

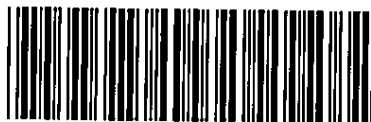
Puretop Limited

**Directors' report and financial
statements**

Registered number 2233093

31 December 2006

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Directors' report

The directors present their annual report and the financial statements for the year ended 31 December 2006

Principal activities and business review

The principal activity of the company is that of a holding company. The company did not trade during the year.

Dividend

The directors do not recommend the payment of a dividend (2005 £4,000,000)

Directors and directors' interests

The directors who held office during the year were as follows

CRS McDonnell
A Morley

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the company. The interests of A Morley and CRS McDonnell in the shares of the ultimate parent company, E Wood Holdings Plc (formerly Torday & Carlisle PLC) are disclosed in the directors' report of that company.

According to the register of directors' interests, no rights to subscribe for shares in or debentures of the company or any other group company were granted to any of the directors or their immediate families, or exercised by them, during the financial year.


Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

In accordance with Section 384 of the Companies Act a resolution for the re-appointment of KPMG Audit Plc as independent auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board


DR Mackness
Secretary

Unit 1, Mile House Business Park
Darlington Road
Northallerton
North Yorkshire
DL6 2 NW

22 March 2007

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG Audit Plc

Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX
United Kingdom

Independent Auditors' Report to the members of Puretop Limited

We have audited the financial statements of Puretop Limited for the year ended 31 December 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under 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 auditor's 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report 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 International Standards on Auditing (UK and Ireland) 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 judgments 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.

Independent auditors' report to the members of Puretop Limited *(continued)*

Opinion

In our opinion the financial statements

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

22 March 2007

Profit and loss account
for the year ended 31 December 2006

	<i>Note</i>	2006 £000	2005 £000
Income from fixed asset investments		1,150	4,000
Interest receivable	2	69	-
Profit on ordinary activities before taxation		1,219	4,000
Tax on profit on ordinary activities	3	12	-
Profit for the financial year	10	1,231	4,000

The results of the company arose entirely from its continuing activity as a holding company

The company had no recognised gains or losses other than the result for the year

Balance sheet
at 31 December 2006

	<i>Note</i>	2006 £000	2006 £000	2005 £000	2005 £000
Fixed assets					
Investments	5		2,629		2,629
Current assets					
Debtors	6	1,162		-	
Creditors amounts falling due within one year	7	(37)		(106)	
Net current assets/(liabilities)			1,125		(106)
Net assets			3,754		2,523
Capital and reserves					
Called up share capital	8		2,128		2,128
Capital redemption reserve	10		92		92
Profit and loss account	10		1,534		303
Shareholders' funds	9		3,754		2,523

These financial statements were approved by the Board of directors on 22 March 2007 and were signed on its behalf by


A Morley
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

In these financial statements one new standard has been adopted for the first time, FRS 20 'share based payments' This standard has had no material effect

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

The company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group accounts These financial statements present information about the company as an individual undertaking and not about its group

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements

As the company is a wholly owned subsidiary E Wood Holdings Plc, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties) The consolidated financial statements of E Wood Holdings Plc, within which this company is included, can be obtained from the address given in note 12

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19

Classification of financial instruments issued by the Company

Financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions

- a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company, and
- b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments

Notes (continued)

1 Accounting policies (continued)

Classification of financial instruments issued by the Company (continued)

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds (see dividends policy), are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

Dividends on shares presented within shareholders' funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

2 Interest receivable

	2006 £000	2005 £000
Receivable from group undertakings	69	-

3 Taxation

Analysis of credit in period

	2006 £000	2005 £000
<i>UK corporation tax</i>		
Current tax on income for the period	-	-
Total current tax charge	-	-
<i>Deferred tax (note 6)</i>		
Origination of timing differences	(12)	-
Tax on profit on ordinary activities	(12)	-

Notes (continued)

