

T SAVILLE WHITTLE LIMITED

Report and Abbreviated Financial Statements

30 November 2002



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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

W T Whittle
R S Whittle
A P C Whittle
D K Gregory

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

Deloitte & Touche LLP
Chartered Accountants
Manchester

DIRECTORS' REPORT

The directors present their annual report and the audited abbreviated financial statements for the year ended 30 November 2002.

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 abbreviated profit and 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 interim dividend (2001 - £100,000) was paid to T Saville Whittle (Export) Limited, the holding company. A profit of £70,384 (2001 - £70,666 loss) 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 directors served throughout the year.

The director retiring by rotation is D K Gregory, who, being eligible, offers 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 2002 and 30 November 2001.

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 interests in the shares of the parent company.

AUDITORS

On 1 August 2003, Deloitte & Touche transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The Company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 1 August 2003 under the provisions of section 26(5) of the Companies Act 1989. A resolution to re-appoint Deloitte & Touche LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



Secretary

23/9/2003

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom 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 as at the end of the financial year 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; 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 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.

**INDEPENDENT AUDITORS' REPORT TO T SAVILLE WHITTLE LIMITED
PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts which comprise the abbreviated profit and loss account, the statement of total recognised gains and losses, the balance sheet, the cash flow statement, and the related notes 1 to 19 together with the financial statements of T Saville Whittle Limited prepared under section 226 of the Companies Act 1985 for the year ended 30 November 2002.

This report is made solely to the company in accordance with the Companies Act 1985. Our audit work has been undertaken so that we might state to the company 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 for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

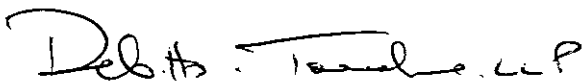
The directors are responsible for preparing the abbreviated accounts in accordance with section 246A(3) of the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to deliver abbreviated accounts prepared in accordance with that section and whether the abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinions to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does 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 under sections 247 and 247A of the Companies Act 1985 to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, in respect of the year ended 30 November 2002, and the abbreviated accounts which comprise the abbreviated profit and loss account, the statement of total recognised gains and losses, the balance sheet, the cash flow statement and the related notes 1 to 19 have been properly prepared in accordance with those provisions.



Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Manchester

29 September 2003

ABBREVIATED PROFIT AND LOSS ACCOUNT
Year ended 30 November 2002

	Note	2002 £	2001 (as restated see note 19) £
GROSS PROFIT		655,618	660,532
Distribution costs		(65,871)	(40,700)
Administrative expenses		(566,078)	(611,365)
Other operating income		54,462	23,375
		<u>(577,487)</u>	<u>(628,690)</u>
OPERATING PROFIT		78,131	31,842
Interest receivable and similar income	3	6,470	11,177
Interest payable and similar charges	4	<u>(762)</u>	<u>(3,848)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	83,839	39,171
Tax on profit on ordinary activities	6	<u>(13,455)</u>	<u>(9,837)</u>
PROFIT FOR THE FINANCIAL YEAR		70,384	29,334
Equity dividends paid	7	<u>-</u>	<u>(100,000)</u>
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR		70,384	(70,666)
Profit and loss account brought forward		<u>315,910</u>	<u>386,576</u>
Profit and loss account carried forward		<u><u>386,294</u></u>	<u><u>315,910</u></u>

All activities relate to continuing operations (2001 - same).

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
For the year ended 30 November 2002

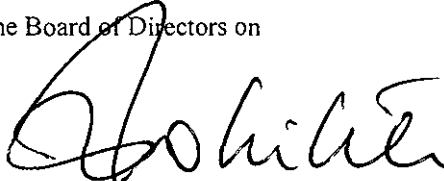
	2002 £	2001 (as restated see note 19) £
Profit for the financial year	70,384	29,334
Total gains and losses relating to the year	70,384	
Prior year adjustments (note 20)	<u>(25,755)</u>	
Total gains and losses recognised since last financial statements	<u><u>44,629</u></u>	

BALANCE SHEET
30 November 2002

			2002	2001 (as restated see note 19)
	Note	£	£	£
FIXED ASSETS				
Tangible assets	8		352,969	392,014
CURRENT ASSETS				
Stocks	9	386,542		366,233
Debtors	10	1,169,750		1,828,163
Cash at bank and in hand		460,660		407,109
		<u>2,016,952</u>	<u>2,601,505</u>	
CREDITORS: amounts falling due within one year				
Bank loans and overdrafts		318,613		345,661
Trade creditors		932,520		1,490,115
Amounts owed to parent company		421,778		545,807
Other creditors including taxation and social security	11	196,292		131,720
Accruals and deferred income		<u>77,242</u>		<u>128,551</u>
		<u>1,946,445</u>	<u>2,641,854</u>	
NET CURRENT ASSETS/(LIABILITIES)			<u>70,507</u>	<u>(40,349)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>423,476</u>	<u>351,665</u>
PROVISIONS FOR LIABILITIES AND CHARGES	12		<u>(27,182)</u>	<u>(25,755)</u>
TOTAL ASSETS LESS TOTAL LIABILITIES			<u>396,294</u>	<u>325,910</u>
CAPITAL AND RESERVES				
Called up share capital	13	10,000		10,000
Profit and loss account		<u>386,294</u>		<u>315,910</u>
Equity shareholders' funds		<u>396,294</u>	<u>396,294</u>	<u>325,910</u>

These accounts have been prepared in accordance with the special provisions relating to medium companies under section 246A of the Companies Act 1985 with regard to the delivery of individual accounts.

