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Fine Decor Wallcoverings Limited

Report and Financial Statements

31 December 2005

 ERNST & YOUNG



Fine Decor Wallcoverings Limited

Registered No: 4110906

Directors

P J Ciaccia
K Grandberg
J Grandberg
C Jacob (resigned 31/05/2006)

Secretary

P J Ciaccia

Auditors

Ernst & Young LLP
100 Barbirolli Square
Manchester
M2 3EY

Bankers

Lloyds TSB Bank Plc
53 King Street
Manchester
M60 2ES

Bank of America
26 Elmfield Road
Bromley Kent
BR1 1WA

Registered office

Victoria Mills
Macclesfield Road
Holmes Chapel
Crewe
Cheshire
CW4 7PA

ERNST & YOUNG

Directors' report

The directors present their report and financial statements for the year ended 31 December 2005.

Results and dividends

The profit for the year amounted to £2,436 (2004 - loss £1,774,973). The directors do not recommend the payment of any dividends.

Principal activities and review of the business

The company is involved in the production, distribution and marketing of wallpaper products.

In the last 12 months, Fine Decor has achieved significant improvements in operating profit, cash generation and operating efficiency as a result of Brewster Wallpaper Corp. transferring volumes into Fine Decor. This has strengthened our market position against the background of difficult trading conditions in the UK.

Treasury Policies

The company's financial instruments comprise a bank loan, cash and liquid resources, balances with group undertakings and various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations.

The main risks arising from the company's financial instruments are credit risk and foreign currency risk. The directors review and agree policies for managing each of these risks and they are summarised below.

Credit risk

The company's objective is to reduce the risk of financial loss due to a counter party's failure to honour its obligations. The company adopts standard payment terms to customers and individual exposures are monitored with customers subject to credit limits to ensure that the company's exposure to bad debts is not significant.

Foreign currency risk

The company buys and sells goods and services denominated in currencies other than sterling. As a result the value of the company's non-sterling revenues, purchases, financial assets and liabilities and cash flows can be affected by movements in exchange rates in general, and in US Dollar rates in particular. Additionally, the company has bank borrowings denominated in currencies other than sterling.

The directors do not feel that the exposure to foreign currency is material and therefore do not use any financial instruments to mitigate this risk.

Directors' report (continued)

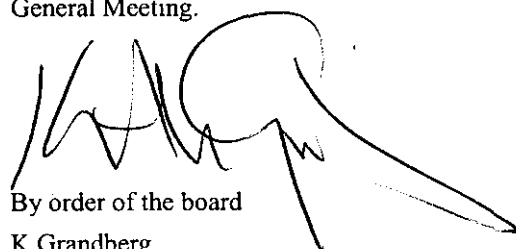
Directors

The directors who served the company and their respect interests in the shareholdings of the company during the year were as follows:

	<i>At 31 December 2005</i>		<i>At 31 December 2004</i>	
	<i>£1 ordinary shares</i>		<i>£1 ordinary shares</i>	
	<i>Voting</i>	<i>Non-Voting</i>	<i>Voting</i>	<i>Non-Voting</i>
P J Ciaccia	-	-	-	-
K Grandberg	62,500	100,000	62,500	100,000
J Grandberg	62,500	100,000	62,500	100,000
C Jacob	-	-	-	-

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.



By order of the board

K Grandberg

Director

31 August 2006

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 year. 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 (continued)

to the members of Fine Decor Wallcoverings Limited

We have audited the company's financial statements for the year ended 31 December 2005 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, Balance Sheet, Statement of Cash Flows and the related notes 1 to 22. These financial statements have been prepared under 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

The directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 other transactions 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 International Standards on Auditing (UK and Ireland) 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 judgments 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.

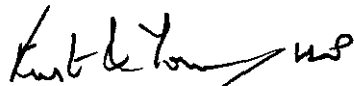
Opinion

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Statement of directors' responsibilities in respect of the financial statements

Emphasis of matter - Going concern

In forming our opinion, we have considered the adequacy of the disclosures made in note 1 of the financial statements concerning the ongoing support of the key provider of finance to the company. Additionally, we have considered disclosures made in respect of the ongoing trading support of a key related company who continues to undergo significant reorganisation in order to restore profitability and reduce costs. In view of the significance of the fact that the preparation of the financial statements on a going concern basis assumes that the financial support will continue for the foreseeable future and that the restructuring reaches a successful conclusion, we consider that these disclosures should be brought to your attention. Our opinion is not qualified in this respect.



