

# Fine Decor Wallcoverings Limited

## Report and Financial Statements

31 December 2003

4110906

ERNST & YOUNG



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# Fine Decor Wallcoverings Limited

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Registered No: 4110906

## **Directors**

P J Ciaccia  
K Grandberg  
J Grandberg  
C Jacob

## **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

Fleet Boston Financial  
39 Victoria Street  
London  
SW1H 0ED

## **Registered office**

Victoria Mills  
Macclesfield Road  
Holmes Chapel  
Crewe  
Cheshire  
CW4 7PA

## Directors' report

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

### Results and dividends

The profit for the year amounted to £57,018 (2002: profit of £11,364). The directors do not recommend the payment of any dividends.

### Increase in share capital

On 17 September 2002 the authorised share capital of the company was increased to £500,000 of £1 each following which the company issued 349,998 ordinary shares of £1 each at par. On 30 September 2002, 262,500 ordinary shares of £1 each in issue were redesigned as non-voting ordinary shares. On 20 October 2003, the company further issued 37,500 voting ordinary shares of £1 each for cash at par and 112,500 non-voting ordinary shares of £1 each for cash at par.

### Principal activities and review of the business

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

### Directors

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

	At 31 December 2003		At 31 December 2002	
	£1 ordinary shares		£1 ordinary shares	
	Voting	Non-Voting	Voting	Non-Voting
P J Ciaccia	-	-	-	-
K Grandberg	62,500	100,000	43,750	43,750
J Grandberg	62,500	100,000	43,750	43,750
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



P J Ciaccia  
Secretary

27 May 2005

## **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**

### **to the members of Fine Decor Wallcoverings Limited**

We have audited the company's financial statements for the year ended 31 December 2003 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet, Statement of Cash Flows and the related notes 1 to 21. These financial statements have been prepared on the basis of 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**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 transactions with the company 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 United Kingdom 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 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.

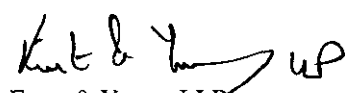
### **Fundamental uncertainty- Going concern**

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 the disclosures made in respect of the ongoing trading support of a key related company who has, along with this company, undergone significant reorganisation in the year in order to restore profitability and reduce costs. In view of the significance of the fact that the preparation of the financial statements on the going concern basis assumes that the financial support will continue for the foreseeable future and that the restructuring reaches successful conclusion, we consider that these disclosures should be brought to your attention. Our opinion is not qualified in this respect.

**Independent auditors' report (continued)**  
to the members of Fine Decor Wallcoverings Limited

**Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
Ernst & Young LLP  
Registered Auditor  
100 Barbirolli Square  
Manchester  
M2 3EY  
27/6/2005

## Profit and loss account

for the year ended 31 December 2003

	Notes	2003 £	2002 £
<b>Turnover</b>	2	11,139,210	9,827,907
Cost of sales		8,206,579	7,032,267
<b>Gross profit</b>		2,932,631	2,795,640
Administrative expenses		2,740,030	2,593,380
<b>Operating profit</b>	3	192,601	202,260
Bank interest receivable		3,088	4,354
Interest payable and similar charges	5	(138,671)	(195,250)
		(135,583)	(190,896)
<b>Profit on ordinary activities before taxation</b>		57,018	11,364
Tax on profit on ordinary activities	6	-	-
<b>Profit retained for the financial year</b>	17	57,018	11,364


## Statement of total recognised gains and losses

There are no recognised gains or losses other than the profit of £57,018 attributable to the shareholders for the year ended 31 December 2003 (2002 - profit of £11,364).

# Balance sheet

at 31 December 2003

	Notes	2003 £	(restated) 2002 £
<b>Fixed assets</b>			
Intangible assets	7	190,786	218,256
Tangible assets	8	1,934,861	1,869,116
		<u>2,125,647</u>	<u>2,087,372</u>
<b>Current assets</b>			
Stocks	9	2,842,614	2,935,253
Debtors	10	3,623,996	4,495,314
Cash at bank		41,391	369,733
		<u>6,508,001</u>	<u>7,800,300</u>
<b>Creditors: amounts falling due within one year</b>	11	4,950,216	4,030,366
<b>Net current assets</b>		<u>1,557,785</u>	<u>3,769,934</u>
<b>Total assets less current liabilities</b>		<u>3,683,432</u>	<u>5,857,306</u>
<b>Creditors: amounts falling due after more than one year</b>	12	3,480,370	5,861,262
		<u>203,062</u>	<u>(3,956)</u>
<b>Capital and reserves</b>			
Called up share capital	16	500,000	350,000
Profit and loss account	17	(296,938)	(353,956)
<b>Equity shareholders' funds</b>	17	<u>203,062</u>	<u>(3,956)</u>

