DAVID OLIVER LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2003

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COMPANIES HOUSE 22/01/04

Company Number: 03340887

DAVID OLIVER LIMITED

DIRECTOR

D Oliver

SECRETARY

S Oliver

REGISTERED OFFICE

18 Pond Place
London SW3 6QJ

AUDITORS

Audit Assure
82 St John Street
London EC1M 4JN

SOLICITORS

Lattey & Dawe
21 Liverpool Street
London EC2M 7RD

PRINCIPAL BANKERS

Coutts and Co
440 Strand
London WC2R 0QS

DAVID OLIVER LIMITED

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FOR THE YEAR ENDED 31 MARCH 2003

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DAVID OLIVER LIMITED

REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31 MARCH 2003

The director presents his report and the audited financial statements for the year ended 31 March 2003.

Principal Activities

The principal activities of the company in the year under review were creation and distribution of paint and wallpaper products.

Review of Business

The company's profit and loss is set out on page 5.

On 1 April 2002 the trade carried out by Paper Library Limited and its assets and liabilities were transferred to this company.

The net profit for the year after taxation amounted to £129,991(2002 –Loss £126,257).

Director And His Interests

The director at the balance sheet date and his interests in the company at that date and at the beginning of the year were as follows:

		Number of Shares	
	Class of Share	**2003**	**2002**
D Oliver	Ordinary shares	2	2

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.

DAVID OLIVER LIMITED

REPORT OF THE DIRECTORS - continued
FOR THE YEAR ENDED 31 MARCH 2003

Auditors

Audit Assure were appointed auditors during the year and a resolution proposing that Audit Assure be re-appointed will be put to the Annual General Meeting.

Small Company Disclosure

The director's report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By Order of the Board

15 January 2004

David Oliver

DIRECTOR

DAVID OLIVER LIMITED

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF DAVID OLIVER LIMITED

We have audited the financial statements of David Oliver Limited for the year ended 31 March 2003 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002) 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 in the Directors' Report, the company's directors are responsible for the preparation of the 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 Directors' Report 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 other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of 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.

DAVID OLIVER LIMITED

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF DAVID OLIVER LIMITED - Continued

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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2003 and of it's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies.

Audit Assure

AUDIT ASSURE
Chartered Accountants
Registered Auditor

82 St John Street
London EC1M 4JN
15 January 2004

DAVID OLIVER LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2003

	Notes	2003 £	2002 £
TURNOVER	1.2	1,037,322	667,365
Cost of sales		502,330	365,646
GROSS PROFIT		534,992	301,719
Administrative expenses		396,386	433,560
		138,606	(131,841)
Other operating income		-	9,000
OPERATING PROFIT/ (LOSS)	2	138,606	(122,841)
Interest and similar charges payable		(8,615)	(3,416)
PROFIT (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		129,991	(126,257)
Tax on ordinary activities	3	-	-
PROFIT/ (LOSS) FOR THE FINANCIAL YEAR		129,991	(126,257)
RETAINED LOSS AT 1 APRIL 2002		(304,821)	(178,564)
RETAINED LOSS AT 31 MARCH 2003		£ (174,830)	£ (304,821)

On 1 April 2002 the trade carried on by Paper Library Limited was transferred to this company and the profit and loss account for the year ended 31 March 2003 includes the combined figures.

The company has no recognised gains or losses other than those dealt with in the profit and loss account.

The notes on pages 7 to 12 form part of these financial statements.

DAVID OLIVER LIMITED

BALANCE SHEET
AS AT 31 MARCH 2003

	Notes	2003 £	2003 £	2002 £	2002 £
FIXED ASSETS					
Tangible assets	5		28,592		30,244
CURRENT ASSETS					
Stock	6	49,199		21,454	
Debtors	7	96,647		77,243	
Cash in hand		395		271	
		146,241		98,968	
CREDITORS: Amounts falling due within one year	8	(347,964)		(428,215)	
NET CURRENT LIABILITIES			(201,723)		(329,247)
TOTAL ASSETS LESS CURRENT LIABILITIES			(173,131)		(299,003)
CREDITORS: Amounts falling due after more than one year	9		(1,697)		(5,816)
NET LIABILITIES			£ (174,828)		£ (304,819)

Represented by:

	Notes	2003 £	2002 £
CAPITAL AND RESERVES			
Called up share capital	11	2	2
Profit and loss account		(174,830)	(304,821)
SHAREHOLDERS' FUNDS	12	£ (174,828)	£ (304,819)

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the board on 15 January 2004 and signed on its behalf by

David Oliver Director

The notes on pages 7 to12 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2003

1. ACCOUNTING POLICIES

1.1 Basis of Accounting

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002) on a going concern basis. The going concern basis is appropriate on the assumption that the bank will continue to support the company. Confirmation has been received from the director who is the sole shareholder of the company that he will make sufficient capital available to the company to enable it to meet its day to day liabilities as and when they fall due to enable the company to continue as a going concern until at least 31 January 2005.

1.2 Turnover

Turnover is attributable to the company's principle activity and arose primarily in the United Kingdom.

1.3 Depreciation

Depreciation is provided at the following annual rates in order to write off each asset over its useful life:-

Office furniture and fittings	25% reducing balance method
Motor vehicles	25% reducing balance method

1.4 Deferred Taxation

The accounting policy in respect of deferred tax complies with the requirements of FRS19-Deferred tax. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.5 Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their estimated useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease.

