

Registered No: 774509

Coats Statutory Company No: 51

MERITINA LIMITED

REPORT AND ACCOUNTS FOR THE YEAR ENDED

31 DECEMBER 2003

COUNTRY OF REGISTRATION:

ENGLAND

REGISTERED OFFICE:

**1 THE SQUARE
STOCKLEY PARK
UXBRIDGE
MIDDLESEX
UB11 1TD**

DIRECTORS

**G.J.C. ALDRIDGE
C.W. HEALY
G.C. MEREDITH**

SECRETARY:

G.J.C. ALDRIDGE



MERITINA LIMITED

REPORT OF THE DIRECTORS

The Directors submit their report and statement of accounts for the year ended 31 December 2003.

1. PRINCIPAL ACTIVITY

The company did not trade during the year and consequently did not incur any liabilities and has no recognised gains or losses or movements in shareholders' funds. The directors do not recommend the payment of a dividend (prior year : £nil).

2. DIRECTORS

The following served as Directors during the year:-

G.J.C. ALDRIDGE	
S.W. DAVIES	(resigned 31 March 2003)
C.W. HEALY	
G.C. MEREDITH	(appointed 31 March 2003)

3. DIRECTORS' INTEREST

The Directors have no beneficial interest in the shares of this or any other group company.

MERITINA LIMITED

REPORT OF THE DIRECTORS

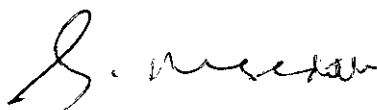
4. DIRECTORS' RESPONSIBILITIES

United Kingdom 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 as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed;
- 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 the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By Order of the Board



Director

22/6/ 2004

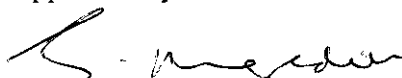
MERITINA LIMITED

BALANCE SHEET - 31 DECEMBER 2003

	<u>Note</u>	2003 £	2002 £
<u>DEBTORS</u>			
Amounts owed by parent and fellow subsidiary undertakings not receivable within one year		<u>2,010</u>	<u>2,010</u>
<u>CAPITAL AND RESERVES</u>			
CALLED UP SHARE CAPITAL	3	<u>100</u>	<u>100</u>
RESERVES			
Profit and loss account		<u>1,910</u>	<u>1,910</u>
EQUITY SHAREHOLDERS' FUNDS		<u>2,010</u>	<u>2,010</u>

The company is entitled to exemption under Subsection (1) of Section 249AA of the Companies Act 1985 in respect of its accounts for the year ended 31 December 2003. No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 249B(2). The directors acknowledge their responsibilities for ensuring that the company keeps accounting records that comply with Section 221 of the Companies Act 1985. The directors also acknowledge their responsibilities for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year in accordance with Section 226 of the Companies Act 1985 and which otherwise comply with the requirements of that Act relating to accounts, so far as applicable to the company.

Approved by the Board of Directors on 22/6/04 and signed on their behalf.


Director

MERITINA LIMITED

NOTES TO ACCOUNTS - 31 DECEMBER 2003

1. ACCOUNTING POLICY

BASIS OF ACCOUNTING

The accounts are prepared on the basis of historical cost and in accordance with applicable accounting standards.

2. PROFIT AND LOSS ACCOUNT

The company has not traded during the year and has made neither profit nor loss in the year or the preceding year and accordingly a profit and loss account has not been prepared. There were no other recognised gains or losses on movements in shareholders' funds in either year. Other than the directors, who did not receive any emoluments in either year, there were no other employees in either year.

3. CALLED UP SHARE CAPITAL

The share capital of the company consists of the following:-

	<u>Authorised</u>		<u>Issued and Fully paid</u>	
	Number	£	Number	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

4. ULTIMATE PARENT COMPANY

As at 7 April 2003, Coats Holdings plc (formerly Avenue Acquisition plc) acquired Coats plc, and Coats Group Limited, a company incorporated in the British Virgin Islands, became the ultimate parent company.

Coats plc changed its name to Coats Ltd on 4 November 2003.

The largest group for which consolidated accounts are prepared is Coats Holdings plc, a company incorporated in England and Wales. Copies of these statements will be available from the company's registered office at First Floor, Times Place, 45 Pall Mall, London SW1Y 5GP.

MERITINA LIMITED

NOTES TO ACCOUNTS - 31 DECEMBER 2003

4. ULTIMATE PARENT COMPANY (continued)

The smallest group for which consolidated accounts are prepared is Coats Ltd, a company incorporated in England and Wales. Copies of its accounts are available from the company's registered office, 1 The Square, Stockley Park, Uxbridge, Middlesex UB11 1TD.

As of 1 April 2004, Guinness Peat Group plc, a company incorporated in England and Wales, is considered by the directors to be the controlling party and the ultimate parent company.