  
 P J Ciaccia  
 Director

27 May 2005



## Statement of cash flows

for the year ended 31 December 2003

	Notes	2003 £	2002 £
<b>Net cash inflow/(outflow) from operating activities</b>	18(a)	200,227	(1,615,966)
<b>Returns on investments and servicing of finance</b>	18(b)	(135,583)	(190,896)
<b>Capital expenditure and financial investment</b>	18(c)	(342,530)	(259,209)
<b>Financing</b>	18(d)	(50,457)	2,479,357
<b>(Decrease)/increase in cash</b>		<u>(328,343)</u>	<u>413,286</u>

### Reconciliation of net cash flow to movement in net debt

		2003 £	2002 £
(Decrease)/increase in cash		(328,343)	413,286
Cash inflow from increase in loan		(80,629)	(2,129,359)
Cash outflow from loan repayments		250,457	—
Other non-cash changes		150,000	—
Change in net debt		<u>(8,515)</u>	<u>(1,716,073)</u>
Change in net debt	18(e)	(8,515)	(1,716,073)
Net debt at 1 January	18(e)	<u>(5,739,994)</u>	<u>(4,023,921)</u>
Net debt at 31 December	18(e)	<u>(5,748,509)</u>	<u>(5,739,994)</u>

## Notes to the financial statements

at 31 December 2003

### 1. Accounting policies

#### **Basis of preparation**

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

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 levels 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 has now been successfully implemented resulting in improved cashflows and significantly improved volumes through Fine Décor.

The financial statements do not include any adjustments that would result if the above plans do not deliver the anticipated results. 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 2003

### 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:

	2003 £	2002 £
United Kingdom	4,242,340	3,802,656
Rest of Europe	688,631	862,366
North America	5,963,040	4,835,060
Rest of the World	245,199	327,825
	<u>11,139,210</u>	<u>9,827,907</u>

## Notes to the financial statements

at 31 December 2003

### 3. Operating profit

This is stated after charging/(crediting):

	2003 £	2002 £
Auditors' remuneration - audit services	17,655	16,500
- non-audit services	-	-
	<u>17,655</u>	<u>16,500</u>
Depreciation of : owned fixed assets	270,930	232,341
: assets under hire purchase	5,855	-
Amortisation	<u>27,470</u>	<u>27,627</u>
	<u>304,255</u>	<u>259,968</u>
Loss on disposal of fixed assets	-	124
Operating lease rentals - land and buildings	360,000	360,000
- plant and machinery	<u>72,301</u>	<u>80,466</u>

## Notes to the financial statements

at 31 December 2003

### 4. Staff costs

	2003 £	2002 £
Wages and salaries	2,564,110	2,213,369
Social security costs	211,241	189,968
Other pension costs (note 14)	89,630	98,635
	<u>2,864,981</u>	<u>2,501,972</u>

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

	2003 No.	2002 No.
Executive	3	3
Design	5	5
Sales	4	4
Warehouse	6	6
Administration	11	13
Production	98	89
	<u>127</u>	<u>120</u>

### 5. Interest payable and similar charges

	2003 £	2002 £
Loan from related party (note 20)	18,254	22,621
Bank interest	119,334	172,629
Hire purchase interest	1,083	-
	<u>138,671</u>	<u>195,250</u>

## Notes to the financial statements

at 31 December 2003

### 6. Tax on profit on ordinary activities

(a) Analysis of taxation charge for the period

	2003 £	2002 £
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 30% (2002: 30%). The differences are explained below:

	2003 £	2002 £
Profit on ordinary activities before taxation	<u>57,018</u>	<u>11,364</u>
Taxation charge on profit on ordinary activities at standard rate of corporation tax in the UK of 30% (2002: 30%)	17,105	3,409
Disallowed expenses and non taxable income	16,318	25,538
Depreciation in excess of capital allowances	(39,648)	(33,470)
Other timing differences	6,225	(548)
Tax losses of the period	—	5,071
Total current tax	<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 there will be suitable taxable profits in future periods to allow complete reversal of the underlying differences.

