

**Company Registration No. 03202446 (England and Wales)**

**BRADITE LIMITED**

**ABBREVIATED ACCOUNTS**

**FOR THE YEAR ENDED 31 OCTOBER 2002**



# **BRADITE LIMITED**

## **CONTENTS**

---

	<b>Page</b>
Directors' report	1 - 2
Auditors' report	3
Profit and loss account	4
Balance sheet	5
Cash flow statement	6
Notes to the abbreviated accounts	7 - 18

---

# BRADITE LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2002

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

### Principal activities and review of the business

The principal activity of the company continued to be that of the manufacture and distribution of paints and surface coatings.

The directors are pleased with the performance of the company. The company has continued to build on its sales growth and this strategy has led to further new business and continued profitability. Much of the development and set-up costs of The Little Greene Paint Company Limited, a wholly-owned subsidiary of Bradite Limited, have been incurred in this current financial year.

On 19 August 2003 a significant customer was placed into receivership, the brand involved continues to trade through Bradite Limited under licence thereby providing an improved income stream on an ongoing basis.

Continued support is being given by the company's bankers. Cash requirements will continue to rise with the development of the company's brands, ongoing commitment to the own brand sector and the sale of the company's products in Western Europe.

### Results and dividends

The results for the year are set out on page 4.

The directors do not recommend payment of an ordinary dividend.

The directors do not recommend payment of a preference dividend.

### Directors

The following directors have held office since 1 November 2001:

D R Mottershead  
J S Falder  
S B Falder  
T R Ayre  
A M Burton

### Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares 'A' of £ 1 each	
	31 October 2002	1 November 2001
J S Falder	20,000	20,000
D R Mottershead	40,000	40,000
S B Falder	20,000	20,000
T R Ayre	-	-
A M Burton	-	-

	Ordinary shares 'B' of £ 1 each	
	31 October 2002	1 November 2001
J S Falder	5,000	5,000
D R Mottershead	10,000	10,000
S B Falder	5,000	5,000
T R Ayre	2,500	2,000
A M Burton	4,500	6,000

# BRADITE LIMITED

## DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2002

---

9% cumulative non - participating  
redeemable preference shares of £ 1  
each

	31 October 2002	1 November 2001
--	-----------------	-----------------

	31 October 2002	1 November 2001
J S Falder	-	-
D R Mottershead	-	-
S B Falder	-	-
T R Ayre	-	-
A M Burton	-	-

### Auditors

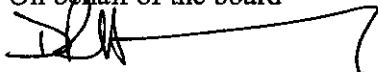
In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Hacker Young be reappointed as auditors of the company will be put to the Annual General Meeting.

### Directors' responsibilities

Directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss for that period. It is also the directors' responsibility to maintain adequate accounting records, safeguard the assets of the company and take reasonable steps in preventing and detecting fraud and other irregularities.

The directors confirm that suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, have been used in the preparation of the financial statements on a going concern basis.

On behalf of the board



D R Mottershead

Director

1 September 2003

## **BRADITE LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO BRADITE LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985**

---

We have examined the abbreviated accounts set out on pages 4 to 18, together with the financial statements of the company for the year ended 31 October 2002 prepared under section 226 of the Companies Act 1985.

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**

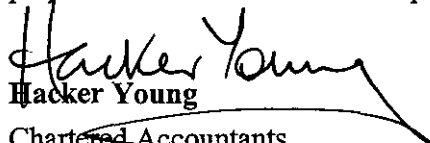
The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

#### **Basis of audit opinion**

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are 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 financial statements.

#### **Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 4 to 18 are properly prepared in accordance with that provision.