Ernst & Young LLP
Registered Auditor
Manchester

4/9/ 2006

Profit and loss account

for the year ended 31 December 2005

	Notes	2005 £	2004 £
Turnover	2	12,452,367	9,231,073
Cost of sales		11,194,238	8,970,843
Gross Profit		1,258,129	260,230
Administrative expenses		1,004,557	1,857,152
Operating profit/(loss)	3	253,572	(1,596,922)
Bank interest receivable		3,375	3,586
Interest payable and similar charges	5	(254,511)	(181,637)
Profit/(loss) on ordinary activities before taxation		2,436	(1,774,973)
Tax on profit/(loss) on ordinary activities	6	-	-
Profit/(loss) retained for the financial year	17	2,436	(1,774,973)

Statement of total recognised gains and losses

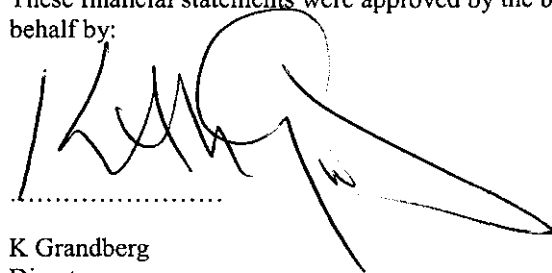
There are no recognised gains or losses other than the profit of £2,436 attributable to the shareholders for the year ended 31 December 2005 (2004 - loss of £1,774,973).

Balance sheet

at 31 December 2005

	Notes	2005 £	2004 £
Fixed assets			
Intangible assets	7	135,846	163,316
Tangible assets	8	1,551,762	1,773,610
		<u>1,687,608</u>	<u>1,936,926</u>
Current assets			
Stocks	9	1,589,847	1,963,981
Debtors	10	3,286,209	2,433,600
Cash at bank		184,596	229,138
		<u>5,060,652</u>	<u>4,626,719</u>
Creditors: amounts falling due within one year	11	2,681,735	4,655,186
Net current assets/(liabilities)		<u>2,378,917</u>	<u>(28,467)</u>
Total assets less current liabilities		<u>4,066,525</u>	<u>1,908,459</u>
Creditors: amounts falling due after more than one year	12	5,636,000	3,480,370
		<u>(1,569,475)</u>	<u>(1,571,911)</u>
Capital and reserves			
Called up share capital	16	500,000	500,000
Profit and loss account	17	(2,069,475)	(2,071,911)
Equity shareholders' fund	17	<u>(1,569,475)</u>	<u>(1,571,911)</u>

These financial statements were approved by the board on 31 August 2006 and signed on their behalf by:



K Grandberg
Director

31 August 2006

Statement of cash flows

for the year ended 31 December 2005

	Notes	2005 £	2004 £
<i>Net cash inflow from operating activities</i>	18(a)	250,331	685,611
<i>Returns on investments and servicing of finance</i>	18(b)	(251,136)	(178,050)
<i>Capital expenditure and financial investment</i>	18(c)	(68,683)	(140,968)
<i>Financing</i>	18(d)	24,946	(178,846)
<i>(Decrease)/increase in cash</i>		<u>(44,542)</u>	<u>187,747</u>

Reconciliation of net cash flow to movement in net debt

	Notes	2005 £	2004 £
(Decrease)/increase in cash		(44,542)	187,747
Cash inflow from increase in loan		(77,578)	(100,000)
Cash outflow from loan repayments		52,632	278,846
Change in net debt		<u>(69,488)</u>	<u>366,593</u>
Change in net debt	18(e)	(69,488)	366,593
Net debt at 1 January	18(e)	(5,381,916)	(5,748,509)
Net debt at 31 December	18(e)	<u>(5,451,404)</u>	<u>(5,381,916)</u>

Notes to the financial statements

at 31 December 2005

1. Accounting policies

Basis of preparation

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

Fundamental accounting policy

At the balance sheet date, the company had a liability of £ 3,027,942 (see note 20), due to Grandberg Family Associates LP, in which the company's controlling parties, Mr K and J Grandberg are partners.

Grandberg Family Associates LP has confirmed its intention that it will not seek repayment of this liability in the foreseeable future.

