

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

**BRADITE LIMITED**

**ABBREVIATED ACCOUNTS**

**FOR THE YEAR ENDED 31 OCTOBER 2003**



# BRADITE LIMITED

## CONTENTS

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	<b>Page</b>
Directors' report	1 - 2
Independent auditors' report	3
Profit and loss account	4
Balance sheet	5 - 6
Cash flow statement	7
Notes to the abbreviated accounts	8 - 19

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# **BRADITE LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2003**

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The directors present their report and financial statements for the year ended 31 October 2003.

### **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 sales through its focus on customer service, product quality and reliable performance. This strategy has led to further new business and continued ongoing profitability. The development and set-up costs of the The Little Greene Paint Company experienced last year have brought a significant uplift in sales; the directors are very satisfied with developments in this respect.

A new warehouse and Distribution Centre was opened in Manchester on 26th July 2004, thereby improving service levels to existing customers, and adding significant extra capacity for the future. The manufacturing facilities were expanded by over 25% during the year. These investments are made to enable planned growth to be realised with a continued improvement in customer service.

On 19th August 2003 a significant customer was placed in receivership, the brand involved continues to trade through Bradite 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 2002:

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

# BRADITE LIMITED

## DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2003

### Directors' interests

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

	Ordinary shares 'A' of £ 1 each	
	31 October 2003	1 November 2002
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 2003	1 November 2002
J S Falder	7,500	5,000
D R Mottershead	15,000	10,000
S B Falder	7,500	5,000
T R Ayre	2,750	2,500
A M Burton	4,750	4,500

	9% cumulative non - participating redeemable preference shares of £ 1 each	
	31 October 2003	1 November 2002
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 UHY Hacker Young be reappointed as auditors of the company will be put to the Annual General Meeting.

# **BRADITE LIMITED**

## **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2003**

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### **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**

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We have examined the abbreviated accounts set out on pages 4 to 19, together with the financial statements of the company for the year ended 31 October 2003 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 247 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**

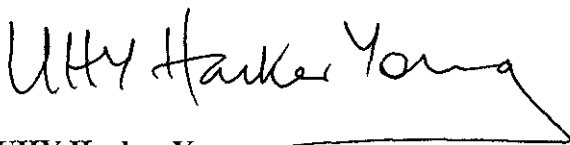
The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of 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 19 are properly prepared in accordance with that provision.

  
**UHY Hacker Young**

1 September 2004

Chartered Accountants  
Registered Auditor

## BRADITE LIMITED

### ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 OCTOBER 2003

		2003 £	2002 £
	Notes		
Gross profit		1,177,613	903,240
Distribution costs		(465,269)	(291,256)
Administrative expenses		(574,685)	(504,626)
Operating profit	2	137,659	107,358
		-	-
Interest payable and similar charges	3	(54,231)	(44,869)
Profit on ordinary activities before taxation		83,428	62,489
Tax on profit on ordinary activities	4	-	-
Profit on ordinary activities after taxation	14	83,428	62,489

# BRADITE LIMITED

## BALANCE SHEET AS AT 31 OCTOBER 2003

	Notes	2003		2002	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	5	392,860		106,287	
Tangible assets	6	313,465		254,448	
Investments	7	1		1	
		<u>706,326</u>		<u>360,736</u>	
<b>Current assets</b>					
Stocks	8	821,292		777,394	
Debtors	9	1,095,580		1,037,058	
Cash at bank and in hand		4,050		7,148	
		<u>1,920,922</u>		<u>1,821,600</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>(1,826,689)</u>		<u>(1,469,405)</u>	
<b>Net current assets</b>			94,233		352,195
<b>Total assets less current liabilities</b>			800,559		712,931
<b>Creditors: amounts falling due after more than one year</b>	11		<u>(409,224)</u>		<u>(416,374)</u>
			<u>391,335</u>		<u>296,557</u>
<b>Capital and reserves</b>					
Called up share capital	13	479,350		468,000	
Profit and loss account	14	(88,015)		(171,443)	
<b>Shareholders' funds</b>	18	<u>391,335</u>		<u>296,557</u>	
Equity interests		41,335		(53,443)	
Non-equity interests		350,000		350,000	
		<u>391,335</u>		<u>296,557</u>	