3 Taxation (continued)

Factors affecting the tax charge for the current year

The current tax charge is lower (2005 lower) than the standard rate of corporation tax in the United Kingdom, 30% (2005 30%). The differences are explained below

	2006 £000	2005 £000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	1,219	4,000
Current taxation at 30% (2005 30%)	365	1,200
<i>Effects of</i>		
Income from interest in group companies not taxable	(345)	(1,200)
Utilisation of tax losses	(20)	-
Total current taxation charge	-	-

A deferred tax asset is recognised in respect of corporation tax losses which are now deemed recoverable, at 31 December 2006

	Deferred tax £000
At beginning of year	-
Credit in year	12
At end of year (note 6)	12

Amounts provided and unprovided for deferred tax are set out below

	2006 Provided £000	2006 Unprovided £000	2005 Provided £000	2005 Unprovided £000
Tax losses	12	-	-	32

Notes (continued)

4 Dividends

The aggregate amount of dividends paid comprises

	2006 £000	2005 £000
Final dividends paid in respect of prior year but not recognised as liabilities in that year	-	1,500
Interim dividends paid in respect of the current year	-	2,500
	<hr/>	<hr/>
Aggregate amount of dividends paid in the financial year	-	4,000
Dividends in respect of the year recognised as a liability at the year end	-	-
	<hr/>	<hr/>
	-	4,000
	<hr/>	<hr/>

5 Fixed asset investments

**Shares in
group
undertakings
£000**

Cost and net book value

At beginning and end of year	2,629
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The companies in which the company's interest at the year end is more than 20% are as follows

	Country of incorporation	Principal Activity	Percentage of ordinary shares held
Subsidiary undertakings			
E Wood Limited	England	Manufacture of industrial coating and maintenance products	100%
Thortex Specialist Services Limited*	England	Construction contract management	100%
Copon International Limited*	England	Dormant company	100%
Thortex America Inc*	USA	Industrial painting contractor/distributor	55%
Trade investments			
Lotum SA*	Spain	Industrial painting contractors	25%
Thortex Italia Srl*	Italy	Industrial painting contractors	5%

* Held by subsidiary undertaking

Notes (continued)

6 Debtors

	2006 £000	2005 £000
Amounts owed by group undertakings	1,150	-
Deferred tax (note 3)	12	-
	<u>1,162</u>	<u>-</u>

7 Creditors: amounts falling due within one year

	2006 £000	2005 £000
Bank loans and overdraft	37	-
Amounts owed to group undertakings	-	106
	<u>37</u>	<u>106</u>

8 Called up share capital

	2006 £000	2005 £000
<i>Authorised</i>		
Equity Ordinary shares of £1 each	2,150	2,150
	<u>2,150</u>	<u>2,150</u>
<i>Allotted, called up and fully paid</i>		
Equity Ordinary shares of £1 each	2,128	2,128
	<u>2,128</u>	<u>2,128</u>

9 Reconciliation of movements in shareholders' funds

	2006 £000	2005 £000
Profit for the financial year	1,231	4,000
Dividends on shares classified in shareholders' funds	-	(4,000)
	<u>1,231</u>	<u>-</u>
Net movement in shareholders' funds	1,231	-
Opening shareholders' funds	2,523	2,523
	<u>3,754</u>	<u>2,523</u>
Closing shareholders' funds	3,754	2,523

Notes (continued)

10 Reserves

	Capital redemption reserve £000	Profit and loss account £000
At beginning of year	92	303
Profit for the year	-	1,231
At end of year	92	1,534

11 Related party disclosures

The company is controlled by its parent company, Dippystar Limited (formerly E Wood Holdings Limited). The ultimate controlling party is E Wood Holdings Plc.

12 Ultimate parent company

The company is a subsidiary undertaking of E Wood Holdings Plc.

The only group in which the results of the company are consolidated is that headed by E Wood Holdings Plc. The consolidated accounts of this company are available to the public and may be obtained from Unit 1, Mile House Business Park, Darlington Road, Northallerton, North Yorkshire, DL6 2NW.