

**REGISTERED NUMBER: 1770077 (Scotland)**

**Abbreviated Accounts**  
**for the year ended 31 December 2003**  
**for**  
**Paragon Inks (Holdings) Limited**



**SCT 836HWZED 0178**  
**COMPANIES HOUSE 16/10/04**

**Paragon Inks (Holdings) Limited**

**Contents of the Abbreviated Accounts  
for the year ended 31 December 2003**

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Report of the Director</b>	<b>2</b>
<b>Report of the Independent Auditors on the Abbreviated Accounts</b>	<b>4</b>
<b>Abbreviated Profit and Loss Account</b>	<b>5</b>
<b>Abbreviated Balance Sheet</b>	<b>6</b>
<b>Cash Flow Statement</b>	<b>7</b>
<b>Notes to the Cash Flow Statement</b>	<b>8</b>
<b>Notes to the Abbreviated Accounts</b>	<b>10</b>

**Paragon Inks (Holdings) Limited**

**Company Information  
for the year ended 31 December 2003**

<b>DIRECTOR:</b>	G Merten
<b>SECRETARY:</b>	HendersonBoydJackson
<b>REGISTERED OFFICE:</b>	Brocks Way East Mains Industrial Estate Broxburn West Lothian EH52 5AU
<b>REGISTERED NUMBER:</b>	1770077 (Scotland)
<b>AUDITORS:</b>	The Glen Drummond Practice Chartered Accountants and Registered Auditor Argyll House Quarrywood Court Livingston West Lothian EH54 6AX
<b>BANKERS:</b>	The Royal Bank of Scotland PO Box 17 23-25 Rosslyn Street Kirkcaldy KY1 3HA
<b>SOLICITORS:</b>	Henderson Boyd Jackson Exchange Tower 19 Canning Street Edinburgh EH3 8EH

## **Paragon Inks (Holdings) Limited**

### **Report of the Director for the year ended 31 December 2003**

The director presents his report with the accounts of the company for the year ended 31 December 2003.

#### **PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of the manufacture and sale of printing inks, lacquers, varnish and sundry items to the printing trade and allied industries. The company's subsidiary, Paragon Inks Limited, ceased its activity as that of a property investment company on 31 December 2002.

#### **REVIEW OF BUSINESS**

The results for the year and financial position of the company are as shown in the annexed accounts.

The company's subsidiary Paragon Inks Limited remained dormant throughout the year.

#### **DIVIDENDS**

Interim dividends per share were paid as follows:

13786	- 30 April 2003
45000	- 14 May 2003
13800	- 30 June 2003
13800	- 30 September 2003
<hr/>	
86,386	
<hr/>	

The director recommends that no final dividend be paid.

The total distribution of dividends for the year ended 31 December 2003 will be £86,386.

#### **DIRECTOR**

G Merten was the sole director during the year under review.

His beneficial interest in the issued share capital of the company was as follows:

	<b>31.12.03</b>	<b>1.1.03</b>
Ordinary £1 shares	25,000	25,000

#### **CHARITABLE DONATIONS**

During the year £205 (2002 - £570) was donated to various charities.

#### **STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

Company law requires the director 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 period. In preparing those financial statements, the director is required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

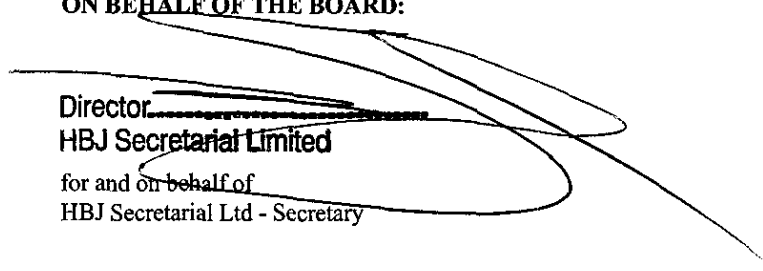
**Paragon Inks (Holdings) Limited**

**Report of the Director  
for the year ended 31 December 2003**

**AUDITORS**

The auditors, The Glen Drummond Practice, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

**ON BEHALF OF THE BOARD:**



Director  
HBJ Secretarial Limited  
for and on behalf of  
HBJ Secretarial Ltd - Secretary

8 July 2004

**Report of the Independent Auditors to  
Paragon Inks (Holdings) Limited  
Under Section 247B of the Companies Act 1985**

We have examined the abbreviated accounts on pages five to eighteen, together with the full financial statements of the company for the year ended 31 December 2003 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

**Respective responsibilities of director and auditors**

The director is responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

**Basis of opinion**

We have carried out the procedures we consider 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 are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

**Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages five to eighteen are properly prepared in accordance with that provision.