  
Hacker Young  
Chartered Accountants  
Registered Auditor

1 September 2003

# BRADITE LIMITED

## ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 OCTOBER 2002

	Notes	2002 £	2001 £
<b>Gross profit</b>		877,082	849,765
Distribution costs		(291,256)	(242,394)
Administrative expenses		(504,626)	(502,058)
Other operating income		26,158	4,359
<b>Operating profit</b>	<b>2</b>	107,358	109,672
Interest payable and similar charges	<b>3</b>	(44,869)	(41,387)
<b>Profit on ordinary activities before taxation</b>		62,489	68,285
Tax on profit on ordinary activities	<b>4</b>	-	-
<b>Profit on ordinary activities after taxation</b>	<b>15</b>	62,489	68,285

# BRADITE LIMITED

## BALANCE SHEET AS AT 31 OCTOBER 2002

		2002		2001	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Intangible assets	5		106,287		101,592
Tangible assets	6		254,448		254,810
Investments	7		1		1
			<u>360,736</u>		<u>356,403</u>
<b>Current assets</b>					
Stocks	8	777,394		790,274	
Debtors	9	1,037,058		922,079	
Cash at bank and in hand		7,148		5,550	
		<u>1,821,600</u>		<u>1,717,903</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>(1,469,405)</u>		<u>(1,446,964)</u>	
<b>Net current assets</b>			<u>352,195</u>		<u>270,939</u>
<b>Total assets less current liabilities</b>			<u>712,931</u>		<u>627,342</u>
<b>Creditors: amounts falling due after more than one year</b>	11		(416,374)		(367,116)
<b>Accruals and deferred income</b>	12		-		(26,158)
			<u>296,557</u>		<u>234,068</u>
<b>Capital and reserves</b>					
Called up share capital	14		468,000		468,000
Profit and loss account	15		(171,443)		(233,932)
<b>Shareholders' funds</b>	19		<u>296,557</u>		<u>234,068</u>
Equity interests			(53,443)		(115,932)
Non-equity interests			350,000		350,000
			<u>296,557</u>		<u>234,068</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The financial statements were approved by the Board on 1 September 2003

  
D R Mottershead

Director

# BRADITE LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 OCTOBER 2002

	Notes	£	2002 £	£	2001 £
<b>Net cash inflow from operating activities</b>	<b>16</b>		209,089		272,513
<b>Returns on investments and servicing of finance</b>					
Interest paid		(44,869)		(41,387)	
<b>Net cash outflow for returns on investments and servicing of finance</b>			(44,869)		(41,387)
<b>Capital expenditure and financial investment</b>					
Payments to acquire intangible assets		(53,880)		(58,207)	
Payments to acquire tangible assets		(48,955)		(41,195)	
Payments to acquire investments		-		(1)	
Receipts from sales of tangible assets		2,500		-	
<b>Net cash outflow for capital expenditure</b>			(100,335)		(99,403)
<b>Net cash inflow before management of liquid resources and financing</b>			63,885		131,723
<b>Financing</b>					
Other loans		52,928		20,234	
Repayment of bank loans		(37,720)		(34,381)	
Capital element of hire purchase contracts		(23,189)		(12,019)	
<b>Net cash outflow from financing</b>			(7,981)		(26,166)
<b>Increase in cash in the year</b>	<b>17</b>		55,904		105,557



# **BRADITE LIMITED**

## **NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 2002**

---

### **1 Accounting policies**

#### **1.1 Basis of preparation**

The financial statements are prepared under the historical cost convention.

#### **1.2 Compliance with accounting standards**

The accounts have been prepared in accordance with applicable accounting standards.

#### **1.3 Turnover**

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

#### **1.4 Research and development**

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

#### **1.5 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	10% straight line
Fixtures, fittings & equipment	20% and 35% straight line
Motor vehicles	25% reducing balance

#### **1.6 Leasing and hire purchase commitments**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

#### **1.7 Investments**

Fixed asset investments are stated at cost less provision for diminution in value.

#### **1.8 Stock**

Stock is valued at the lower of cost and net realisable value. Work in progress and goods for resale are valued at manufacturing cost including an appropriate proportion of overhead expenses.

#### **1.9 Pensions**

Payments to the company's defined contribution pension scheme are charged to the profit and loss account as they become payable.