Signed on behalf of the Board of Directors on

 23.09.2003

Director

CASH FLOW STATEMENT
Year ended 30 November 2002

	Note	2002 £	2001 £
Net cash inflow from operating activities	14	65,463	8,344
Returns on investments and servicing of finance			
Interest received		6,470	11,177
Interest paid		(762)	(3,848)
Net cash inflow from returns on investments and servicing of finance		5,708	7,329
Taxation			
UK corporation tax paid		(11,110)	(11,781)
Tax paid		(11,110)	(11,781)
Capital expenditure and financial Investment			
Purchase of tangible fixed assets		(16,387)	(5,347)
Sale of tangible fixed assets		36,925	685
Net cash outflow from capital expenditure		20,538	(4,662)
Acquisitions and disposals			
Receipts from sale of investment in joint venture		-	50
Net cash inflow from acquisitions and disposals		-	50
Equity dividends		-	(100,000)
Increase/(decrease) in cash	15,16	<u>80,599</u>	<u>(100,720)</u>

NOTES TO THE ABBREVIATED ACCOUNTS**Year ended 30 November 2002****1. ACCOUNTING POLICIES**

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

All accounting policies have been applied consistently throughout the current year and the prior year with the exception of deferred tax. The prior year figures have been restated to reflect the implementation of FRS 19 'Deferred Tax'.

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 and machinery	20% per annum on its written down value
Motor vehicles	20% per annum on cost
Fixtures and 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 includes materials, direct labour and production overheads appropriate to the relevant stage of production. 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 taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Deferred tax assets are recognised to the extent that it is regarded more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

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 the 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 and loss account represents the contributions payable by the company to the fund.

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2002 £	2001 £
Directors emoluments	66,334	60,428

No directors are members of the defined contribution pension scheme (2001 – none)

NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 30 November 2002

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES (continued)

	2002 No.	2001 No.
Average number of persons employed - employed by T Saville Whittle (Export) Limited and allocated to the company		
Sales and distribution	7	7
Administration	9	9
	<u>16</u>	<u>16</u>
	£	£
Staff costs during the year (including director) - employed by T Saville Whittle (Export) Limited and allocated to the company		
Wages and salaries	234,250	250,164
Social security costs	28,986	26,652
Pension costs	10,440	11,083
	<u>273,676</u>	<u>287,899</u>

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	2002 £	2001 £
Bank interest	6,470	10,534
Other interest	-	643
	<u>6,470</u>	<u>11,177</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2002 £	2001 £
Interest on bank overdrafts	<u>762</u>	<u>3,848</u>

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2002 £	2001 £
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation	27,056	57,552
Auditors' remuneration	8,750	8,200
Management charges	93,000	120,000
Profit on sale of fixed assets	(8,549)	(137)
Exchange loss/(gain)	<u>5,248</u>	<u>(23,375)</u>

NOTES TO THE ABBREVIATED ACCOUNTS
Year ended 30 November 2002

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2002 £	2001 (as restated see note 19) £
United Kingdom corporation tax at 19% (2001 – 20%)		
Based on the profit for the year	12,083	11,155
Deferred taxation	1,427	(1,320)
Adjustments in respect of prior years:		
Corporation tax	(55)	(4)
Deferred taxation	-	6
	<u>13,455</u>	<u>9,837</u>

The standard rate of tax for the year, based on the UK standard of corporation tax is 19% (2001 – 20%). The actual tax charge for the current and previous year is different to the standard rate for the reasons set out in the following reconciliation

	2002 £	2001 £
Profit on ordinary activities before tax	<u>83,839</u>	<u>39,171</u>
Tax on profit on ordinary activities at standard rate	15,929	7,834
Factors affecting charge for the year:		
Expenses not deductible for tax purposes	5,458	1,111
Capital allowances for the period in excess of depreciation	(10,012)	1,835
Other deferred tax movements	-	1,480
Rate differences	708	(1,105)
	<u>12,083</u>	<u>11,155</u>

7. EQUITY DIVIDENDS

	2002 £	2001 £
No dividends have been paid in the current year (2001 - £10 per ordinary share)	<u>-</u>	<u>100,000</u>