The Glen Drummond Practice  
Chartered Accountants and Registered Auditor  
Argyll House  
Quarrywood Court  
Livingston  
West Lothian  
EH54 6AX

8 July 2004

**Paragon Inks (Holdings) Limited**

**Abbreviated Profit and Loss Account  
for the year ended 31 December 2003**

	Notes	2003		2002	
		£	£	£	£
<b>GROSS PROFIT</b>			1,282,496		1,180,601
Administrative expenses			747,463		691,466
<b>OPERATING PROFIT</b>	3		535,033		489,135
Income from investments		-		228,630	
Interest receivable and similar income	4	12,450	12,450	11,623	240,253
			547,483		729,388
Amounts written off investments	5		-		225,000
			547,483		504,388
Interest payable and similar charges	6		1,318		7,586
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			546,165		496,802
Tax on profit on ordinary activities	7		138,599		132,102
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>			407,566		364,700
Dividends	8		86,386		-
			321,180		364,700
Retained profit brought forward			1,448,220		1,083,520
<b>RETAINED PROFIT CARRIED FORWARD</b>			<u>£1,769,400</u>		<u>£1,448,220</u>

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current and previous years.

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profits for the current and previous years.

The notes form part of these abbreviated accounts

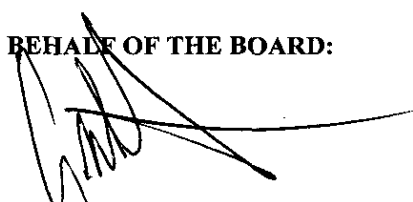
**Paragon Inks (Holdings) Limited**

**Abbreviated Balance Sheet  
31 December 2003**

		2003		2002	
	Notes	£	£	£	£
<b>FIXED ASSETS:</b>					
Tangible assets	9		511,091		518,010
Investments	10		50,000		50,000
			<u>561,091</u>		<u>568,010</u>
<b>CURRENT ASSETS:</b>					
Stocks	11	354,497		375,021	
Debtors	12	879,346		733,106	
Cash at bank and in hand		<u>723,448</u>		<u>640,232</u>	
		1,957,291		1,748,359	
<b>CREDITORS: Amounts falling due within one year</b>	13	<u>671,416</u>		<u>786,543</u>	
<b>NET CURRENT ASSETS:</b>			<u>1,285,875</u>		<u>961,816</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES:</b>			1,846,966		1,529,826
<b>CREDITORS: Amounts falling due after more than one year</b>	14		(23,500)		(31,828)
<b>PROVISIONS FOR LIABILITIES AND CHARGES:</b>	17		(29,066)		(24,778)
			<u>£1,794,400</u>		<u>£1,473,220</u>
<b>CAPITAL AND RESERVES:</b>					
Called up share capital	18		25,000		25,000
Profit and loss account			<u>1,769,400</u>		<u>1,448,220</u>
<b>SHAREHOLDERS' FUNDS:</b>	19		<u>£1,794,400</u>		<u>£1,473,220</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

**ON BEHALF OF THE BOARD:**

  
G Merten - Director

Approved by the Board on 8 July 2004

The notes form part of these abbreviated accounts



**Paragon Inks (Holdings) Limited**

**Cash Flow Statement  
for the year ended 31 December 2003**

	Notes	2003		2002	
		£	£	£	£
<b>Net cash inflow from operating activities</b>	1		397,903		578,758
<b>Returns on investments and servicing of finance</b>	2		11,132		4,037
<b>Taxation</b>			(122,009)		73,304
<b>Capital expenditure</b>	2		(89,985)		(364,806)
<b>Equity dividends paid</b>			(86,386)		(50,000)
			<u>110,655</u>		<u>241,293</u>
<b>Financing</b>	2		(27,439)		(228,797)
<b>Increase in cash in the period</b>			<u><u>£83,216</u></u>		<u><u>£12,496</u></u>
<hr/>					
<b>Reconciliation of net cash flow to movement in net funds</b>	3				
<b>Increase in cash in the period</b>			<b>83,216</b>		<b>12,496</b>
Cash outflow from decrease in debt and lease financing			<u>29,387</u>		<u>228,797</u>
Change in net funds resulting from cash flows			<u>112,603</u>		<u>241,293</u>
<b>Movement in net funds in the period</b>			<b>112,603</b>		<b>241,293</b>
<b>Net funds at 1 January</b>			<u><b>605,395</b></u>		<u><b>364,102</b></u>
<b>Net funds at 31 December</b>			<u><u><b>£717,998</b></u></u>		<u><u><b>£605,395</b></u></u>

