

T SAVILLE WHITTLE LIMITED

Report and Abbreviated Financial Statements

30 November 2003



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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

W T Whittle
R S Whittle
A P C Whittle

SECRETARY

H E Crosby

REGISTERED OFFICE

Albion Bridge Works
Vickers Street
Manchester
M40 8EF

BANKERS

National Westminster Bank PLC
City Centre Branch
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 2003.

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 (2002 - £Nil) was paid to T Saville Whittle (Export) Limited, the holding company. A profit of £22,067 (2002 - £70,384 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 directors who served during the year were as follows:

W T Whittle
R S Whittle
A P C Whittle
D K Gregory (Resigned 13th October 2003)


The directors do not hold a beneficial interest, as defined by the Companies Act 1985, in the shares of the company at 30 November 2003 and 30 November 2002.

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

 24/9/2004

Secretary

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 17 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 2003.

This report is made solely to the company in accordance with section 247B of 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 a special 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 work, for this report, or for the opinions that 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 2003, and the abbreviated accounts have been properly prepared in accordance with those provisions.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Manchester

28/9/04

ABBREVIATED PROFIT AND LOSS ACCOUNT
Year ended 30 November 2003

	Note	2003 £	2002 £
GROSS PROFIT		646,745	655,618
Distribution costs		(71,565)	(65,871)
Administrative expenses		(663,545)	(566,078)
Other operating income		110,649	54,462
		<u>(624,461)</u>	<u>(577,487)</u>
OPERATING PROFIT		22,284	78,131
Interest receivable and similar income	3	10,427	6,470
Interest payable and similar charges	4	<u>(5,538)</u>	<u>(762)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	27,173	83,839
Tax on profit on ordinary activities	6	<u>(5,106)</u>	<u>(13,455)</u>
RETAINED PROFIT FOR THE FINANCIAL YEAR		22,067	70,384
Profit and loss account brought forward		386,294	315,910
Profit and loss account carried forward		<u>408,361</u>	<u>386,294</u>

All activities relate to continuing operations (2002 - same).

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
For the year ended 30 November 2003

There are no recognised gains and losses in either the current or prior year, other than the retained profit for the financial year.

BALANCE SHEET
30 November 2003

	Note	£	2003 £	2002 £
FIXED ASSETS				
Tangible assets	7		335,643	352,969
CURRENT ASSETS				
Stocks	8	551,778	386,542	
Debtors	9	1,388,698	1,169,750	
Cash at bank and in hand		682,289	460,660	
		<u>2,622,765</u>	<u>2,016,952</u>	
CREDITORS: amounts falling due within one year				
Bank loans and overdrafts		812,406	318,613	
Trade creditors		1,040,391	932,520	
Amounts owed to parent company		353,525	421,778	
Other creditors including taxation and social security	10	193,424	196,292	
Accruals and deferred income		113,016	77,242	
		<u>2,512,762</u>	<u>1,946,445</u>	
NET CURRENT ASSETS			<u>110,003</u>	<u>70,507</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			445,646	423,476
PROVISIONS FOR LIABILITIES AND CHARGES	11		<u>(27,285)</u>	<u>(27,182)</u>
TOTAL ASSETS LESS TOTAL LIABILITIES			<u>418,361</u>	<u>396,294</u>
CAPITAL AND RESERVES				
Called up share capital	12	10,000	10,000	
Profit and loss account		408,361	386,294	
Equity shareholders' funds			<u>418,361</u>	<u>396,294</u>

These accounts have been prepared in accordance with the special provisions relating to medium-sized 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

 24/9/04.

Director

CASH FLOW STATEMENT
Year ended 30 November 2003

	Note	£	2003 £	£	2002 £
Net cash (outflow)/inflow from operating activities	13		(259,135)		65,463
Returns on investments and servicing of finance					
Interest received		10,427		6,470	
Interest paid		(5,538)		(762)	
Net cash inflow from returns on investments and servicing of finance			4,889		5,708
Taxation					
UK corporation tax paid		(12,028)		(11,110)	
Tax paid			(12,028)		(11,110)
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(5,890)		(16,387)	
Sale of tangible fixed assets		-		36,925	
Net cash (outflow)/inflow from capital expenditure			(5,890)		20,538
(Decrease)/increase in cash	14,15		<u>(272,164)</u>		<u>80,599</u>

NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 30 November 2003

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.

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
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 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 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 is not provided in respect of gains realised that have been rolled over into the acquisition cost of replacement assets.

