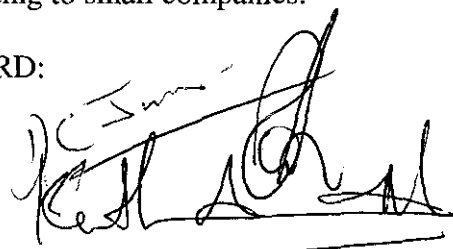
At 31st December, 2002

	Note	<u>2002</u> £	<u>2001</u> £
<u>FIXED ASSETS</u>			
Tangible Assets	2	<u>598,824</u>	<u>591,055</u>
<u>CURRENT ASSETS</u>			
Stocks		469,385	480,958
Debtors		509,521	540,718
Cash at Bank and in Hand		<u>212,524</u>	<u>262,015</u>
		1,191,430	1,283,691
<u>CREDITORS: Amounts falling</u>			
due within one year	3	<u>(1,044,038)</u>	<u>(1,129,374)</u>
<u>NET CURRENT ASSETS</u>		<u>147,392</u>	<u>154,317</u>
<u>TOTAL ASSETS LESS CURRENT</u>			
<u>LIABILITIES</u>		<u>746,216</u>	<u>745,372</u>
<u>NET ASSETS</u>		<u>£746,216</u>	<u>£ 745,372</u>
<u>CAPITAL AND RESERVES</u>			
Called Up Share Capital	4	60	60
Profit and Loss Account		<u>746,156</u>	<u>745,312</u>
<u>SHAREHOLDERS' FUNDS</u>		<u>£746,216</u>	<u>£745,372</u>

These Abbreviated Financial Statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985, relating to small companies.

SIGNED ON BEHALF OF THE BOARD:

Dr. D.C. Jones)
Mr. R.M. Beal) - Directors
Dr. K. Quarmby)



APPROVED BY THE BOARD:

15.10.2003
Dated

KINGFISHER COLOURS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

For the year ended 31st December, 2002

1. ACCOUNTING POLICIES

a) BASIS OF ACCOUNTING

The Financial Statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities.

b) CASH FLOW

The Financial Statements do not include a cash flow statement because the Company, as a small reporting entity, is exempt from the requirements to prepare such a statement.

c) TURNOVER

Turnover represents net invoiced sales, excluding VAT.

d) TANGIBLE FIXED ASSETS AND DEPRECIATION

All fixed assets are recorded at cost. Depreciation is provided, after taking account of any grants receivable, at the following annual rates in order to write off each asset over its estimated useful life:-

Freehold Property	-	Nil
Leasehold Property	-	Over the length of the lease which is less than 50 years.
Plant and Machinery	-	20% on cost.
Fixtures and Fittings	-	20% on cost.
Motor Vehicles	-	20% on cost.

e) STOCKS

Stocks and work in progress are stated at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

f) DEFERRED TAXATION

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the company's accounts. Deferred tax is provided in full on timing differences which result in an obligation to pay more (or less) tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws.

KINGFISHER COLOURS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

For the year ended 31st December, 2002

g) RESEARCH AND DEVELOPMENT

Expenditure on research and development is written off in the year in which it occurred.

h) FOREIGN CURRENCIES

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating results.

i) OPERATING LEASES

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged against profit as incurred.

j) INTEREST RECEIVABLE

Interest is credited when receivable by the Company.

KINGFISHER COLOURS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

For the year ended 31st December, 2002

2. <u>TANGIBLE FIXED ASSETS</u>	<u>Total</u>
	£
<u>COST</u>	
At 1 st January, 2002	964,785
Disposals	(25,645)
Additions	<u>36,921</u>
At 31 st December, 2002	<u>976,061</u>
<u>DEPRECIATION</u>	
At 1 st January, 2002	373,730
Eliminated	(25,645)
Charge for year	<u>29,152</u>
At 31 st December, 2002	<u>377,237</u>
<u>NET BOOK VALUE</u>	
At 31 st December, 2002	<u>£598,824</u>
At 31 st December, 2001	<u>£591,055</u>

- (a) Fixed Assets are stated in the Balance Sheet at cost less aggregate depreciation.
- (b) Plant, Machinery, Fixtures & Fittings and Motor Vehicles are written down on a straight line basis at 20% per annum.
- (c) Freehold Property is not depreciated.
- (d) Leasehold Property is amortised over the length of the lease which is less than 50 years.
- (e) Depreciation in the Profit and Loss Account is shown net of any profit or loss on realisation.

3. CREDITORS:

	<u>2002</u>	<u>2001</u>
	£	£
Creditors include the following:-		
Bank Loan wholly repayable within five years		
- repayable within one year	<u>£ -</u>	<u>£14,110</u>

The Bank Loan, which was secured, was repaid during the year. The security was formally discharged in September, 2003.

KINGFISHER COLOURS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

For the year ended 31st December, 2002

4. CALLED UP SHARE CAPITAL

	<u>2002</u>	<u>2001</u>
	<u>£</u>	<u>£</u>
<u>Authorised:-</u>		
100 Ordinary Shares of £1 each	<u>£100</u>	<u>£100</u>
<u>Alloted, Called Up and Fully Paid:-</u>		
60 Ordinary Shares of £1 each	<u>£ 60</u>	<u>£ 60</u>