The notes form part of these abbreviated accounts

**Paragon Inks (Holdings) Limited**

**Notes to the Cash Flow Statement  
for the year ended 31 December 2003**

**1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2003 £	2002 £
Operating profit	535,033	489,135
Depreciation charges	95,461	88,624
Loss on sale of fixed assets	1,444	-
Government grants	23,500	5,270
Government grants	(20,000)	(5,270)
Decrease/(Increase) in stocks	20,524	(12,356)
Increase in debtors	(146,239)	(97,925)
(Decrease)/Increase in creditors	(111,820)	111,280
<b>Net cash inflow from operating activities</b>	<u><u>397,903</u></u>	<u><u>578,758</u></u>

**2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	2003 £	2002 £
<b>Returns on investments and servicing of finance</b>		
Interest received	12,450	11,623
Interest paid	-	(6,455)
Interest element of hire purchase payments	(1,318)	(1,131)
<b>Net cash inflow for returns on investments and servicing of finance</b>	<u><u>11,132</u></u>	<u><u>4,037</u></u>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	(96,330)	(364,806)
Sale of tangible fixed assets	6,345	-
<b>Net cash outflow for capital expenditure</b>	<u><u>(89,985)</u></u>	<u><u>(364,806)</u></u>
<b>Financing</b>		
Loan repayments in year	-	(189,905)
Hire purchase repayments	(27,439)	(38,892)
<b>Net cash outflow from financing</b>	<u><u>(27,439)</u></u>	<u><u>(228,797)</u></u>

The notes form part of these abbreviated accounts

**Paragon Inks (Holdings) Limited**

**Notes to the Cash Flow Statement  
for the year ended 31 December 2003**

**3. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1/1/03 £	Cash flow £	At 31/12/03 £
Net cash:			
Cash at bank and in hand	640,232	83,216	723,448
	<u>640,232</u>	<u>83,216</u>	<u>723,448</u>
Debt:			
Hire purchase	(34,837)	29,387	(5,450)
	<u>(34,837)</u>	<u>29,387</u>	<u>(5,450)</u>
Total	<u>605,395</u>	<u>112,603</u>	<u>717,998</u>
<b>Analysed in Balance Sheet</b>			
Cash at bank and in hand	640,232		723,448
Hire purchase			
within one year	(26,509)		(5,450)
after one year	(8,328)		-
	<u>605,395</u>		<u>717,998</u>

The notes form part of these abbreviated accounts

## **Paragon Inks (Holdings) Limited**

### **Notes to the Abbreviated Accounts for the year ended 31 December 2003**

#### **1. ACCOUNTING POLICIES**

##### **Accounting convention**

*The financial statements have been prepared under the historical cost convention.*

##### **Turnover**

Turnover represents net invoiced sales of goods, excluding value added tax.

##### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- 2.5% on cost
Plant and machinery	- 20% on cost
Fixtures and fittings	- 20% on cost
Motor vehicles	- 25% on cost

##### **Stocks**

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

##### **Deferred tax**

*Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.*

##### **Research and development**

Expenditure on research and development is written off in the year in which it is incurred.

##### **Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

##### **Pensions**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable for the year are charged in the profit and loss account.

##### **Consolidation**

The company has claimed exemption under section 248 of the Companies Act 1985 from the preparation of group accounts on the grounds that the group is small.

The accounts present information about Paragon Inks (Holdings) Limited as an individual undertaking and not about its group.

##### **Government grants**

Non-repayable capital grants are treated as deferred liabilities and recognised in the profit and loss account over the estimated useful lives of the assets concerned. Repayable capital grants are treated as long-term deferred liabilities until the conditions for repayment have been met. In the event that such grants prove to be non-repayable, those grants are recognised in the profit and loss account over the estimated remaining useful lives of the assets concerned.

Non-repayable revenue grants are recognised in the profit and loss account in the year of receipt.

## Paragon Inks (Holdings) Limited

### Notes to the Abbreviated Accounts for the year ended 31 December 2003

#### 1. ACCOUNTING POLICIES - continued

##### Foreign currency transactions

All transactions denominated in a foreign currency are translated into Sterling at the exchange rate in operation on the date on which the transaction occurred.

At the balance sheet date, monetary assets and liabilities denominated in a foreign currency are translated using the closing exchange rate.

All exchange gains or losses on settled transactions and unsettled short-term monetary items are reported as part of the profit or loss for the year from ordinary activities.