# BRADITE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2002

### 1 Accounting policies

(continued)

#### 1.10 Deferred taxation

The accounting policy in respect of deferred tax has been changed to reflect the requirements of FRS19 - Deferred tax. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

The above amounts to a change in accounting policy. The previous policy was to provide deferred tax only to the extent that it was probable that liabilities would crystallise in the foreseeable future.

#### 1.11 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

#### 1.12 Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred, at the point at which the grant no longer becomes repayable it is released to the profit and loss account in full.

#### 1.13 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a medium-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

### 2 Operating profit

2002

2001

£

£

Operating profit is stated after charging:

Amortisation of intangible assets

49,185

38,409

Depreciation of tangible assets

72,435

72,350

Loss on disposal of tangible assets

2,176

6,259

Auditors' remuneration

6,000

5,998

and after crediting:

Government grants

26,158

4,359

Profit on foreign exchange transactions

1,900

635

# BRADITE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2002

<b>3</b>	<b>Interest payable</b>	<b>2002</b>	<b>2001</b>
		<b>£</b>	<b>£</b>
	On loan from connected company	7,000	-
	On bank loans and overdrafts	36,042	37,702
	Hire purchase interest	1,827	3,685
		<u>44,869</u>	<u>41,387</u>
<b>4</b>	<b>Taxation</b>	<b>2002</b>	<b>2001</b>
		<b>£</b>	<b>£</b>
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	<u>62,489</u>	<u>68,285</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00 % (2001 : 20.00 %)	<u>12,498</u>	<u>13,657</u>
	Effects of:		
	Non deductible expenses	1,173	9,250
	Depreciation add back	24,325	14,470
	Capital allowances	(12,363)	(12,933)
	Tax losses utilised	(25,633)	(12,803)
	Other tax adjustments	-	(11,641)
		<u>(12,498)</u>	<u>(13,657)</u>
	<b>Current tax charge</b>	<u>-</u>	<u>-</u>

The company has estimated losses in excess of £ 300,000 (2001 : £ 400,000 ) available for carry forward against future trading profits.

On the basis of these financial statements no provision is required for corporation tax.

# BRADITE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2002

### 5 Intangible fixed assets

	Development Costs £
<b>Cost</b>	
At 1 November 2001	192,042
Additions	53,880
	<hr/>
At 31 October 2002	245,922
	<hr/>
<b>Amortisation</b>	
At 1 November 2001	90,450
Charge for the year	49,185
	<hr/>
At 31 October 2002	139,635
	<hr/>
<b>Net book value</b>	
At 31 October 2002	106,287
	<hr/>
At 31 October 2001	101,592
	<hr/>

# BRADITE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2002

### 6 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 November 2001	247,206	149,584	56,000	452,790
Additions	35,244	13,711	27,794	76,749
Disposals	-	-	(12,000)	(12,000)
At 31 October 2002	282,450	163,295	71,794	517,539
<b>Depreciation</b>				
At 1 November 2001	117,744	51,111	29,125	197,980
On disposals	-	-	(7,324)	(7,324)
Charge for the year	50,066	13,968	8,401	72,435
At 31 October 2002	167,810	65,079	30,202	263,091
<b>Net book value</b>				
At 31 October 2002	114,640	98,216	41,592	254,448
At 31 October 2001	129,462	98,473	26,875	254,810

Included above are assets held under finance leases or hire purchase contracts as follows:

	Motor vehicles £
<b>Net book values</b>	
At 31 October 2002	29,569
At 31 October 2001	33,134
<b>Depreciation charge for the year</b>	
31 October 2002	3,725
31 October 2001	9,139

# BRADITE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2002

### 7 Fixed asset investments

	Shares in group undertakings
	£
<b>Cost</b>	
At 1 November 2001 & at 31 October 2002	<u>1</u>

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

#### Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
<b>Subsidiary undertakings</b>			
The Little Greene Paint Company Ltd	UK	£1 Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves 2002 £	Profit for the year 2002 £
The Little Greene Paint Company Ltd	<u>156</u>	<u>155</u>

The Little Greene Paint Company Limited commenced to trade in September 2001 and the first accounts have been prepared to 30 April 2002.