### 7. Intangible fixed assets

	Goodwill £
Cost:	
At 1 January 2003 and 31 December 2003	<u>274,698</u>
Amortisation:	
At 1 January 2003	56,442
Provided during the year	<u>27,470</u>
At 31 December 2003	<u>83,912</u>
Net book value:	
At 31 December 2003	<u>190,786</u>
At 1 January 2003	<u>218,256</u>

## Notes to the financial statements

at 31 December 2003

### 8. Tangible fixed assets

	<i>Plant &amp; Machinery</i> £	<i>Fixtures &amp; Fittings</i> £	<i>Motor Vehicles</i> £	<i>Equipment</i> £	<i>Total</i> £
Cost:					
At 1 January 2003	2,102,027	33,000	–	123,737	2,258,764
Additions	280,097	–	32,907	29,526	342,530
At 31 December 2003	<u>2,382,124</u>	<u>33,000</u>	<u>32,907</u>	<u>153,263</u>	<u>2,601,294</u>
Depreciation:					
At 1 January 2003	327,626	9,875	–	52,147	389,648
Provided during the year	225,864	8,250	7,304	35,367	276,785
At 31 December 2003	<u>553,490</u>	<u>18,125</u>	<u>7,304</u>	<u>87,514</u>	<u>666,433</u>
Net book value:					
At 31 December 2003	<u>1,828,634</u>	<u>14,875</u>	<u>25,603</u>	<u>65,749</u>	<u>1,934,861</u>
At 1 January 2003	<u>1,774,401</u>	<u>23,125</u>	<u>–</u>	<u>71,590</u>	<u>1,869,116</u>

Included in the total net book value of motor vehicles is £20,057 in respect of an asset held under a finance lease. Depreciation for the year on this motor vehicle is £5,855.

### 9. Stocks

	2003 £	2002 £
Raw materials	393,512	383,462
Work in progress	125,830	114,953
Finished goods	2,323,272	2,436,838
	<u>2,842,614</u>	<u>2,935,253</u>

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

### 10. Debtors

	2003 £	2002 £
Trade debtors	1,395,047	3,096,492
Amounts owed by related undertakings	994,477	207,033
Other debtors	84,141	–
Prepayments and accrued income	1,150,331	1,191,789
	<u>3,623,996</u>	<u>4,495,314</u>

## Notes to the financial statements

at 31 December 2003

### 11. Creditors: amounts falling due within one year

	2003	(restated) 2002
	£	£
Bank loans	2,309,530	248,465
Trade creditors	1,828,658	1,206,859
Amounts owed to related undertakings	481,512	2,252,983
Other taxation and social security	123,146	88,620
Other creditors	55,904	—
Accruals and deferred income	151,466	233,439
	<u>4,950,216</u>	<u>4,030,366</u>

### 12. Creditors: amounts falling due after more than one year

	2003	(restated) 2002
	£	£
Bank loans	—	2,230,892
Loans from related parties (note 20)	3,480,370	3,630,370
	<u>3,480,370</u>	<u>5,861,262</u>

#### Prior year adjustment

The analysis of bank loans repayable has been adjusted following the identification of an error in the disclosure of amounts repayable within one year. Therefore, the balance sheet and related notes have been amended for £248,465 in this respect. This item has had no impact on the profit and loss account or the net assets of the company.

### 13. Loans

Loans are repayable as follows:

	2003	(restated) 2002
	£	£
Amounts repayable:		
In one year or less or on demand	2,309,530	248,465
In more than one year but not more than two years	—	310,578
In more than two years, but not more than five years	—	1,920,314
	<u>2,309,530</u>	<u>2,479,357</u>
In more than five years	3,480,370	3,630,370
	<u>5,789,900</u>	<u>6,109,727</u>

### 14. Pensions

The 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. Unpaid contributions at the year end were £18,171 (2002: £nil).



