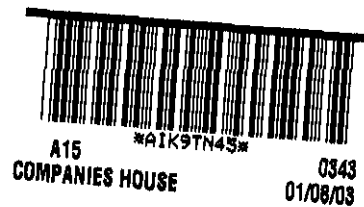


**QUALICOAT LIMITED**  
**ABBREVIATED STATUTORY ACCOUNTS**  
**YEAR ENDED 31ST DECEMBER, 2002**



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2. Balance sheet
3. Notes to the accounts

KUBINSKI  
Chartered Accountants  
and Registered Auditors

**QUALICOAT LIMITED****AUDITORS' REPORT TO QUALICOAT LIMITED****PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages 2 to 5 together with the financial statements of Qualicoat Limited prepared under Section 226 of the Companies Act 1985 for the year ended 31st December, 2002.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

The Directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to the Company's entitlement to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered have been properly prepared in accordance with those provisions and to report our opinion to you.

**BASIS OF 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 have been properly prepared.

**OPINION**

In our opinion the Company is entitled under Sections 246(5) and (6) of the Companies Act 1985 to deliver abbreviated accounts and the abbreviated accounts on pages 2 to 5 have been properly prepared in accordance with those provisions.

.....  
KUBINSKI  
Chartered Accountants  
and Registered Auditors

Eldon House  
201 Penistone Road  
Kirkburton  
Huddersfield  
HD8 0PE

DATED .....20/6/03.....

**QUALICOAT LIMITED****ABBREVIATED BALANCE SHEET AT 31ST DECEMBER, 2002**

	<u>Notes</u>	<u>2002</u>	<u>2001</u>
		£	£
<b>FIXED ASSETS</b>	2	910,363	1,025,157
<b>CURRENT ASSETS</b>			
Stocks		14,974	13,517
Debtors ( due within one year )		425,845	599,342
Cash at bank and in hand		<u>64,729</u>	<u>—</u>
		505,548	612,859
<b>CREDITORS: Amounts falling due within one year</b>	4	<u>1,087,523</u>	<u>1,178,471</u>
<b>NET CURRENT LIABILITIES</b>		( 581,975 )	( 565,612 )
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		328,388	459,545
<b>CREDITORS: Amounts falling due after more than one year</b>	4	<u>65,093</u>	<u>157,492</u>
		263,295	302,053
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			
Deferred taxation		<u>135,000</u>	<u>87,600</u>
<b>NET ASSETS</b>		£ 128,295	£ 214,453
<b>CAPITAL AND RESERVES</b>			
Called up share capital	5	10,002	10,002
Share premium account		195,000	195,000
Profit and loss account		<u>( 76,707 )</u>	<u>9,451</u>
<b>SHAREHOLDERS' FUNDS</b>		£ 128,295	£ 214,453

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies.

**SIGNED ON BEHALF OF THE BOARD OF DIRECTORS**

DIRECTOR — S. MOFFATT .....  .....

APPROVED BY THE BOARD ON ... 30-6-2003 .....

**QUALICOAT LIMITED****NOTES TO THE ABBREVIATED ACCOUNTS, 31ST DECEMBER, 2002****1. ACCOUNTING POLICIES****a) BASIS OF ACCOUNTING**Accounting convention

The financial statements are prepared under the historical cost convention.

Exemptions applied

As the Company is over 90% owned by Alcan Print Finishers Ltd and the ultimate parent company is Alcan Inc. which publishes consolidated financial statements in which the Company is included, it is not required to disclose details of transactions with entities belonging to the group.

**b) TURNOVER**

Turnover represents net invoiced sales of goods and services, excluding Value Added Tax.

**c) TANGIBLE FIXED ASSETS**

Tangible fixed assets are stated at cost or valuation less depreciation.