8 Stocks	2002 £	2001 £
Raw materials and consumables	277,543	269,816
Finished goods and goods for resale	499,851	520,458
	<u>777,394</u>	<u>790,274</u>

# BRADITE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2002

9 Debtors	2002 £	2001 £
Trade debtors	898,413	791,589
Other debtors	47,966	58,215
Prepayments and accrued income	90,679	72,275
	<u>1,037,058</u>	<u>922,079</u>
10 Creditors: amounts falling due within one year	2002 £	2001 £
Bank loans and overdrafts	76,183	151,142
Net obligations under finance lease and hire purchase contracts	9,454	18,246
Trade creditors	673,165	734,891
Taxes and social security costs	80,790	33,533
Other creditors	550,308	466,207
Accruals and deferred income	79,505	42,945
	<u>1,469,405</u>	<u>1,446,964</u>

The bank overdraft is secured by a fixed and floating charge over the assets and undertakings of the company.

Other creditors includes £449,471 (2001 - £338,074) which is secured by a floating charge over some of the book debts.

# BRADITE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2002

11 Creditors: amounts falling due after more than one year	2002 £	2001 £
Bank loans	-	17,067
Other loans	400,000	347,072
Net obligations under finance leases and hire purchase agreements	16,374	2,977
	<u>416,374</u>	<u>367,116</u>
<b>Analysis of loans</b>		
Wholly repayable within five years	417,167	401,959
	<u>417,167</u>	<u>401,959</u>
Included in current liabilities	(17,167)	(37,820)
	<u>400,000</u>	<u>364,139</u>

The bank loan is secured by a fixed and floating charge over the assets of the company.

<b>Net obligations under finance leases and hire purchase contracts</b>		
Repayable within one year	9,454	18,246
Repayable between one and five years	16,374	2,977
	<u>25,828</u>	<u>21,223</u>
Included in liabilities falling due within one year	(9,454)	(18,246)
	<u>16,374</u>	<u>2,977</u>

## 12 Accruals and deferred income

	<b>Government grants £</b>
Balance at 1 November 2001	26,158
Amortisation in the year	(26,158)
Balance at 31 October 2002	<u>-</u>



# BRADITE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2002

### 13 Pension costs

#### Defined contribution

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. The pension cost charge represents contributions payable by the company to the fund.

	2002 £	2001 £
Contributions payable by the company for the year	16,791	11,566

### 14 Share capital

	2002 £	2001 £
<b>Authorised</b>		
100,000 Ordinary shares 'A' of £ 1 each	100,000	100,000
500,000 Ordinary shares 'B' of £ 1 each	500,000	500,000
500,000 9% cumulative non - participating redeemable preference shares of £ 1 each	500,000	500,000
	<u>1,100,000</u>	<u>1,100,000</u>
<b>Allotted, called up and fully paid</b>		
80,000 Ordinary shares 'A' of £ 1 each	80,000	80,000
38,000 Ordinary shares 'B' of £ 1 each	38,000	38,000
350,000 9% cumulative non - participating redeemable preference shares of £ 1 each	350,000	350,000
	<u>468,000</u>	<u>468,000</u>

At 31 October 2002 the company had arrears of dividends amounting to £105,500 (2001 - £74,000) on the 350,000 9% cumulative non - participating redeemable preference shares of £1 each.