## Notes to the financial statements

at 31 December 2003

### 15. Deferred taxation

Deferred tax not provided is analysed as follows:

	2003 £	2002 £
Accelerated capital allowances	12,698	(22,749)
Trading losses	—	(5,071)
Other	(51,254)	(36,737)
	<u>(38,556)</u>	<u>(64,557)</u>

### 16. Share capital

	2003 £	Authorised 2002 £
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>

	No.	2003 £	Allotted, called up and fully paid 2002 No.	2002 £
Ordinary shares of £1 each	125,000	125,000	87,500	87,500
Ordinary non-voting shares of £1 each	375,000	375,000	262,500	262,500
		<u>500,000</u>		<u>350,000</u>

On 17 September 2002 the authorised share capital of the company was increased to £500,000 of £1 each following which the company issued 349,998 ordinary shares of £1 each at par. On 30 September 2002, 262,500 ordinary shares of £1 each in issue were redesigned as non-voting ordinary shares. On 20 October 2003, the company further issued 37,500 voting ordinary shares of £1 each for cash at par and 112,500 non-voting ordinary shares of £1 each for cash at par.

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

	Share capital £	Profit and loss account £	Total share- holders' funds £
At 1 January 2002	2	(365,320)	(365,318)
Share capital issued	349,998	—	349,998
Profit for the year	—	11,364	11,364
At 31 December 2002	<u>350,000</u>	<u>(353,956)</u>	<u>(3,956)</u>
Share capital issued	150,000	—	150,000
Profit for the year	—	57,018	57,018
At 31 December 2003	<u>500,000</u>	<u>(296,938)</u>	<u>203,062</u>

# Notes to the financial statements

at 31 December 2003

## 18. Notes to the statement of cash flows

(a) Reconciliation of operating profit to net cash inflow from operating activities

	2003 £	2002 £
Operating profit	192,601	202,260
Depreciation	276,785	232,141
Loss on disposal of fixed assets	-	124
Exchange gain	(119,371)	-
Amortisation of goodwill	27,470	27,627
Decrease/(increase) in stocks	92,639	(929,526)
Decrease/(increase) in debtors	871,318	(1,469,859)
(Decrease)/increase in creditors	(1,141,215)	321,267
Net cash inflow/(outflow) from operating activities	<u>200,227</u>	<u>(1,615,966)</u>

(b) Returns on investments and servicing of finance

	2003 £	2002 £
Interest received	3,088	4,354
Interest paid	(138,671)	(195,250)
	<u>(135,583)</u>	<u>(190,896)</u>

(c) Capital expenditure

	2003 £	2002 £
Payments to acquire tangible fixed assets	(342,530)	(259,410)
Receipts from sales of tangible fixed assets	-	201
	<u>(342,530)</u>	<u>(259,209)</u>

(d) Financing

	2003 £	2002 £
Issue of ordinary share capital	-	349,998
New bank loans	200,000	-
Repayment of bank loans	(250,457)	2,129,359
	<u>(50,457)</u>	<u>2,479,357</u>

## Notes to the financial statements

at 31 December 2003

### 18. Notes to the statement of cash flows (cont'd)

(e) Analysis of changes in net debt

	At 1 January 2003 £	Cash flows £	Other non- cash changes £	At 31 December 2003 £
Cash at bank and in hand	369,733	(328,342)	-	41,391
Debt due within one year	(248,465)	-	(2,061,065)	(2,309,530)
Debt due after one year	(5,861,262)	169,827	2,211,065	(3,480,370)
	<u>(5,739,994)</u>	<u>(158,515)</u>	<u>150,000</u>	<u>(5,748,509)</u>

Other non-cash changes represent the change in the repayment profile of debt and capitalisation of £150,000 of debt into equity.

### 19. Other financial commitments

At 31 December 2003 the company had annual commitments under non-cancellable operating leases as set out below:

	2003 £	Land and buildings 2002 £	2003 £	Other 2002 £
Operating leases which expire:				
In two to five years	-	-	71,123	80,669
Over five years	363,000	363,200	-	-
	<u>363,000</u>	<u>363,200</u>	<u>71,123</u>	<u>80,669</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	4,121,989	-	405,338	(481,512)
BWC International Limited	1,204,262	54,017	50,426	-
International Wallcoverings Company	789,903	219	538,713	-

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 (2002: £3,177,942) from Grandberg Family Associates LP, a partnership controlled by K and J Grandberg. The interest charged for the period on this loan was £nil (2002: £nil).

Included within creditors due after more than one year (note 12) is a loan of £452,428 (2002: £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 £18,254 (2002: £22,621).

## **Notes to the financial statements**

at 31 December 2003

### **21. Ultimate parent controlling parties**

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