NOTES TO THE ABBREVIATED ACCOUNTS
Year ended 30 November 2002

8. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Plant and machinery £	Fixtures and Fittings £	Total £
Cost				
At 1 December 2001	317,883	333,567	117,268	768,718
Additions	-	-	16,387	16,387
Disposals	-	(149,523)	-	(149,523)
At 30 November 2002	317,883	184,044	133,655	635,582
Accumulated depreciation				
At 1 December 2001	21,823	264,214	90,667	376,704
Charge for the year	5,455	13,416	8,185	27,056
Disposals	-	(121,147)	-	(121,147)
At 30 November 2002	27,278	156,483	98,852	282,613
Net book value				
At 30 November 2002	290,605	27,561	34,803	352,969
At 1 December 2001	296,060	69,353	26,601	392,014

9. STOCKS

	2002 £	2001 £
Finished goods and goods for resale	386,542	366,233

10. DEBTORS

	2002 £	2001 £
Trade debtors	1,106,741	1,741,324
Prepayments and accrued income	63,009	86,794
Corporation tax recoverable	-	45
	1,169,750	1,828,163

Other debtors include £32,000 (2001- £63,000) which is repayable in more than one year.

11. OTHER CREDITORS INCLUDING TAXATION AND SOCIAL SECURITY

	2002 £	2001 £
This heading includes:		
Taxation and social security	189,389	124,816

NOTES TO THE ABBREVIATED ACCOUNTS
Year ended 30 November 2002

12. PROVISIONS FOR LIABILITIES AND CHARGES

Movement in deferred tax provision for the year

	2002 £	2001 As restated see note 19) £
Opening balance	25,755	27,069
Current year charge/(credit)	1,427	(1,314)
Closing balance	<u>27,182</u>	<u>25,755</u>

Deferred tax has not been provided in respect of gains realised that have been rolled over into the acquisition cost of replacement assets. This tax will become payable if the replacement assets are sold and further rollover relief is not obtained. The estimated amount of tax that would become payable in these circumstances is £20,515 (2001 – £30,773).

13. CALLED UP SHARE CAPITAL

	2002 £	2001 £
Authorised 15,000 ordinary shares of £1 each	<u>15,000</u>	<u>15,000</u>
Allotted and fully paid 10,000 ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

14. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2002 £	2001 £
Operating profit	78,131	31,842
Depreciation	27,056	57,552
Profit on sale of tangible fixed assets	(8,549)	(137)
Increase in stocks	(20,309)	(269,060)
Decrease/(increase) in debtors	658,368	(695,868)
(Decrease)/increase in creditors	(545,205)	838,373
Movement in group balances	(124,029)	45,642
Net cash inflow from operating activities	<u>65,463</u>	<u>8,344</u>

NOTES TO THE ABBREVIATED ACCOUNTS
Year ended 30 November 2002

15. ANALYSIS OF CHANGES IN NET FUNDS

	At 30 November 2001 £	Cash flow £	At 30 November 2002 £
Cash at bank and in hand	407,109	53,551	460,660
Bank overdrafts	(345,661)	27,048	(318,613)
	<u>61,448</u>	<u>80,599</u>	<u>142,047</u>

16. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2002 £	2001 £
Increase/(decrease) in cash in the year	80,599	(100,720)
Change in net funds resulting from cash flows	80,599	(100,720)
Net funds at 1 December	61,448	162,168
Net funds at 30 November	<u>142,047</u>	<u>61,448</u>

17. 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.

18. RELATED PARTY TRANSACTIONS

Included within administrative expenses are £93,000 (2001 - £120,000) management charges from T Saville Whittle (Export) Limited. 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 these accounts.

During the year W T Whittle and R S Whittle purchased cars from the company at their open market value.

NOTES TO THE ABBREVIATED ACCOUNTS
Year ended 30 November 2002

19. PRIOR YEAR ADJUSTMENT

The prior year adjustment represents the effect of a change in the accounting policy for deferred taxation following the adoption of Financial Reporting Standard 19 'Deferred tax' which is mandatory for accounting periods ending on or after 23 January 2002.

FRS 19 requires full provision for deferred tax on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date. Previously deferred tax was provided only to the extent that it was probable that a liability or asset would crystallise in the future.

As a result of this change in accounting policy the comparatives have been restated to provide for additional deferred tax of £25,755 thereby reducing the profit and loss account and shareholders' funds at 30 November 2001 by the same amount.

The impact of this restatement on the deferred taxation creditor, the profit and loss account reserve and the shareholders' funds for the year ended 30 November 2001 are as follows:

	Deferred taxation £	Profit and loss account reserve £	Shareholders' funds £
At 1 December 2000 as previously reported	(1,829)	411,816	421,816
Adoption of FRS 19 at 1 December 2000	(25,240)	(25,240)	(25,240)
Loss for the year ended 30 November 2001 as previously reported		(70,151)	(70,151)
reverse deferred tax credit as previously reported		(1,829)	(1,829)
revised deferred tax credit under FRS 19	1,314	1,314	1,314
Restated loss for the year ended 30 November 2001		(70,666)	(70,666)
30 November 2001 restated	(25,755)	315,910	325,910