

REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2002
FOR
BODDINGTONS LIMITED

1589762



BODDINGTONS LIMITED

COMPANY INFORMATION

FOR THE YEAR ENDED 31ST DECEMBER 2002

DIRECTORS: J P Warner
A W Butler
Mrs S J Reveley
Mrs M M Instone
D C Fazel

SECRETARY: Mrs S J Reveley

REGISTERED OFFICE: Boddingtons House
Blackwater Trading Estate
The Causeway
Maldon
Essex
CM9 4GG

REGISTERED NUMBER: 1589762

AUDITORS: N J Liddell & Co
Chartered Accountants
Registered Auditors
Moor Farm
Kings Lane, Sotherton
Beccles
Suffolk NR34 8AF

BODDINGTONS LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 2002

The directors present their report with the financial statements of the company for the year ended 31st December 2002.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of manufacturers of and distributors of printed warning tapes.

REVIEW OF BUSINESS

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

As noted below under "future developments" the results for the year have been adversely affected by the move in business premises and a return to full profitability is expected in 2003.

DIVIDENDS

No dividends will be distributed for the year ended 31st December 2002.

RESEARCH AND DEVELOPMENT

Research and development costs are charged to profit and loss account as they arise.

FUTURE DEVELOPMENTS

During the year the company moved business premises to Maldon from its previous location. The resulting additional costs and disruption have had an adverse effect on profitability in 2002. It is forecast that this will be reversed in 2003 and the company will return to its previous levels of profitability. The additional costs of moving and write down of certain fixed assets resulting from the move have been treated as an extraordinary item in these financial statements.

DIRECTORS

J P Warner and A W Butler have an interest in the Ordinary issued Share Capital of the company by virtue of their ownership of Butler Warner Limited a company that has a controlling interest in the issued Share Capital of Boddingtons Limited.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 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;
- 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.


BODDINGTONS LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 2002

AUDITORS

The auditors, N J Liddell & Co, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD:



Mrs S J Reveley - SECRETARY

Dated: 24th October 2003

BODDINGTONS LIMITED

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
BODDINGTONS LIMITED

We have audited the financial statements of BODDINGTONS LIMITED for the year ended 31st December 2002 on pages six to sixteen. These financial statements have been prepared under the historical cost convention and 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 on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom 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 Report of the Directors 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 Report of the Directors 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.

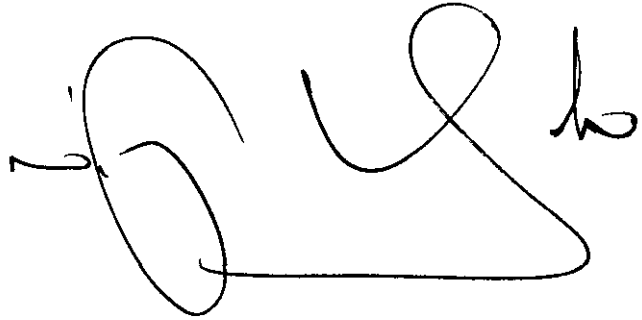
BODDINGTONS LIMITED

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
BODDINGTONS LIMITED

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

N J Liddell & Co
Chartered Accountants
Registered Auditors
Moor Farm
Kings Lane, Sotherton
Beccles
Suffolk NR34 8AF

A large, stylized handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the bottom.

Dated: 24th October 2003

BODDINGTONS LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2002

		2002	2001
	Notes	£	£
TURNOVER		4,425,205	4,266,999
Cost of sales		2,367,179	2,317,768
GROSS PROFIT		2,058,026	1,949,231
Administrative expenses		1,999,673	1,755,380
OPERATING PROFIT	3	58,353	193,851
Interest receivable and similar income		-	30
		58,353	193,881
Interest payable and similar charges	4	54,960	49,955
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		3,393	143,926
Tax on profit on ordinary activities	5	(12,798)	12,835
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		16,191	131,091
Extraordinary items after taxation	6	(99,755)	-
Retained profit brought forward		865,028	733,937
		765,273	733,937
RETAINED PROFIT CARRIED FORWARD		£781,464	£865,028

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 loss for the current year and the profit for the previous year.

NOTE OF HISTORICAL COST PROFITS AND LOSSES

The difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis is not material.