During 2004, Brewster Wallpaper Corp., a company controlled by K Grandberg, embarked on a strategy to consolidate its manufacturing suppliers by transferring certain volume into Fine Décor, and concurrently reducing both its stock level and cost base. This major restructuring in both Brewster Wallpaper Corp. and Fine Décor commenced in the last quarter of 2003 and continued throughout 2004. This strategy continues to be implemented resulting in significantly improved volumes through Fine Décor. However, the related company Brewster Wallpaper Corp. has continued to incur losses in 2005 albeit on a much reduced level to 2004 and its management plans include improving cashflows by decreasing inventory levels and streamlining costs to reduce operating expenses in order to repay debt. There is significant uncertainty that Brewster Wallpaper Corp will be able to continue as a going concern and, therefore, as appropriate may be unable to realise its assets and discharge its liabilities in the normal course of business. Fine Décor is reliant upon the trading support of Brewster Wallpaper Corp., and its ability to continue as a going concern would be impacted by any inability of this key supporter to continue as a going concern.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to amounts and classification of liabilities that may be necessary if the entity is unable to continue as a going concern. Whilst there remains a degree of uncertainty as to the final outcome of the strategy implementation, the Directors are confident that it is appropriate for the financial statements to be prepared on a going concern basis.

Goodwill

Goodwill is capitalised, classified as an asset of the balance sheet and is amortised on a straight line basis over its useful economic life of ten years. It is reviewed for impairment periodically if events or changes in circumstances indicate that the carrying value may not be recoverable.

Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows:

Plant & Machinery	- over 10 years
Fixtures & Fittings	- over 4 years
Motor Vehicles	- over 4 years
Computer Equipment	- over 4 years

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition. Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Notes to the financial statements

at 31 December 2005

1 Accounting policies (continued)

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;
- provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;
- 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.

Operating lease agreements

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Pension costs

The company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

2. Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties in respect of the company's continuing activities.

An analysis of turnover by geographical market is given below:

	2005 £	2004 £
United Kingdom	3,721,585	4,100,475
Rest of Europe	723,421	1,127,684
North America	7,947,142	3,868,769
Rest of the World	60,219	134,145
	<u>12,452,367</u>	<u>9,231,073</u>

Notes to the financial statements

at 31 December 2005

3. Operating profit/(loss)

This is stated after charging:

	2005 £	2004 £
Auditors' remuneration - audit services	16,000	22,074
- non-audit services	8,950	5,700
	<u>24,950</u>	<u>27,774</u>
Depreciation of: owned fixed assets	282,304	295,741
: assets under hire purchase	8,227	6,479
Amortisation	27,470	27,470
	<u>318,001</u>	<u>329,690</u>
Operating lease rentals - land and buildings	360,000	360,000
- plant and machinery / vehicles	73,658	68,480

4. Staff costs

	2005 £	2004 £
Wages and salaries	2,853,044	2,305,295
Social security costs	306,629	230,787
Other pension costs (note 14)	98,804	99,167
	<u>3,258,477</u>	<u>2,635,249</u>

The monthly average number of employees during the year was as follows:

	2005 No.	2004 No.
Executive	3	3
Design	4	4
Sales	5	6
Warehouse	13	10
Administration	13	12
Production	122	94
	<u>160</u>	<u>129</u>

Notes to the financial statements

at 31 December 2005

5. Interest payable and similar charges

	2005	2004
	£	£
Loan from related party (note 20)	17,964	17,780
Bank interest	235,139	162,557
Hire purchase interest	1,408	1,300
	<u>254,511</u>	<u>181,637</u>

6. Tax on profit/(loss) on ordinary activities

(a) Analysis of taxation charge for the period

	2005	2004
	£	£
Current tax:		
UK corporation tax	-	-
Deferred tax	-	-
	<u>-</u>	<u>-</u>

(b) Factors affecting current tax charge

The tax assessed for the period is lower than the standard rate of corporation tax in the UK of (2004: 30%). The differences are explained below:

	2005	2004
	£	£
Profit/(loss) on ordinary activities before taxation	2,436	(1,774,973)
Taxation charge on loss on ordinary activities at standard rate of corporation		
Tax in the UK of 30% (2004: 30%)	731	(532,492)
Disallowed expenses and non taxable income	25,451	17,841
Depreciation in excess of capital allowances	82,358	90,666
Utilisation of tax losses in the year	(106,844)	-
Other timing differences	(1,696)	4,581
Tax loss on the period	-	419,404
	<u>-</u>	<u>-</u>

(c) Factors affecting future tax charges

The deferred tax asset (note 15) has not been provided for as it is uncertain whether they will be suitable taxable profits in future periods to allow complete reversal of the underlying differences.