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

## Straight line method

Leasehold property	2.0%
Plant and machinery	7.8% to 15.0%
Fixtures and fittings	10.0% and 33.3%

## Reducing balance method

Motor vehicles	20.0%
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**d) LEASED ASSETS AND ASSETS HELD UNDER HIRE PURCHASE AGREEMENTS**

The fair value of an asset acquired under a finance lease or hire purchase agreement is included in tangible fixed assets and depreciation is provided in accordance with the Company's accounting policy for the class of asset concerned.

The interest cost is charged over the term of the agreement using a constant periodic rate of charge or method approximating thereto.

Rentals paid on an operating lease are charged to the profit and loss account on a straight line basis over the term of the lease agreement.

**e) STOCKS**

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

**f) DEFERRED TAXATION**

The charge for taxation takes into account taxation deferred as a result of timing differences between the treatment of certain items for taxation and accounting purposes. In general, deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Deferred taxation is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

**QUALICOAT LIMITED****NOTES TO THE ABBREVIATED ACCOUNTS, 31ST DECEMBER, 2002 ( CONT. )****2. FIXED ASSETS**

	Intangible assets	Tangible assets	2002 Total
<b>COST</b>	£	£	£
Brought forward	4,709	1,576,069	1,580,778
Additions	—	35,066	35,066
Disposals	( 4,709 )	( 50,000 )	( 54,709 )
Carried forward	£ —	1,561,135	£ 1,561,135
<b>DEPRECIATION / AMORTISATION</b>			
Brought forward	—	555,621	555,621
Charged in year	1,209	139,725	140,934
Disposals	( 1,209 )	( 44,574 )	( 45,783 )
Carried forward	£ —	650,772	£ 650,772
<b>NET BOOK VALUE</b>			
31st December, 2002	£ —	910,363	£ 910,363

2002

£

2001

£

**3. TRANSACTIONS WITH DIRECTORS****LOAN TO A DIRECTOR**

During the year the Company expended money on behalf of a Director as follows:—

**MR. N. ANDERSON**

Balance due at the beginning of the year	9,380	9,380
Maximum balance during the year	21,497	9,380
Balance due at the end of the year	—	9,380

All amounts outstanding are repayable on demand and are interest free. Full repayment has been made.

**MATERIAL INTERESTS OF DIRECTORS**

The Directors had no material interest in any contract of significance to which the Company was a party during the financial year.

**QUALICOAT LIMITED****NOTES TO THE ABBREVIATED ACCOUNTS, 31ST DECEMBER, 2002 ( CONT. )**


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	<u>2002</u>	<u>2001</u>
	£	£
<b>4. CREDITORS</b>		
Creditors include secured liabilities totalling	£ <u>472,112</u>	£ <u>768,572</u>
<b>5. CALLED UP SHARE CAPITAL</b>		
AUTHORISED:—		
50,000 Ordinary shares of £1 each	£ <u>50,000</u>	£ <u>50,000</u>

**6. RELATED PARTIES**

The Company has Related Party Transactions with its Holding Company and fellow subsidiaries. As a wholly owned subsidiary the Company claims exemption from disclosure of these transactions under Financial Reporting Standard 8.

**7. ULTIMATE PARENT UNDERTAKING**

The immediate parent undertaking is Alcan Print Finishers Ltd. The ultimate UK parent company is Alcan Holdings UK Limited. The smallest group in which the results of the Company are consolidated is that headed by Alcan Holdings UK Limited. Copies of Alcan Holdings UK Limited accounts can be obtained from The Secretary, Alcan Holdings UK Limited, A-L House, 83 Tower Road North, Warmley, Bristol, BS30 8XP.

In the opinion of the Directors the ultimate parent undertaking and controlling party is Alcan Inc., a company incorporated in Canada. The largest group in which the results of the Company are consolidated is that headed by Alcan Inc. A copy of Alcan Inc. accounts can be obtained from The Secretary, Alcan Inc., 1188 Sherbrooke Street West, Montreal, Quebec, HGA 3G2, Canada.