The notes form part of these financial statements

BODDINGTONS LIMITED

BALANCE SHEET
31ST DECEMBER 2002

		2002		2001	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	7		1,364,310		719,686
CURRENT ASSETS:					
Stocks	8	286,242		355,212	
Debtors	9	1,325,815		1,086,371	
Cash at bank		5,251		65,774	
		-----		-----	
		1,617,308		1,507,357	
CREDITORS: Amounts falling due within one year	10	1,444,510		983,312	
		-----		-----	
NET CURRENT ASSETS:			172,798		524,045
			-----		-----
TOTAL ASSETS LESS CURRENT LIABILITIES:			1,537,108		1,243,731
CREDITORS: Amounts falling due after more than one year	11		715,644		338,703
			-----		-----
			£821,464		£905,028
			=====		=====
CAPITAL AND RESERVES:					
Called up share capital	14		26,683		26,683
Share premium	15		13,317		13,317
Profit and loss account			781,464		865,028
			-----		-----
SHAREHOLDERS' FUNDS:	18		£821,464		£905,028
			=====		=====
ON BEHALF OF THE BOARD:					

Hand istone

- DIRECTOR

Approved by the Board on 24th October 2003

The notes form part of these financial statements

BODDINGTONS LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER 2002

		2002		2001	
	Notes	£	£	£	£
Net cash inflow from operating activities	1		97,151		525,385
Returns on investments and servicing of finance	2		(54,960)		(49,925)
Taxation			(6)		(31)
Capital expenditure	2		(750,927)		(228,678)
(Decrease)/Increase in cash in the period			£(708,742)		£246,751
			=====		=====

Reconciliation of net cash flow to movement in net debt	3				
Change in net debt resulting from cash flows			(708,742)		246,751
Movement in net debt in the period			(708,742)		246,751
Net debt at 1st January			(736,580)		(983,331)
Net debt at 31st December			£(1,445,322)		£(736,580)
			=====		=====

The notes form part of these financial statements

BODDINGTONS LIMITED

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2002

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

	2002	2001
	£	£
Operating profit	58,353	193,851
Extraordinary items	99,755	-
Depreciation charges	101,054	158,271
Loss on sale of fixed assets	5,249	3,809
Decrease/(Increase) in stocks	68,970	(36,968)
Decrease/(Increase) in debtors	(239,444)	(25,942)
Increase/(Decrease) in creditors	202,724	232,364
	-----	-----
Net cash inflow from operating activities	97,151	525,385
	=====	=====

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

	2002	2001
	£	£
Returns on investments and servicing of finance		
Interest received	-	30
Interest paid	(54,960)	(49,955)
	-----	-----
Net cash outflow for returns on investments and servicing of finance	(54,960)	(49,925)
	=====	=====
Capital expenditure		
Purchase of tangible fixed assets	(805,955)	(235,178)
Sale of tangible fixed assets	55,028	6,500
	-----	-----
Net cash outflow for capital expenditure	(750,927)	(228,678)
	=====	=====

The notes form part of these financial statements

BODDINGTONS LIMITED

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2002**

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.02 £	Cash flow £	At 31.12.02 £
Cash at bank	65,774	(60,523)	5,251
Bank overdraft	(398,126)	(2,758)	(400,884)
Bank loan	-	(131,798)	(131,798)
Hire purchase	(404,228)	(513,663)	(917,891)
	-----	-----	-----
Total	(736,580)	(708,742)	(1,445,322)
	-----	-----	-----

Analysed in Balance Sheet

Cash at bank	65,774	5,251
Bank overdraft	(398,126)	(400,884)
Bank loan	-	(131,798)
Hire purchase		
within one year	(65,525)	(202,247)
after one year	(338,703)	(715,644)
	-----	-----
	(736,580)	(1,445,322)
	=====	=====

The notes form part of these financial statements

BODDINGTONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2002

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.

Leasehold improvements- in accordance with the property
Fixtures and fittings - at varying rates 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.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

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.

2. STAFF COSTS

	2002	2001
	£	£
Wages and salaries	991,195	823,464
	=====	=====

BODDINGTONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2002

3. OPERATING PROFIT

The operating profit is stated after charging:

	2002	2001
	£	£
Hire of plant and machinery	11,784	6,293
Depreciation - owned assets	35,275	71,996
Depreciation - assets on hire purchase contracts or finance leases	65,779	86,275
Loss on disposal of fixed assets	5,249	3,809
Auditors' remuneration	9,000	7,000
	=====	=====
Directors' emoluments	-	-
	==	==

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2002	2001
	£	£
Bank charges and interest	33,836	37,159
HP and lease charges	21,124	12,796
	-----	-----
	54,960	49,955
	=====	=====

5. TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the profit on ordinary activities for the year was as follows:

	2002	2001
	£	£
Current tax:		
UK Corporation Tax	-	12,804
Corporation Tax recoverable	(12,798)	-
Interest on late paid Tax	-	31
	-----	-----
Total current Tax	(12,798)	12,835
	=====	=====
Tax on profit on ordinary activities	(12,798)	12,835
	=====	=====

BODDINGTONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2002**

6. EXTRAORDINARY ITEMS

	2002	2001
	£	£
Charges:		
Relocation costs	45,977	-
Assets written off	53,778	-
	-----	-----
	99,755	-
	=====	=====

As noted in the directors report the company moved business premises during the year. As a result of this the leasehold improvements and other assets associated with the previous business premises have been written off in these financial statements. In addition the company incurred significant costs of a revenue nature associated with the move. Both of these items have been written off in the statutory profit and loss account by way of an extraordinary item.