Notes to the financial statements

at 31 December 2005

7. Intangible fixed assets

	<i>Goodwill</i> £
Cost:	
At 1 January 2005 and 31 December 2005	274,698
Amortisation:	
At 1 January 2005	111,382
Provided during the year	27,470
At 31 December 2005	138,852
Net book value:	
At 31 December 2005	135,846
At 1 January 2005	163,316

8. Tangible fixed assets

	<i>Plant & Machinery</i> £	<i>Fixtures & Fittings</i> £	<i>Motor Vehicles</i> £	<i>Computer Equipment</i> £	<i>Total</i> £
Cost:					
At 1 January 2005	2,515,574	33,000	32,907	160,782	2,742,263
Additions	65,154	-	-	3,529	68,683
At 31 December 2005	2,580,728	33,000	32,907	164,311	2,810,946
Depreciation:					
At 1 January 2005	799,567	26,375	15,831	126,880	968,653
Provided during the year	256,760	6,625	8,226	18,920	290,531
At 31 December 2005	1,056,327	33,000	24,057	145,800	1,259,184
Net book value:					
At 31 December 2005	1,524,401	-	8,850	18,511	1,551,762
At 1 January 2005	1,716,007	6,625	17,076	33,902	1,773,610

Included in the total net book value of motor vehicles is £7,101 (2004: £13,579) in respect of an asset held under a HP lease. Depreciation for the year on this motor vehicle is £6,478 (2004: £6,479).

Notes to the financial statements

at 31 December 2005

9. Stocks

	2005 £	2004 £
Raw materials	401,945	327,032
Work in progress	160,656	143,128
Finished goods	1,027,246	1,493,821
	<u>1,589,847</u>	<u>1,963,981</u>

The difference between purchase price or production cost of stocks and their replacement value is not material.

10. Debtors

	2005 £	2004 £
Trade debtors	765,697	1,040,411
Amounts owed by related undertakings	1,476,818	424,913
Prepayments and accrued income	1,043,694	968,276
	<u>3,286,209</u>	<u>2,433,600</u>

11. Creditors: amount falling due within one year

	2005 £	2004 £
Bank loans (note 13)	-	2,130,684
Trade creditors	2,196,465	2,124,810
Other taxation and social security	174,119	162,719
Other creditors	13,665	19,784
Accruals and deferred income	297,486	217,189
	<u>2,681,735</u>	<u>4,655,186</u>

12. Creditors: amount falling due after more than one year

	2005 £	2004 £
Bank loans (note 13)	2,155,630	-
Loans from related parties (note 20)	3,480,370	3,480,370
	<u>5,636,000</u>	<u>3,480,370</u>

Notes to the financial statements

at 31 December 2005

13. Loans

Loans are repayable as follows:

	2005 £	2004 £
Amounts repayable:		
In one year or less or on demand	-	2,130,684
Between one year and five years	2,155,630	-
	<u>2,155,630</u>	<u>2,130,684</u>
In more than five years	3,480,370	3,480,370
	<u>5,636,000</u>	<u>5,611,054</u>

14. Pensions

This company operates a defined contribution pension scheme, the Fine Art Décor Group Personal Pension Scheme, for directors and senior employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The contributions for the year are disclosed in note 4. Unpaid contributions at the year end were £16,506 (2004: £15,681).

15. Deferred taxation

Deferred tax not provided is analysed as follows:

	2005 £	2004 £
Accelerated capital allowances	(145,090)	(77,969)
Trading losses	(351,432)	(419,404)
Other	(38,492)	(55,835)
	<u>(535,014)</u>	<u>(553,208)</u>

Notes to the financial statements

at 31 December 2005

16. Share capital

	<i>Authorised</i>	
	2005	2004
	£	£
Ordinary shares of £1 each	125,000	125,000
Ordinary non-voting shares of £1 each	375,000	375,000
	<u>500,000</u>	<u>500,000</u>

	<i>Allotted, called up and fully paid</i>	
	2005	2004
	No.	No.
	£	£
Ordinary shares of £1 each	125,000	125,000
Ordinary non-voting shares of £1 each	375,000	375,000
	<u>500,000</u>	<u>500,000</u>

The non-voting ordinary shares carry the same rights and privileges and rank *pari passu* with the ordinary shares except that the holders of the non-voting shares do not have the right to vote at any general meeting.