#### 2. STAFF COSTS

	2003	2002
	£	£
Wages and salaries	721,293	761,200
Social security costs	64,750	63,876
Other pension costs	29,949	29,234
	<u>815,992</u>	<u>854,310</u>

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

	2003	2002
Administration	7	6
Production	22	22
Sales	2	2
	<u>31</u>	<u>30</u>

#### 3. OPERATING PROFIT

The operating profit is stated after charging:

	2003	2002
	£	£
Depreciation - owned assets	73,455	57,213
Depreciation - assets on hire purchase contracts	22,006	31,411
Loss on disposal of fixed assets	1,444	-
Auditors' remuneration	3,500	3,275
	<u>100,405</u>	<u>91,900</u>
Director's emoluments	47,940	83,476
Director's pension contributions to money purchase schemes	4,800	4,800

The number of directors to whom retirement benefits were accruing was as follows:

	2003	2002
Money purchase schemes	<u>1</u>	<u>1</u>

**Paragon Inks (Holdings) Limited**

**Notes to the Abbreviated Accounts  
for the year ended 31 December 2003**

**4. INTEREST RECEIVABLE AND SIMILAR INCOME**

	2003	2002
	£	£
Deposit account interest	12,450	11,505
Repayment supplement on CT	-	118
	<u>12,450</u>	<u>11,623</u>

**5. AMOUNTS WRITTEN OFF INVESTMENTS**

	2003	2002
	£	£
Write down of investment in subsidiary	-	225,000
	<u>-</u>	<u>225,000</u>

**6. INTEREST PAYABLE AND SIMILAR CHARGES**

	2003	2002
	£	£
Loan interest	-	6,455
Hire purchase charges	3,451	6,458
Foreign exchange loss (gain)	(2,133)	(5,327)
	<u>1,318</u>	<u>7,586</u>

**7. TAXATION**

**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows:

	2003	2002
	£	£
Current tax:		
UK corporation tax	134,311	122,009
Prior year over provision	-	(3,055)
Total current tax	<u>134,311</u>	<u>118,954</u>
Deferred tax:		
Accelerated capital allowances	<u>4,288</u>	<u>13,148</u>
Tax on profit on ordinary activities	<u>138,599</u>	<u>132,102</u>

**Paragon Inks (Holdings) Limited**

**Notes to the Abbreviated Accounts  
for the year ended 31 December 2003**

**7. TAXATION - continued**

**Factors affecting the tax charge**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2003 £	2002 £
Profit on ordinary activities before tax	<u>546,165</u>	<u>496,802</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2002 - 30%)	163,850	149,041
Effects of:		
Expenses not deductible for tax	2,399	1,261
Capital allowances for period in excess of depreciation	(5,430)	(229)
Marginal relief	(26,508)	(26,975)
Adjustments to tax charge in respect of previous periods	-	(3,055)
Unrealised gain on investment in subsidiary	-	(1,089)
Current tax charge	<u>134,311</u>	<u>118,954</u>

**8. DIVIDENDS**

	2003 £	2002 £
Equity shares:		
Interim	<u>86,386</u>	<u>-</u>

**Paragon Inks (Holdings) Limited**

**Notes to the Abbreviated Accounts  
for the year ended 31 December 2003**

**9. TANGIBLE FIXED ASSETS**

	Freehold property	Plant and machinery	Fixtures and fittings	Motor vehicles	Totals
	£	£	£	£	£
<b>COST:</b>					
At 1 January 2003	296,523	346,411	26,027	86,562	755,523
Additions	-	73,766	4,564	18,000	96,330
Disposals	-	-	-	(16,995)	(16,995)
At 31 December 2003	296,523	420,177	30,591	87,567	834,858
<b>DEPRECIATION:</b>					
At 1 January 2003	-	182,362	10,391	44,759	237,512
Charge for year	9,802	63,627	5,059	16,973	95,461
Eliminated on disposals	-	-	-	(9,206)	(9,206)
At 31 December 2003	9,802	245,989	15,450	52,526	323,767
<b>NET BOOK VALUE:</b>					
At 31 December 2003	286,721	174,188	15,141	35,041	511,091
At 31 December 2002	296,523	164,049	15,635	41,803	518,010

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery	Motor vehicles	Totals
	£	£	£
<b>COST:</b>			
At 1 January 2003	88,758	54,657	143,415
Disposals	-	(16,995)	(16,995)
At 31 December 2003	88,758	37,662	126,420
<b>DEPRECIATION:</b>			
At 1 January 2003	56,184	34,124	90,308
Charge for year	15,634	6,372	22,006
Eliminated on disposals	-	(9,206)	(9,206)
At 31 December 2003	71,818	31,290	103,108
<b>NET BOOK VALUE:</b>			
At 31 December 2003	16,940	6,372	23,312
At 31 December 2002	32,574	20,533	53,107



