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**T. SAVILLE WHITTLE LIMITED**

Company Registration No. 415620

**DIRECTORS REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**30 NOVEMBER 2005**



**LUNT, JORDAN & COMPANY**

*Chartered Accountants*

(Incorporating Stewart & Brotherton)

150 Ashley Road,  
Hale, Altrincham,  
Cheshire, WA15 9SA.

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**T. SAVILLE WHITTLE LIMITED**

**YEAR ENDED 30 NOVEMBER 2005**

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**T. SAVILLE WHITTLE LIMITED**

**OFFICERS & PROFESSIONAL ADVISERS**

**DIRECTORS :**

W. T. Whittle  
R. S. Whittle  
A. P. C. Whittle

**COMPANY SECRETARY :**

H. E. Crosby

**REGISTERED OFFICE :**

Albion Bridge Works  
Vickers Street  
Manchester  
M40 8EF.

**BANKERS :**

National Westminster Bank plc,  
11 Spring Gardens  
Manchester  
M60 2DB

Lloyds TSB plc  
53 King Street  
Manchester  
M60 2ES

**AUDITORS :**

Lunt, Jordan & Company  
150 Ashley Road  
Hale  
Altrincham  
Cheshire  
WA15 9SA

## **T. SAVILLE WHITTLE LIMITED**

### **DIRECTORS' REPORT**

The directors present their Annual Report and the Audited Financial Statements for the year ended 30 November 2005.

#### **ACTIVITIES**

The principal activities of the company are the manufacture and distribution of dyestuffs, pigments and chemicals.

#### **REVIEW OF DEVELOPMENTS**

The company has achieved a satisfactory result. Further details of the company's performance are given in the Profit & Loss Account. The position of the company at the end of the year is set out in the Balance Sheet.

#### **DIVIDENDS AND TRANSFERS FROM RESERVES**

No dividend (2004 : £Nil) was paid to T Saville Whittle (Export) Limited, the holding company. A profit after taxation of £1,907 (2004 : £24,523 profit) has been transferred to Reserves.

#### **FUTURE PROSPECTS**

The directors consider that the company is well placed to perform satisfactorily.

#### **DIRECTORS AND THEIR INTERESTS**

The present membership of the Board is set out on Page 1. All current directors served throughout the year.

The director retiring by rotation is W. T. Whittle who, being eligible, will offer himself for re-election.

The directors do not hold a beneficial interest, as defined by the Companies Act 1985, in the shares of the company at 30 November 2005 and 30 November 2004.

The interests of W. T. Whittle and R. S. Whittle in the shares of the parent company, T. Saville Whittle (Export) Limited, are disclosed in the financial statements of that company. A.P.C. Whittle does not have any interest in the shares of the parent company.

#### **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:

- a) select suitable accounting policies and then apply them consistently.
- b) make judgements and estimates that are reasonable and prudent;
- c) 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.

**T. SAVILLE WHITTLE LIMITED**

**DIRECTORS' REPORT Cont'd.**

**AUDITORS**

The auditors, Lunt, Jordan & Company, have expressed their willingness to continue in office, and a resolution for their re-appointment will be proposed at the forthcoming Annual General Meeting in accordance with section 385 of the Companies Act 1985.

**TAX STATUS**

In the opinion of the Directors the close company provisions of the Income and Corporation Taxes Act 1988 do apply to the Company.

**APPROVAL OF REPORT**

The report was approved by the Board on 25 September 2006 and signed on its behalf.

**BY ORDER OF THE BOARD**



**H. E. CROSBY,  
COMPANY SECRETARY**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF T. SAVILLE WHITTLE LIMITED**

We have audited the financial statements of T. Saville Whittle Limited for the year ended 30 November 2005 which comprise the Profit & Loss Account, the Balance Sheet, The Cash Flow Statement 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 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 & AUDITORS**

As described in the statement of Directors' Responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and 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 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 the Directors' Report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

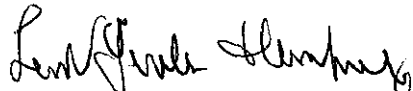
### **BASIS OF AUDIT OPINION**

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.