17. Reconciliation of shareholders' funds and movement on reserves

	<i>Share capital</i>	<i>Profit and loss account</i>	<i>Total shareholders' funds</i>
	£	£	£
At 1 January 2004	500,000	(296,938)	203,062
Loss for the year	-	(1,774,973)	(1,774,973)
At 31 December 2004	<u>500,000</u>	<u>(2,071,911)</u>	<u>(1,571,911)</u>
Profit for the year	-	2,436	2,436
At 31 December 2005	<u>500,000</u>	<u>(2,069,475)</u>	<u>(1,569,475)</u>

Notes to the financial statements

at 31 December 2005

18. Notes to the statement of cash flows

(a) reconciliation of operating profit/(loss) to net cash inflow from operating activities

	2005 £	2004 £
Operating profit	253,572	(1,596,922)
Depreciation	290,531	302,219
Amortisation of goodwill	27,470	27,470
Decrease/(Increase) in stocks	374,134	878,634
Decrease/(Increase) in debtors	(852,609)	1,190,396
(Decrease)/Increase in creditors	157,233	(116,186)
Net cash inflow from operating activities	250,331	685,611

(b) Returns on investments and servicing of finance

	2005 £	2004 £
Interest received	3,375	3,586
Interest paid	(254,511)	(181,636)
	(251,136)	(178,050)

(c) Capital expenditure

	2005 £	2004 £
Payments to acquire tangible fixed assets	(68,683)	(155,968)
Receipts from sales of tangible fixed assets	-	15,000
	(68,683)	(140,968)

(d) Financing

	2005 £	2004 £
New bank loans	77,578	100,000
Repayment of bank loans	(52,632)	(278,846)
	24,946	(178,846)

Notes to the financial statements

at 31 December 2005

18. Notes to the statement of cash flows (Continued)

(e) Analysis of changes in net debt

	At 1 January 2005 £	Cash flows £	At 31 December 2005 £
Cash at bank and in hand	229,138	(44,542)	184,596
Debt due within one year	(2,130,684)	2,130,684	-
Debt due after one year	(3,480,370)	(2,155,630)	(5,636,000)
	<u>(5,381,916)</u>	<u>(69,488)</u>	<u>(5,451,404)</u>

19. Other financial commitments

At 31 December 2005 the company had annual commitments under non-cancellable operating leases as set out below:

	2005 £	Land and Buildings 2004 £	2005 £	Other 2004 £
Operating leases which expire:				
In two to five years	-	-	96,331	56,223
Over five years	360,000	360,000	5,780	-
	<u>360,000</u>	<u>360,000</u>	<u>102,111</u>	<u>56,223</u>

20. Related party transactions

During the year the company entered into transactions, in the ordinary course of business, with related parties as follows:

	Sales to related party £	Purchases from related party £	Balances due from related party £	Balances due to related party £
Brewster Wallpaper Corporation	7,908,840	-	1,402,524	13,797
BWC International Limited	1,452,961	-	70,927	8,626

The above companies are subsidiary undertakings of BWC International Inc., a company incorporated in the United States of America, in which K and J Grandberg are directors and shareholders.

Included within creditors due after more than one year (note 12) is a loan of £3,027,942 (2004: £3,027,942) from Grandberg Family Associates LP, a partnership controlled by K and J Grandberg. The interest charged for the period on this loan was £Nil (2004: £Nil).

Notes to the financial statements

at 31 December 2005

20. Related party transactions (Continued)

Included with creditors due after more than one year (note 12) is a loan of £452,428 (2004: £452,428) from Brewster Wallpaper Corp, a company controlled by K and J Grandberg, relating to printing cylinders. The interest charged for the period on this loan was £17,964 (2004: £17,780).

21. Ultimate parent controlling parties

In the opinion of the directors, the ultimate controlling parties are J and K Grandberg and their family interests.

22. Post balance sheet event

On 1 January 2006, the company acquired the business and assets of BWC International Limited, a related company for consideration of £764,670.