7. TANGIBLE FIXED ASSETS

	Fixtures and Motor			
	Leasehold improvements	fittings	vehicles	Totals
	£	£	£	£
COST:				
At 1st January 2002	137,493	1,560,773	65,279	1,763,545
Additions	112,292	665,222	28,441	805,955
Disposals	(137,493)	(725,747)	(27,823)	(891,063)
	-----	-----	-----	-----
At 31st December 2002	112,292	1,500,248	65,897	1,678,437
	-----	-----	-----	-----
DEPRECIATION:				
At 1st January 2002	77,410	936,120	30,329	1,043,859
Charge for year	5,615	84,293	11,146	101,054
Eliminated on disposals	(77,410)	(735,272)	(18,104)	(830,786)
	-----	-----	-----	-----
At 31st December 2002	5,615	285,141	23,371	314,127
	-----	-----	-----	-----
NET BOOK VALUE:				
At 31st December 2002	106,677	1,215,107	42,526	1,364,310
	=====	=====	=====	=====
At 31st December 2001	60,083	624,653	34,950	719,686
	=====	=====	=====	=====

BODDINGTONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2002**

7. TANGIBLE FIXED ASSETS - continued

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

	Fixtures and fittings	Motor vehicles	Totals
	£	£	£
COST:			
At 1st January 2002	501,828	33,725	535,553
Additions	384,811	26,441	411,252
	-----	-----	-----
At 31st December 2002	886,639	60,166	946,805
	-----	-----	-----
DEPRECIATION:			
At 1st January 2002	145,426	6,480	151,906
Charge for year	58,533	7,246	65,779
	-----	-----	-----
At 31st December 2002	203,959	13,726	217,685
	-----	-----	-----
NET BOOK VALUE:			
At 31st December 2002	682,680	46,440	729,120
	=====	=====	=====
At 31st December 2001	356,402	27,245	383,647
	=====	=====	=====

8. STOCKS

	2002	2001
	£	£
Stock of goods and materials	286,242	355,212
	=====	=====

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

	2002	2001
	£	£
Trade debtors	1,088,603	906,585
Sundry debtors and prepayments	88,794	74,937
Other debtors	148,418	104,849
	-----	-----
	1,325,815	1,086,371
	=====	=====

BODDINGTONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2002**

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

	2002	2001
	£	£
Bank loans and overdrafts (see note 12)	532,682	398,126
Trade creditors	560,160	474,783
Lease and hire purchase	202,247	65,525
Other creditors	76,150	-
Social security & other Taxes	28,613	25,374
Taxation	-	12,804
Accrued expenses	44,658	6,700
	-----	-----
	1,444,510	983,312
	=====	=====

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

	2002	2001
	£	£
Lease and hire purchase	715,644	338,703
	=====	=====

12. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	2002	2001
	£	£
<i>Amounts falling due within one year or on demand:</i>		
Bank overdrafts	400,884	398,126
Bank loans	131,798	-
	-----	-----
	532,682	398,126
	=====	=====

The bank loans and overdraft are secured by a mortgage debenture.

13. SECURED DEBTS

The following secured debts are included within creditors:

	2002	2001
	£	£
Bank overdrafts	400,884	398,126
Bank loans	131,798	-
	-----	-----
	532,682	398,126
	=====	=====

BODDINGTONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2002

14. **CALLED UP SHARE CAPITAL**

Authorised:

Number:	Class:	Nominal value:	2002	2001
			£	£
100,000	Ordinary Shares	£1	100,000	100,000
			=====	=====

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2002	2001
			£	£
26,683	Ordinary Shares	£1	26,683	26,683
			=====	=====

15. **SHARE PREMIUM**

	2002	2001
	£	£
Brought forward	13,317	13,317
	=====	=====

16. **ULTIMATE PARENT COMPANY**

The company is under the control of Butler Warner Limited a company number 3941244 incorporated in England and Wales. This company is owned by J P Warner and A W Butler and guarantees have been given by Boddingtons Limited in respect of monies borrowed by Butler Warner Limited.

17. **TRANSACTIONS WITH DIRECTORS**

Management fees (2002 £151,000 2001 £163,000) are paid to Butler Warner Limited a company owned by the directors.

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

	2002	2001
	£	£
Profit for the financial year	16,191	131,091
Extraordinary Items (note.6)	(99,755)	-
	-----	-----
Net (reduction)/addition to shareholders' funds	(83,564)	131,091
Opening shareholders' funds	905,028	773,937
	-----	-----
Closing shareholders' funds	821,464	905,028
	=====	=====
Equity interests	821,464	905,028
	=====	=====