# **BRADITE LIMITED**

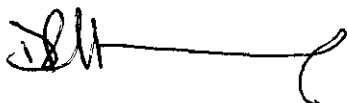
## **BALANCE SHEET (CONTINUED)**

**AS AT 31 OCTOBER 2003**

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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 2004



D R Mottershead  
**Director**

# BRADITE LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 OCTOBER 2003

	Notes	£	2003 £	£	2002 £
<b>Net cash inflow from operating activities</b>	<b>15</b>		<b>161,637</b>		<b>209,089</b>
<b>Returns on investments and servicing of finance</b>					
Interest paid		(54,231)		(44,869)	
<b>Net cash outflow for returns on investments and servicing of finance</b>			<b>(54,231)</b>		<b>(44,869)</b>
<b>Capital expenditure</b>					
Payments to acquire intangible assets		(61,810)		(53,880)	
Payments to acquire tangible assets		(142,502)		(48,955)	
Receipts from sales of tangible assets		-		2,500	
<b>Net cash outflow for capital expenditure</b>			<b>(204,312)</b>		<b>(100,335)</b>
<b>Net cash (outflow)/inflow before management of liquid resources and financing</b>			<b>(96,906)</b>		<b>63,885</b>
<b>Financing</b>					
Issue of ordinary share capital		11,350		-	
Other new long term loans		-		52,928	
Repayment of long term bank loan		-		(17,067)	
Repayment of other short term loans		(17,167)		(20,653)	
Capital element of hire purchase contracts		(9,792)		(23,189)	
<b>Net cash outflow from financing</b>			<b>(15,609)</b>		<b>(7,981)</b>
<b>(Decrease)/increase in cash in the year 16</b>			<b>(112,515)</b>		<b>55,904</b>

# **BRADITE LIMITED**

## **NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 2003**

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### **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 Licences**

Licences are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost against specific product lines included in the respective licence agreements over the life of the agreements. The directors anticipate that the cost will be written off within 4 years.

#### **1.5 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.

#### **1.6 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% and 33% straight line
Fixtures, fittings & equipment	20% and 35% straight line
Motor vehicles	25% reducing balance

#### **1.7 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.

#### **1.8 Investments**

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

#### **1.9 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.

# BRADITE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2003

### 1 Accounting policies

(continued)

#### 1.10 Pensions

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

#### 1.11 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.

#### 1.12 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.

#### 1.13 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	2003 £	2002 £
Operating profit is stated after charging:		
Amortisation of intangible assets	75,238	49,185
Depreciation of tangible assets	83,485	72,435
Loss on disposal of tangible assets	-	2,176
Loss on foreign exchange transactions	2,081	-
Auditors' remuneration	8,150	6,000
and after crediting:		
Government grants	-	26,158
Profit on foreign exchange transactions	-	1,900

# BRADITE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2003

3 Interest payable	2003	2002
	£	£
On loan from connected company	18,800	7,000
On bank loans and overdrafts	33,851	36,042
Hire purchase interest	1,580	1,827
	<u>54,231</u>	<u>44,869</u>
4 Taxation	2003	2002
	£	£
<b>Current tax charge</b>	-	-
<b>Factors affecting the tax charge for the year</b>		
Profit on ordinary activities before taxation	<u>83,428</u>	<u>62,489</u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2002: 20.00%)	<u>15,851</u>	<u>12,498</u>
Effects of:		
Non deductible expenses	1,102	1,173
Depreciation add back	26,791	24,325
Capital allowances	(17,142)	(12,363)
Tax losses utilised	<u>(26,602)</u>	<u>(25,633)</u>
	<u>(15,851)</u>	<u>(12,498)</u>
<b>Current tax charge</b>	<u>-</u>	<u>-</u>