### **OPINION**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 November 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
**LUNT, JORDAN & COMPANY**  
**CHARTERED ACCOUNTANTS**  
**AND REGISTERED AUDITORS**

Date: 26/9/2006

**T. SAVILLE WHITTLE LIMITED**

**PROFIT AND LOSS ACCOUNT  
YEAR ENDED 30 NOVEMBER 2005**

	Note	2005 £	2004 £
<b>TURNOVER</b>	2	2,003,674	6,969,723
Cost of Sales		<u>1,535,692</u>	<u>6,299,053</u>
<b>GROSS PROFIT</b>		467,982	670,670
Distribution Costs		(99,389)	(96,341)
Administrative Expenses		(449,682)	(900,686)
Other Operating Income		<u>83,551</u>	<u>347,871</u>
<b>OPERATING PROFIT</b>	4	2,462	21,514
Profit on Asset Disposals		1,594	4,799
Interest Receivable & Similar Income	5	1,438	2,443
Interest Payable & Similar Charges	6	<u>(3,238)</u>	<u>(5,526)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		2,256	23,230
Tax On Profit On Ordinary Activities	7	<u>349</u>	<u>1,293</u>
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		1,907	24,523
Profit and Loss Account Brought Forward		<u>432,884</u>	<u>408,361</u>
Profit and Loss Account Carried Forward		<u>434,791</u>	<u>432,884</u>

There were no recognised gains or losses other than those recognised in the Profit and Loss Account.

All the company's operations are classed as continuing.

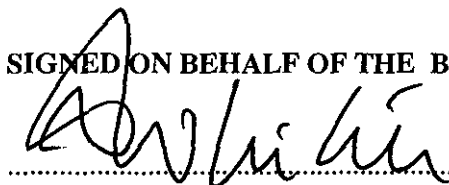
**T. SAVILLE WHITTLE LIMITED**

**BALANCE SHEET  
AS AT 30 NOVEMBER 2005**

	Note	2005 £	2004 £
<b>FIXED ASSETS</b>	8	541,624	340,088
<b>CURRENT ASSETS</b>			
Stocks	9	401,325	461,361
Debtors	10	440,977	1,552,514
Cash At Bank & In Hand		<u>18,146</u>	<u>104,651</u>
		<u>860,448</u>	<u>2,118,526</u>
<b>CURRENT LIABILITIES</b>			
<b>CREDITORS : Amounts Falling Due Within One Year</b>	11	<u>801,188</u>	<u>1,732,483</u>
<b>NET CURRENT ASSETS</b>		<u>59,260</u>	<u>386,043</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		600,884	726,131
<b>CREDITORS : Amounts Falling Due After One Year</b>	11	<u>128,808</u>	<u>255,962</u>
		472,076	470,169
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	12	<u>(27,285)</u>	<u>(27,285)</u>
<b>TOTAL ASSETS LESS TOTAL LIABILITIES</b>		<u>444,791</u>	<u>442,884</u>
<b>CAPITAL AND RESERVES</b>			
Called Up Share Capital	13	10,000	10,000
Profit & Loss Account		<u>434,791</u>	<u>432,884</u>
Equity Shareholders' Funds		<u>444,791</u>	<u>442,884</u>

These financial statements were approved by the Board Of Directors on 25 September 2006

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS



R. S. WHITTLE, DIRECTOR

*The notes on Pages 8 to 12 form part of these Financial Statements*



**T. SAVILLE WHITTLE LIMITED**

**CASH FLOW STATEMENT  
YEAR ENDED 30 NOVEMBER 2005**

	2005	2004
	£	£
<b>Net cash Inflow/(Outflow) from operating activities</b>	214,326	(228,941)
Returns on Investments and Servicing of Finance		
Interest Received	1,438	2,433
Interest Paid	(3,238)	(5,526)
<b>Net (Outflow)/Inflow From Returns On Investments And Servicing Of Finance</b>	(1,800)	(3,083)
Taxation (paid)/received	(3,854)	141
<b>Net Cash Inflow/(Outflow) Before Financing</b>	208,672	(231,883)
Investment Activity		
Acquisition of Tangible Fixed Assets	(33,956)	(24,977)
Acquisition of Intangible Fixed Assets	(200,000)	-
Fixed Assets Sale Proceeds	1,595	4,800
<b>Decrease In Cash &amp; Cash Equivalents</b>	<u>(23,689)</u>	<u>(252,080)</u>

**NOTES TO CASH FLOW STATEMENT**

**Reconciliation Of Operating Profit To Net Cash  
(Outflow)/Inflow from operating Activities**

Operating Profit (Page 5)	2,462	21,514
Depreciation Charges	32,419	20,551
Decrease/(Increase) in Stock	60,036	90,417
Decrease/(Increase) in Debtors	1,111,537	(163,816)
(Decrease)/Increase in Creditors	(992,128)	(197,607)
<b>Net Cash Inflow/(Outflow) From Operating Activities</b>	<u>214,326</u>	<u>(228,941)</u>

**Analysis of Balances Of Cash And Cash  
Equivalents As Shown In The Balance Sheet**

Balance at 30.11.04	(382,197)	(130,117)
Net Cash (Outflow)/Inflow	(23,689)	(252,080)
<b>Balance at 30.11.05</b>	<u>(405,886)</u>	<u>(382,197)</u>

*The notes on Pages 8 to 12 form part of these Financial Statements*

## **T. SAVILLE WHITTLE LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 30 NOVEMBER 2005**

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

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

##### **Accounting Convention**

The financial statements are prepared under the historical cost convention.