**Paragon Inks (Holdings) Limited**

**Notes to the Abbreviated Accounts  
for the year ended 31 December 2003**

**10. FIXED ASSET INVESTMENTS**

		£
<b>COST:</b>		
At 1 January 2003		
and 31 December 2003		<u>50,000</u>
<b>NET BOOK VALUE:</b>		
At 31 December 2003		<u>50,000</u>
At 31 December 2002		<u>50,000</u>
	2003	2002
	£	£
Unlisted investments	<u>50,000</u>	<u>50,000</u>

The company's investments at the balance sheet date in the share capital of unlisted companies include the following:

**Paragon Inks Limited**

Nature of business: Property investment

	% holding	2003	31/12/02
Class of shares:		£	£
Ordinary	100.00		
Aggregate capital and reserves		<u>50,000</u>	<u>50,000</u>
Loss for the year		<u>-</u>	<u>(9,802)</u>

The investment in the subsidiary of £50,000 represents the nominal value of the remaining share capital.

**11. STOCKS**

	2003	2002
	£	£
Stock	<u>354,497</u>	<u>375,021</u>

**12. DEBTORS: AMOUNTS FALLING  
DUE WITHIN ONE YEAR**

	2003	2002
	£	£
Trade debtors	854,136	710,248
Other debtors	1,013	4,500
Prepayments	<u>24,197</u>	<u>18,358</u>
	<u>879,346</u>	<u>733,106</u>

**Paragon Inks (Holdings) Limited**

**Notes to the Abbreviated Accounts  
for the year ended 31 December 2003**

**13. CREDITORS: AMOUNTS FALLING  
DUE WITHIN ONE YEAR**

	2003 £	2002 £
Hire purchase contracts (see note 15)	5,450	26,509
Trade creditors	304,510	411,014
Other creditors	2,756	-
Due to subsidiary	50,000	50,000
V.A.T.	53,313	52,711
Social security & other taxes	16,045	18,846
Taxation	134,311	122,009
Accrued expenses	105,031	105,454
	<u>671,416</u>	<u>786,543</u>

**14. CREDITORS: AMOUNTS FALLING  
DUE AFTER MORE THAN ONE YEAR**

	2003 £	2002 £
Deferred government grants	23,500	23,500
Hire purchase contracts (see note 15)	-	8,328
	<u>23,500</u>	<u>31,828</u>

**15. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS**

	2003 £	2002 £
Gross obligations repayable:		
Within one year	6,140	30,054
Between one and five years	-	9,400
	<u>6,140</u>	<u>39,454</u>
Finance charges repayable:		
Within one year	690	3,545
Between one and five years	-	1,072
	<u>690</u>	<u>4,617</u>
Net obligations repayable:		
Within one year	5,450	26,509
Between one and five years	-	8,328
	<u>5,450</u>	<u>34,837</u>

**Paragon Inks (Holdings) Limited**

**Notes to the Abbreviated Accounts  
for the year ended 31 December 2003**

**16. SECURED DEBTS**

The following secured debts are included within creditors:

	2003	2002
	£	£
Hire purchase contracts	<u>5,450</u>	<u>34,837</u>

Liabilities under hire purchase and similar agreements are secured on the assets concerned.

**17. PROVISIONS FOR LIABILITIES AND CHARGES**

	2003	2002
	£	£
Deferred tax	<u>29,066</u>	<u>24,778</u>

	Deferred tax £
Balance at 1 January 2003	24,778
Accelerated capital allowances	<u>4,288</u>
Balance at 31 December 2003	<u>29,066</u>

Deferred tax provision	2003	2002
	£	£
Accelerated capital allowances	<u>29,066</u>	<u>24,778</u>
	<u>29,066</u>	<u>24,778</u>

**18. CALLED UP SHARE CAPITAL**

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	2003	2002
			£	£
25,000	Ordinary	£1	<u>25,000</u>	<u>25,000</u>

**Paragon Inks (Holdings) Limited**

**Notes to the Abbreviated Accounts  
for the year ended 31 December 2003**

**19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2003 £	2002 £
Profit for the financial year	407,566	364,700
Dividends	(86,386)	-
<b>Net addition to shareholders' funds</b>	<b>321,180</b>	<b>364,700</b>
Opening shareholders' funds	1,473,220	1,108,520
<b>Closing shareholders' funds</b>	<b>1,794,400</b>	<b>1,473,220</b>
Equity interests	1,794,400	1,473,220