The company has estimated losses of £ 170,000 (2002: £ 310,000) 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 2003

### 5 Intangible fixed assets

	Licences Development Costs		Total
	£	£	£
<b>Cost</b>			
At 1 November 2002	-	245,922	245,922
Additions	300,000	61,810	361,810
At 31 October 2003	300,000	307,732	607,732
<b>Amortisation</b>			
At 1 November 2002	-	139,634	139,634
Charge for the year	17,718	57,520	75,238
At 31 October 2003	17,718	197,154	214,872
<b>Net book value</b>			
At 31 October 2003	282,282	110,578	392,860
At 31 October 2002	-	106,287	106,287

# BRADITE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2003

### 6 Tangible fixed assets

	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 November 2002	371,553	74,192	71,794	517,539
Additions	118,569	23,933	-	142,502
At 31 October 2003	490,122	98,125	71,794	660,041
<b>Depreciation</b>				
At 1 November 2002	184,090	48,799	30,202	263,091
Charge for the year	58,140	14,947	10,398	83,485
At 31 October 2003	242,230	63,746	40,600	346,576
<b>Net book value</b>				
At 31 October 2003	247,892	34,379	31,194	313,465
At 31 October 2002	187,463	25,393	41,592	254,448

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

	Motor vehicles £
<b>Net book values</b>	
At 31 October 2003	19,083
At 31 October 2002	29,569
<b>Depreciation charge for the year</b>	
31 October 2003	6,361
31 October 2002	3,725

# BRADITE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2003

### 7 Fixed asset investments

	Shares in group undertakings
	£
<b>Cost</b>	
At 1 November 2002 & at 31 October 2003	<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 Limited	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 Profit for the	
	reserves	year
	2003	2003
	£	£
The Little Greene Paint Company Limited	<u>1,705</u>	<u>958</u>

8 Stocks	2003	2002
	£	£
Raw materials and consumables	321,162	277,543
Finished goods and goods for resale	500,130	499,851
	<u>821,292</u>	<u>777,394</u>



# BRADITE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2003

9 Debtors	2003	2002
	£	£
Trade debtors	576,377	898,413
Other debtors	418,673	47,966
Prepayments and accrued income	100,530	90,679
	<u>1,095,580</u>	<u>1,037,058</u>
10 Creditors: amounts falling due within one year	2003	2002
	£	£
Bank loans and overdrafts	168,433	76,183
Net obligations under finance lease and hire purchase contracts	6,813	9,454
Trade creditors	995,920	673,165
Taxes and social security costs	73,930	80,790
Other creditors	472,723	550,308
Accruals and deferred income	108,870	79,505
	<u>1,826,689</u>	<u>1,469,405</u>

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

Other creditors includes £371,268 (2002 - £449,471) 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 2003

11 Creditors: amounts falling due after more than one year	2003 £	2002 £
Other loans	400,000	400,000
Net obligations under finance leases and hire purchase agreements	9,224	16,374
	<u>409,224</u>	<u>416,374</u>
<b>Analysis of loans</b>		
Wholly repayable within five years	400,000	417,167
	<u>400,000</u>	<u>417,167</u>
Included in current liabilities	-	(17,167)
	<u>400,000</u>	<u>400,000</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	6,813	9,454
Repayable between one and five years	9,224	16,374
	<u>16,037</u>	<u>25,828</u>
Included in liabilities falling due within one year	(6,813)	(9,454)
	<u>9,224</u>	<u>16,374</u>

## 12 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.

	2003 £	2002 £
Contributions payable by the company for the year	<u>10,405</u>	<u>16,791</u>

# BRADITE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2003

13 Share capital	2003 £	2002 £
<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
49,350 Ordinary shares 'B' of £1 each	49,350	38,000
350,000 9% cumulative non - participating redeemable preference shares of £1 each	350,000	350,000
	<u>479,350</u>	<u>468,000</u>

During the year 11,350 ordinary 'B' shares of £1 each were issued fully paid at par for cash consideration to provide additional working capital.

