

SARIS LIMITED

FINANCIAL STATEMENTS

31 March 1995



C O N T E N T S

	Page
DIRECTORS' REPORT	1
STATEMENT OF DIRECTORS' RESPONSIBILITIES	2
AUDITORS' REPORT	3
AUDITORS' REPORT TO THE DIRECTORS	4
BALANCE SHEET	5
NOTES TO THE FINANCIAL STATEMENTS	6-8

DIRECTORS' REPORT

The directors present their report and the financial statements for the year ended 31 March 1995.

1 PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The company does not trade but is a holding company for G & D Paints Limited which is a wholly owned subsidiary. The directors have no plans to commence trading in the foreseeable future.

2 DIRECTORS AND INTERESTS IN SHARES

The directors at 31 March 1995 and at 1 April 1994, together with their interests, as defined by the Companies Act 1985, in shares of the company at that date, were as follows:

£1 ordinary shares

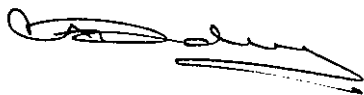
B R Dudey	1
C A Dudey	1

3 AUDITORS

Hazlewoods have expressed their willingness to continue in office.

In preparing this report advantage has been taken of the exemptions provided by Part II of Schedule 8 to the Companies Act 1985.

By order of the Board 20 October 1995



C A DUDEY

Secretary

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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS' REPORT

To the shareholders of

SARIS LIMITED

We have audited the financial statements on pages 5 to 8.

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 that we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material mis-statement, 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 March 1995 and of its result for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

HAZLEWOODS

Registered Auditors

Staverton, Cheltenham

20 October 1995

**AUDITORS' REPORT TO THE DIRECTORS OF SARIS LIMITED PURSUANT TO
SECTION 248(3) OF THE COMPANIES ACT 1985**

We have examined the financial statements of the company and its subsidiary for the year ended 31 March 1995.

Basis of opinion

The scope of our work for the purpose of this report was limited to confirming that the company is entitled to exemption from preparing group financial statements.

Opinion

In our opinion the company is entitled to the exemption from preparing group accounts conferred by Section 248 of the Companies Act 1985.

HAZLEWOODS

Registered Auditors

Staverton, Cheltenham

20 October 1995

BALANCE SHEET

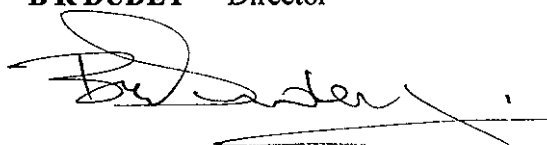
31 March 1995

	Note	1995	1994
FIXED ASSETS			
Investments	2	80,046	78,946
		<hr/>	<hr/>
CURRENT ASSETS			
Debtors	3	-	10,312
CREDITORS			
due within one year	4	91,087	101,399
		<hr/>	<hr/>
NET CURRENT LIABILITIES		(91,087)	(91,087)
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		£(11,041)	£(12,141)
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	5	2	2
Share of post acquisition reserves of subsidiary Company not consolidated	6	(11,043)	(12,143)
		<hr/>	<hr/>
		£ (11,041)	£ (12,141)
		<hr/>	<hr/>

In preparing these financial statements advantage has been taken of the exemptions provided by Part I of Schedule 8 to the Companies Act 1985 on the grounds that the company is entitled to those exemptions as a small company as defined by Section 247 of the Companies Act 1985.

Approved by the Board on *20 October 1995*

B R DUDEY - Director



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 1995

1 ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, adopting the following principal accounting policies.

Consolidated Accounts

The company has not presented consolidated financial statements for the Group having taken advantage of the exemption conferred by Section 248 of the Companies Act from the requirement to prepare group financial statements, as the group qualifies as a small group.

Shares in subsidiary company are stated by way of the Equity basis of valuation.

Any adjustment which causes a permanent diminution in the carrying value of an investment in a subsidiary company under the Equity method of accounting to fall below cost is written off to the Profit and Loss account. Increases in value are credited to a separate reserve.

Cash Flow Statement

The company has not presented a cash flow statement on the grounds that the company qualifies as a small company within the meaning of Financial Reporting Standard Number 1 and hence is exempt from the requirements thereof. The directors are of the opinion that the cost of preparing such a statement would outweigh the benefits to the company.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 1995

2 INVESTMENTS	1995	1994
Shares in subsidiary undertaking at cost		
At beginning and end of the year	91,089	91,089
Negative goodwill on acquisition	34,323	34,323
Share of post-acquisition profits (losses) of subsidiary undertaking		
At beginning of the year, as previously reported	(46,466)	(31,600)
Prior year adjustment	-	(30,042)
As restated	(46,466)	(61,642)
Share of profit for the year	1,100	15,176
At end of the year	(45,366)	(46,466)
Net book value of investment in subsidiary undertaking	£ 80,046	£ 78,946

Details of Subsidiary Undertaking

- (i) The subsidiary undertaking, which is wholly owned and is located in England and Wales, is as follows:-

Nature of Business

G & D Paints Limited	Paint Wholesaler
----------------------	------------------

- (ii) Results and capital and reserves

	Capital and Reserves		Profit for Year ended	
	at 31.03.94	at 31.03.95	31.03.94	31.03.95
G & D Paints Limited	£ 78,946	£ 80,046	£ 15,176	£ 1,100

The financial statements of G & D Paints Limited have been prepared up to 31 March 1995. The total capital and reserves of the company at that date was £80,046 and the profit for the year then ended was £1,100.

- (iii) Qualifications in audit report.

The audit report of the subsidiary undertaking was unqualified.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 1995

	1995	1994
3 DEBTORS		
Subsidiary undertaking	£ -	£ 10,312
	<u> </u>	<u> </u>
4 CREDITORS - due within one year		
Subsidiary undertaking	8,586	-
Other creditors	25,000	25,000
Directors loans account	57,501	76,399
	<u> </u>	<u> </u>
	£ 91,087	£ 101,399
	<u> </u>	<u> </u>
5 SHARE CAPITAL		
Authorised, allotted and fully paid:		
2 ordinary shares of £1 each	£ 2	£ 2
	<u> </u>	<u> </u>
6 SHARE OF POST ACQUISITION RESERVES OF SUBSIDIARY UNDERTAKING NOT CONSOLIDATED		
Revaluation of investment in subsidiary undertaking using equity method of accounting:		
Capital reserve	34,323	34,323
Share of subsidiary undertakings losses (see note 2)	(45,366)	(46,466)
	<u> </u>	<u> </u>
At end of year	£ (11,043)	£ (12,143)
	<u> </u>	<u> </u>

These reserves are not available for distribution to the members.