##### **Tangible Fixed Assets**

Depreciation is provided over the estimated useful lives of the assets. The rates of depreciation are as follows :

Freehold Buildings	2% Per Annum on Cost
Plant & Machinery	20% Per Annum on its Written Down Value
Motor Vehicles	20% Per Annum on Cost
Fixtures & Fittings	20% Per Annum on its Written Down Value

Freehold Land is not depreciated.

##### **Stocks**

Stocks are stated at the lower of cost and net realisable value. Cost comprises of the purchase price of goods included in stock. Net realisable value is based on estimated selling price less all further costs to completion and all relevant marketing, selling and distribution costs.

##### **Deferred Taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

##### **Foreign Exchange**

Balances denominated in a foreign currency are translated into sterling at the exchange rates ruling on the Balance Sheet date. Transactions denominated in a foreign currency are translated into sterling at the exchange rates ruling at the date of transaction. Gains or losses arising on translation of transactions and balances are included in the operating profit.

##### **Pension Costs**

The company operates a defined contribution pension scheme. The pension costs charged to the Profit & Loss Account represents the contributions made by the company to the fund.

# **T. SAVILLE WHITTLE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS Cont'd. YEAR ENDED 30 NOVEMBER 2005**

### **2. TURNOVER**

The turnover and pre tax profit are all attributable to the provision of goods and services which fall within the company's ordinary activities after deduction of trade discounts and Value Added Tax.

	2005 £	2004 £
<b>Geographical Analysis Of Turnover</b>		
United Kingdom	1,943,315	6,586,814
Europe	60,359	76,679
Asia	<u>-</u>	<u>306,230</u>
	<u>2,003,674</u>	<u>6,969,723</u>

### **3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

	£	£
Directors' Emoluments	<u>Nil</u>	<u>Nil</u>

No directors are members of the Defined Contribution Pension Scheme (2004 : None).

#### **Average Number Of Persons Employed**

Employed by T. Saville Whittle (Export) Limited and allocated to the company.

	No.	No.
Sales & Distribution	6	6
Administration	<u>8</u>	<u>9</u>
	<u>14</u>	<u>15</u>

#### **Staff Cost During The Year (including director)**

Employed by T. Saville Whittle (Export) Limited and allocated to the company

	£	£
Wages & Salaries	271,020	260,229
Social Security Costs	24,394	26,200
Pension Costs	<u>5,190</u>	<u>9,748</u>
	<u>300,604</u>	<u>296,177</u>

**T. SAVILLE WHITTLE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS Cont'd.  
YEAR ENDED 30 NOVEMBER 2005**

	2005 £	2004 £
<b>4. OPERATING PROFIT</b>		
This Is Stated After Charging/(Crediting) :		
Depreciation	34,219	20,551
Auditors' Remuneration	6,500	6,850
Management Charges	(73,000)	414,000
Exchange (Gain)/Loss	(8,768)	(686)
Profit On Sale Of Fixed Assets	(1,594)	(4,799)
	<u>          </u>	<u>          </u>
 <b>5. INTEREST RECEIVABLE AND SIMILAR INCOME</b>		
	£	£
Bank Interest	<u>1,438</u>	<u>2,443</u>
 <b>6. INTEREST PAYABLE AND SIMILAR CHARGES</b>		
	£	£
Interest on Bank Overdrafts	<u>3,238</u>	<u>5,526</u>
 <b>7. TAX ON PROFIT ON ORDINARY ACTIVITIES</b>		
	£	£
United Kingdom Corporation Tax at 19% (2004 : 19%) Based On The Profit For The Year	349	3,854
Prior Years Refund	-	(5,116)
Interest Credit	<u>-</u>	<u>(31)</u>
	<u>349</u>	<u>(1,293)</u>