At 31 October 2003 the company had arrears of dividends amounting to £137,000 (2002 - £105,500) on the 350,000 9% cumulative non - participating redeemable preference shares of £1 each.

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

	Profit and loss account £
Balance at 1 November 2002	(171,443)
Retained profit for the year	83,428
	<u>(88,015)</u>
Balance at 31 October 2003	

# BRADITE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2003

<b>15 Reconciliation of operating profit to net cash inflow from operating activities</b>	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Operating profit	137,659	107,358
Depreciation of tangible assets	83,485	72,435
Amortisation of intangible assets	92,956	49,185
Loss on disposal of tangible assets	-	2,176
(Increase)/decrease in stocks	(43,898)	12,880
Increase in debtors	(58,522)	(114,979)
Increase in creditors within one year	267,675	106,192
Movement on grant provision	-	(26,158)
Net cash inflow from operating activities	<u>479,355</u>	<u>209,089</u>
<b>16 Analysis of net debt</b>	<b>1 November 2002</b>	<b>Cash flow 31 October 2003</b>
	<b>£</b>	<b>£</b>
Net cash:		
Cash at bank and in hand	7,148	(3,098)
Bank overdrafts	(59,016)	(109,417)
	<u>(51,868)</u>	<u>(164,383)</u>
Debt:		
Finance leases	(25,828)	9,791
Debts falling due within one year	(17,167)	17,167
Debts falling due after one year	(400,000)	-
	<u>(442,995)</u>	<u>(416,037)</u>
Net debt	<u>(494,863)</u>	<u>(580,420)</u>
<b>17 Reconciliation of net cash flow to movement in net debt</b>	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
(Decrease)/increase in cash in the year	(112,515)	55,904
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing	26,958	(19,813)
<b>Movement in net debt in the year</b>	<u>(85,557)</u>	<u>36,091</u>
Opening net debt	(494,863)	(530,954)
Closing net debt	<u>(580,420)</u>	<u>(494,863)</u>

## BRADITE LIMITED

### NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2003

18 Reconciliation of movements in shareholders' funds	2003 £	2002 £
Profit for the financial year	83,428	62,489
Proceeds from issue of shares	11,350	-
Net addition to shareholders' funds	94,778	62,489
Opening shareholders' funds	296,557	234,068
Closing shareholders' funds	391,335	296,557

#### 19 Transactions with directors

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 £36,776 (2002 - £46,569), sold goods to the value of £10,000 (2002 - £47,072), paid interest amounting to £18,800 (2002 - £7,000) and paid management charges of £30,000 (2002 - £30,000). The amount owed to H M G Paints Limited and its parent company H Marcel Guest Limited at the balance sheet date was £500,305 (2002 - £497,571).

During the year the company sold goods to its subsidiary company, The Little Greene Paint Company Limited, totalling £816,472 (2002 - £171,705), and received management charges of £97,000 (2002 - £3500). The amount due from the company at the balance sheet date was £418,460 (2002 - £43,966).

# BRADITE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2003

### 20 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was:

	2003 Number	2002 Number
Production	18	18
Selling and distribution	14	13
Administration	9	8
Research and developments	2	2
	<u>43</u>	<u>41</u>

#### Employment costs

	£	£
Wages and salaries	844,531	718,634
Other pension costs	10,405	16,791
	<u>854,936</u>	<u>735,425</u>

### 21 Control

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

### 22 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 £36,776 (2002 - £46,569), sold goods to the value of £10,000 (2002 - £47,072), paid interest amounting to £18,800 (2002 - £7,000) and paid management charges of £30,000 (2002 - £30,000). The amount owed to H M G Paints Limited and its parent company H Marcel Guest Limited at the balance sheet date was £500,305 (2002 - £497,571).

During the year the company sold goods to its subsidiary company, The Little Greene Paint Company Limited, totalling £816,472 (2002 - £171,705), and received management charges of £97,000 (2002 - £3500). The amount due from the company at the balance sheet date was £418,460 (2002 - £43,966).