### 15 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 November 2001	(233,932)
Retained profit for the year	62,489
Balance at 31 October 2002	<u>(171,443)</u>

# BRADITE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2002

<b>16</b>	<b>Reconciliation of operating profit to net cash inflow from operating activities</b>	<b>2002</b>	<b>2001</b>
		<b>£</b>	<b>£</b>
	Operating profit	107,358	109,672
	Depreciation of tangible assets	72,435	72,350
	Amortisation of intangible assets	49,185	38,409
	Loss on disposal of tangible assets	2,176	6,259
	Decrease/(increase) in stocks	12,880	(172,227)
	Increase in debtors	(114,979)	(133,822)
	Increase in creditors within one year	106,192	356,231
	Movement on grant provision	(26,158)	(4,359)
	Net cash inflow from operating activities	<u>209,089</u>	<u>272,513</u>
<b>17</b>	<b>Analysis of net debt</b>	<b>1 November 2001</b>	<b>Cash flow 31 October 2002</b>
		<b>£</b>	<b>£</b>
	Net cash:		
	Cash at bank and in hand	5,550	7,148
	Bank overdrafts	(113,322)	(59,016)
		<u>(107,772)</u>	<u>(51,868)</u>
	Debt:		
	Finance leases	(21,223)	(25,828)
	Debts falling due within one year	(37,820)	(17,167)
	Debts falling due after one year	(364,139)	(400,000)
		<u>(423,182)</u>	<u>(442,995)</u>
	Net debt	<u>(530,954)</u>	<u>(494,863)</u>
<b>18</b>	<b>Reconciliation of net cash flow to movement in net debt</b>	<b>2002</b>	<b>2001</b>
		<b>£</b>	<b>£</b>
	Increase in cash in the year	55,904	105,557
	Cash (inflow)/outflow from (increase)/decrease in debt and lease financing	(19,813)	26,166
	Movement in net debt in the year	<u>36,091</u>	<u>131,723</u>
	Opening net debt	(530,954)	(662,677)
	Closing net debt	<u>(494,863)</u>	<u>(530,954)</u>

# BRADITE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2002

<b>19 Reconciliation of movements in shareholders' funds</b>	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Profit for the financial year	62,489	68,285
Opening shareholders' funds	234,068	165,783
	<hr/>	<hr/>
Closing shareholders' funds	296,557	234,068
	<hr/>	<hr/>
<b>20 Directors' emoluments</b>	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Emoluments for qualifying services	139,383	119,095
	<hr/>	<hr/>
<b>21 Employees</b>		
<b>Number of employees</b>		
The average monthly number of employees (including directors) during the year was:		
	<b>2002</b>	<b>2001</b>
	<b>Number</b>	<b>Number</b>
Production	18	17
Selling and distribution	13	12
Administration	8	7
Research and developments	2	1
	<hr/>	<hr/>
	41	37
	<hr/>	<hr/>
<b>Employment costs</b>		
	<b>£</b>	<b>£</b>
Wages and salaries	718,634	682,802
Other pension costs	16,791	11,566
	<hr/>	<hr/>
	735,425	694,368
	<hr/>	<hr/>

## 22 Control

The ultimate controlling party, by virtue of shareholding, is the board of directors.

# **BRADITE LIMITED**

## **NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2002**

---

### **23 Related party transactions**

The directors are interested in the trading arrangements with H M G Paints Limited and its parent company H Marcel Guest Limited, by virtue of common directorships, whereby the company purchased goods to the value of £46,569 (2001 - £233,610), sold goods to the value of £47,072 (2001 - £17,055), paid interest amounting to £7,000 (2001 - £nil) and paid management charges of £30,000 (2001 - £12,500). The amount owed to H M G Paints Limited and its parent company H Marcel Guest Limited at the balance sheet date was £497,571 (2001 - £475,156).

During the year the company sold goods to its subsidiary company, The Little Greene Paint Company Limited, totalling £171,705 (2001 - £44,059). The amount due from the company at the balance sheet date was £43,966 (2001 - £47,015).

### **24 Post balance sheet events**

On 19 August 2003 a significant customer was placed into receivership and at that date the debt due from that customer was £271,926 net of value added tax.

The debt relates to transactions after 31 October 2002 and the recoverability of the debt is uncertain.