**T. SAVILLE WHITTLE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS Cont'd.  
YEAR ENDED 30 NOVEMBER 2005**

**8. FIXED ASSETS**

**A) Tangible Fixed Assets**

	<b>Freehold Land and Buildings £</b>	<b>Plant and Machinery £</b>	<b>Motor Vehicles £</b>	<b>Fixtures and Fittings £</b>	<b>Total £</b>
<b>Cost</b>					
At 1 December 2004	317,883	100,708	91,607	140,521	650,719
Additions	-	5,918	20,150	7,888	33,956
Disposals	-	-	(13,495)	-	(13,495)
	<u>317,883</u>	<u>106,626</u>	<u>98,262</u>	<u>148,409</u>	<u>671,180</u>
<b>At 30 November 2005</b>	<b><u>317,883</u></b>	<b><u>106,626</u></b>	<b><u>98,262</u></b>	<b><u>148,409</u></b>	<b><u>671,180</u></b>
<b>Accumulated Depreciation</b>					
At 1 December 2004	38,193	80,669	78,222	113,547	310,631
Charge For the Year	5,280	5,192	6,975	6,972	24,419
Disposals	-	-	(13,494)	-	(13,494)
	<u>43,473</u>	<u>85,861</u>	<u>71,703</u>	<u>120,519</u>	<u>321,556</u>
<b>At 30 November 2005</b>	<b><u>43,473</u></b>	<b><u>85,861</u></b>	<b><u>71,703</u></b>	<b><u>120,519</u></b>	<b><u>321,556</u></b>
<b>Net Book Value</b>					
At 30 November 2005	<u>274,410</u>	<u>20,765</u>	<u>26,559</u>	<u>27,890</u>	<u>349,624</u>
At 30 November 2004	<u>279,690</u>	<u>20,039</u>	<u>13,385</u>	<u>26,974</u>	<u>340,088</u>

**B) Intangible Fixed Assets**

Goodwill Purchased	200,000
Amortisation to 30 November 2005	<u>8,000</u>
Net Book Value at 30 November 2005	<u>192,000</u>
<b>TOTAL FIXED ASSETS</b>	<b><u>541,624</u></b>

**9. STOCKS**

	<b>2005 £</b>	<b>2004 £</b>
Finished Goods & Goods for Resale	<u>401,325</u>	<u>461,361</u>

**10. DEBTORS**

Trade Debtors	425,303	1,350,705
Other Debtors, Prepayments & Accrued Income	<u>15,674</u>	<u>201,809</u>
	<u>440,977</u>	<u>1,552,514</u>

# **T. SAVILLE WHITTLE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS Cont'd. YEAR ENDED 30 NOVEMBER 2005**

### **11. CREDITORS**

<b>Amounts Falling Due Within One Year :</b>	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Bank Overdraft	424,032	486,848
Trade Creditors	211,207	1,115,888
Taxation & Social Security	12,323	96,192
Corporation Tax	349	3,854
Accruals & Sundry Creditors	<u>153,277</u>	<u>29,701</u>
	<u>801,188</u>	<u>1,732,483</u>
<b>Amounts Falling Due After One Year :</b>		
Parent Company Loan	<u>128,808</u>	<u>255,962</u>

### **12. PROVISIONS FOR LIABILITIES AND CHARGES**

<b>Movement in deferred tax provision for the year</b>	<b>£</b>	<b>£</b>
Opening Balance	27,285	27,285
Current Year Charge	Nil	Nil
	<u>27,285</u>	<u>27,285</u>
Closing Balance	<u>27,285</u>	<u>27,285</u>

### **13. CALLED UP SHARE CAPITAL**

	<b>£</b>	<b>£</b>
<b>Authorised</b>		
15,000 Ordinary Shares of £1 each	15,000	15,000
	<u>15,000</u>	<u>15,000</u>
<b>Allotted &amp; Fully Paid</b>		
10,000 Ordinary Shares of £1 each	10,000	10,000
	<u>10,000</u>	<u>10,000</u>

### **14. ULTIMATE PARENT COMPANY**

The ultimate parent company is T. Saville Whittle (Export) Limited, a company incorporated in Great Britain and registered in England and Wales. A copy of its accounts can be obtained from its registered office, Albion Bridge Works, Vickers Street, Manchester, M40 8EF.

### **15. RELATED PARTY TRANSACTIONS**

Included within Administrative Expenses are £7,000 (2004 : £414,000) Management Charges paid to T. Saville Whittle (Export) Limited. R. D. Kent & Co. Limited, a wholly owned subsidiary of the parent company paid a Management Charge to T. Saville Whittle Ltd. of £80,000 (2004 : £24,000).

T. Saville Whittle (Export) Limited guarantees bank overdrafts included within creditors falling due within one year. The balance due to the parent company is disclosed on the Balance Sheet in the accounts.