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DACRYLATE PAINTS LIMITED

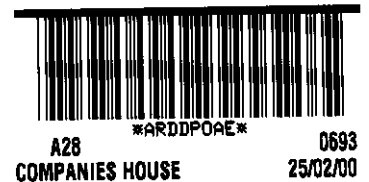
(A DACRYLATE GROUP COMPANY)

1744820

MODIFIED STATEMENT

FOR THE YEAR ENDED 31ST. AUGUST, 1999

**BLAND AND COMPANY
CHARTERED CERTIFIED ACCOUNTANTS
RETFORD**



DACRYLATE PAINTS LIMITED
(A DACRYLATE GROUP COMPANY)

Modified Statement for submission to the Registrar of Companies

DIRECTORS as at 31st. August, 1999

Mr. C.H. Morton	(Chairman)
Mr. M. Butler	(Managing Director)
Mrs. G. Morton	
Mr. D.A. Eames	
Mrs. E. Butler	
Mrs. S.L. Watkins	

COMPANY SECRETARY AND REGISTERED OFFICE

Mrs S L Watkins

Lime Street,
Kirkby in Ashfield,
Nottinghamshire.

No. of Company : 1744820

Holding Company : Dacrylate Limited
Lime Street, Kirkby in Ashfield, Nottinghamshire.

Associated Trading Companies : Clifton Paints Limited
Decorative Acrylic Co. Limited

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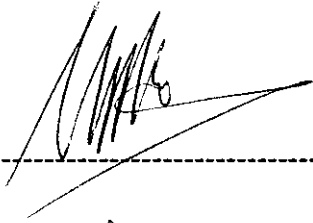
BALANCE SHEET AS AT 31ST. AUGUST, 1999

	1999	1998
FIXED ASSETS		
Tangible Assets	155121	137520
CURRENT ASSETS		
Stocks	489815	500173
Debtors	2011044	1237137
Cash at Bank and In Hand	48025	81265
	<u>£ 2548884</u>	<u>£ 1818575</u>
CREDITORS: Amounts falling due within one year	<u>£ 1975660</u>	<u>£ 1381242</u>
NET CURRENT ASSETS	<u>573224</u>	<u>437333</u>
NET ASSETS EMPLOYED	<u>£ 728345</u>	<u>£ 574853</u>
CAPITAL AND RESERVES		
Called Up Share Capital	10000	10000
Profit and Loss Account	718345	564853
CAPITAL EMPLOYED	<u>£ 728345</u>	<u>£ 574853</u>

Balance Sheet (Cont.)

- a) We have relied upon the exemption for Individual Accounts under Section 247 of the Companies Act 1985.
- b) We have done so on the grounds that the Company is entitled to the benefit of those exemptions as a small company.

as a small company.


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) **DIRECTORS**
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DACRYLATE PAINTS LIMITED
(A DACRYLATE GROUP COMPANY)

Notes on the Modified Statements for the year ended 31st. August, 1999

1. ACCOUNTING POLICIES

1.1 Basis of Preparation of the Financial Statements

These Financial Statements have been prepared under the historical cost convention and in accordance with applicable accounting standards which have been applied consistently.

1.2 Turnover

The turnover is the amount of sales made by the Company during the year and excludes Value Added Tax. All sales are to Decorative Acrylic Co. Limited an Associated Company.

1.3 Tangible Fixed Assets and Depreciation

Tangible Fixed Assets are stated at cost, less accumulated depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of the assets over the period of their expected useful lives.

The rates used are:-

Paint Manufacturing Equipment	20% Straight line
Plant and Machinery	20% Straight line
Fixtures and Fittings	20% Straight line
Office Equipment	25% Straight line
Motor Vehicles	25% Reducing balance

1.4 Stock on Hand

Stocks are stated at the lower of cost price or net realisable value.

1.5 Deferred Taxation

No provision appears necessary for deferred taxation as the timing differences between tax allowances and depreciation charges should not create any material liability in the foreseeable future.

1.6 Pension Scheme Contributions

The Dacrylate Group operates pension schemes for the benefit of certain employees, some of whom are employed by Dacrylate Paints Limited. The funds are managed on behalf of the Trustees by managers who are independent insurance companies. All Funds are held outside the control of the Dacrylate Group companies by the Fund Managers.

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NOTES (Cont.)

1.7 Research and Development Costs

Research and Development costs are written off to the Profit and Loss Account as the costs are incurred.

1.8 Leases

There are no property leases in existence.

There are no substantial asset leasing agreements in existence at 31st. August, 1999.

2. SHARE CAPITAL

The Authorised Share Capital of the Company is £10,000 divided into 10,000 Ordinary Shares of £1. each. The issued Share Capital of the Company as at 31st. August, 1999 was 10,000 Ordinary Shares of £1. each fully paid up.

Report of the auditors
to the Directors of Dacrylate Paints Limited (A Dacrylate Group Company)
under paragraph 1.10 schedule 8 of the Companies Act 1985

We have examined the Accounts on pages one to five which have been modified, in the manner permitted for a small company, from the Accounts of the Company prepared for its members for the year ended 31st. August, 1999.

In our opinion the Company satisfied the requirements for the exemption applicable to a small company in respect of the year ended 31st. August, 1999 and the Modified Accounts attached have been properly prepared in the manner permitted by paragraph 1.2 schedule 8 of the Companies Act 1985.

We set out below the text of our report dated 23rd. December, 1999 to the Members on the unmodified Accounts for the year ended 31st. August, 1999.

We have audited the Financial Statements on pages 5 to 14.

Respective responsibilities of directors and auditors

As described on page 4 the Company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of Opinion


We conducted our audit in accordance with 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.

Report of the auditors
to the Directors of Dacrylate Paints Limited (A Dacrylate Group Company) [Cont.]

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company at 31st. August, 1999 and of the profit and cash flow of the Company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink, appearing to read 'Bland', is written over a horizontal line.

**CHARTERED CERTIFIED ACCOUNTANTS
REGISTERED AUDITOR
RETFORD**

DATED: 23rd. December, 1999