1.6 Operating Leases

Operating lease payments where substantially all the risks and benefits remain with the lessor are charged to the profit and loss account as and when incurred.

1.7 Cash flow statement

The financial statements do not include cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1: "Cash flow statements".

1.8 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS 17.

DAVID OLIVER LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2003 - continued

2. OPERATING PROFIT / (LOSS)

	2003	2002
	£	£
The operating profit / (loss) is stated after charging:		
Depreciation	9,538	7,226
Directors remuneration	1,923	40,374
Auditors' remuneration	2,500	-

3. TAX ON PROFIT / (LOSS) ON ORDINARY ACTIVITIES

	2003	2002
Current tax charge	**£-**	**£-**

Factors affecting the tax charge for the year		
Profit (Loss) on ordinary activities before taxation	129,991	(126,257)
Profit (Loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19% (2002: 20%)	24,699	(25,251)
Effects of:		
Expenses not deducted for tax purposes	335	-
Income not taxable for tax purposes-tax adjustments	(5,232)	-
Capital allowances less than depreciation	403	199
Utilisation of tax losses and other deductions	(20,205)	-
Unrelieved tax losses and other deductions arising in the period	-	25,052
Current tax charge for the year	£-	£-

The company has estimated losses of £193,148 (2002: £298,708) available for carry forward against future trading profits.

4. DIRECTOR'S EMOLUMENTS

	2003	2002
	£	£
Emoluments, include pension contribution to money purchase (defined contribution) schemes	£1,923	£40,374

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2003 - continued

5. TANGIBLE ASSETS

	Furniture and fittings	Motor vehicles etc	Total
	£	£	£
Cost			
At 1 April 2002	40,121	15,500	55,621
Transfer from Paper Library Limited	8,279	-	8,279
Additions	3,353	-	3,353
At 31 March 2003	51,753	15,500	67,253
Depreciation			
At 1 April 2002	23,502	1,875	25,377
Transfer from Paper Library Limited	3,746	-	3,746
Charge for year	6,131	3,407	9,538
At 31 March 2003	33,379	5,282	38,661
Net book value at 31 March 2003	£18,374	£10,218	£28,592
Net book value at 31 March 2002	£16,619	£13,625	£30,244

Included above are assets held under *hire purchase contracts:*

	2003	2002
	£	£
Net book values:		
Motor vehicles	£10,218	£13,625
Depreciation charge	£3,407	£1,875

Net obligations under finance leases and hire purchase contracts are secured on the assets acquired.

6. STOCKS

	2003	2002
Stocks of paint and wallpaper	£49,199	£21,454

7. DEBTORS

	2003	2002
	£	£
Trade debtors	88,753	58,509
Amounts owed by connected companies	-	11,859
Other debtors	7,894	6,875
	£96,647	£77,243

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003	2002
	£	£
Bank overdrafts (secured)	122,589	105,825
Trade creditors	166,602	198,002
Corporation tax	-	-
Other taxes and social security	27,106	18,965
Other creditors	31,667	105,423
	£347,964	£428,215

Bank overdraft of £95,000 is secured by a mortgage debenture over all assets of the company and by personal guarantee by the director of the company. The personal guarantee is supported by a second legal mortgage provided by Mr and Mrs D Oliver, limited to the extent of £95,000 over the freehold premises owned by them.

The second overdraft of £9,002 is guaranteed by the director.

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2003	2002
Other creditors	£1,697	£5,816

10. BORROWINGS

	2003	2002
The company's borrowings are repayable as follows:		
Up to one year and on demand	£122,589	£105,825

11. SHARE CAPITAL

	2003 £	2002 £
Authorised		
Equity interests:		
2,000 Ordinary shares of £1 each	£2,000	£2,000
Allotted, called up and fully paid		
Equity interests:		
2 Ordinary shares of £1 each	£2	£2

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2003 £	2002 £
Profit/ (Loss) for the financial year	129,991	(126,257)
Shareholders' funds at 1 April 2002	(304,819)	(178,562)
Shareholders' funds at 31 March 2003	£ (174,828)	£ (304,819)
Represented by:		
Equity interests	£ (174,828)	£ (304,819)

13. REVENUE COMMITMENTS

The company was committed to make the payments during the next year in respect of operating leases with expiry dates as follows:

	Land and Buildings		Other	
	2003 £	2002 £	2003 £	2002 £
Expiry date:				
Within one year	-	-	-	-
More than five years	59,305	27,500	-	-
	£59,205	£27,500	£ -	£ -

14. RELATED PARTY TRANSACTIONS

David Oliver, the director of the company, is also the sole director and shareholder of Paper Library Limited. The company supplied management services to Paper Library Limited and a charge of £nil (2002- £9,000) was made. At 31 March 2003 Paper Library Limited owed a sum of £3,031(2002- £11,859) and this amount has been written off in these accounts.

At 31 March 2003 David Oliver was owed a sum of £8,676 (2002-£18,502). This amount is interest free and is repayable on demand.

During the year Mrs. S Oliver, wife of David Oliver was repaid in full the sum of £76,357 which was owed to her at 31 March 2002. This was an interest free loan.

15. CONTROL OF THE COMPANY

David Oliver, a director and sole shareholder of the company, is the ultimate controlling party for both this and the preceding year, by virtue of his shareholding in the company.