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

	2003 £	2002 £
Directors emoluments	65,779	66,334

No directors are members of the defined contribution pension scheme (2002 – none)

NOTES TO THE ABBREVIATED ACCOUNTS
Year ended 30 November 2003

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES (continued)

	2003	2002
	No.	No.
Average number of persons employed - employed by T Saville Whittle (Export) Limited and allocated to the company		
Sales and distribution	5	7
Administration	9	9
	<u>14</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	210,217	234,250
Social security costs	20,534	28,986
Pension costs	9,748	10,440
	<u>240,499</u>	<u>273,676</u>

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	2003	2002
	£	£
Bank interest	10,416	6,470
Other interest	11	-
	<u>10,427</u>	<u>6,470</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2003	2002
	£	£
Interest on bank overdrafts	<u>5,538</u>	<u>762</u>

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2003	2002
	£	£
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation	23,216	27,056
Auditors' remuneration	8,750	8,750
Management charges	136,000	93,000
Profit on sale of fixed assets	-	(8,549)
Exchange loss	<u>76,819</u>	<u>5,248</u>

NOTES TO THE ABBREVIATED ACCOUNTS
Year ended 30 November 2003

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2003 £	2002 £
United Kingdom corporation tax at 19% (2002 – 19%)		
Based on the profit for the year	5,003	12,083
Adjustments in respect of prior years corporation tax	-	(55)
	<u>5,003</u>	<u>12,028</u>
Deferred taxation	(591)	1,427
Adjustments in respect of prior years deferred taxation	694	-
	<u>5,106</u>	<u>13,455</u>

The standard rate of tax for the year, based on the UK standard of corporation tax is 19% (2002 – 19%). 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

	2003 £	2002 £
Profit on ordinary activities before tax	27,173	83,839
Tax on profit on ordinary activities at standard rate	5,163	15,929
Factors affecting charge for the year:		
Expenses not deductible for tax purposes	641	5,458
Capital allowances for the period in excess of depreciation	(803)	(10,012)
Other deferred tax movements	2	-
Adjustments in respect of prior years corporation tax	-	(55)
Rate differences	-	708
Current tax charge	<u>5,003</u>	<u>12,028</u>

7. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Plant and machinery £	Fixtures and Fittings £	Total £
Cost				
At 1 December 2002	317,883	184,044	133,655	635,582
Additions	-	-	5,890	5,890
At 30 November 2003	<u>317,883</u>	<u>184,044</u>	<u>139,545</u>	<u>641,472</u>
Accumulated depreciation				
At 1 December 2002	27,278	156,483	98,852	282,613
Charge for the year	5,455	9,705	8,056	23,216
At 30 November 2003	<u>32,733</u>	<u>166,188</u>	<u>106,908</u>	<u>305,829</u>
Net book value				
At 30 November 2003	<u>285,150</u>	<u>17,856</u>	<u>32,637</u>	<u>335,643</u>
At 1 December 2002	<u>290,605</u>	<u>27,561</u>	<u>34,803</u>	<u>352,969</u>

NOTES TO THE ABBREVIATED ACCOUNTS
Year ended 30 November 2003

8. STOCKS

	2003 £	2002 £
Finished goods and goods for resale	551,778	386,542

9. DEBTORS

	2003 £	2002 £
Trade debtors	1,359,440	1,106,741
Prepayments and accrued income	29,258	63,009
	1,388,698	1,169,750

Other debtors include £Nil (2002- £32,000) which is repayable in more than one year.

10. OTHER CREDITORS INCLUDING TAXATION AND SOCIAL SECURITY

	2003 £	2002 £
This heading includes:		
Taxation and social security	193,424	189,389

11. PROVISIONS FOR LIABILITIES AND CHARGES

Movement in deferred tax provision for the year

	2003 £
Capital allowances in advance of depreciation	
Opening balance	27,182
Current year charge	103
Closing balance	27,285

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 £19,040 (2002 – £20,515).

12. CALLED UP SHARE CAPITAL

	2003 £	2002 £
Authorised		
15,000 ordinary shares of £1 each	15,000	15,000
Allotted and fully paid		
10,000 ordinary shares of £1 each	10,000	10,000

NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 30 November 2003

13. RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	2003 £	2002 £
Operating profit	22,284	78,131
Depreciation	23,216	27,056
Profit on sale of tangible fixed assets	-	(8,549)
Increase in stocks	(165,236)	(20,309)
(Increase)/decrease in debtors	(218,948)	658,368
Increase/(decrease) in creditors	147,802	(545,205)
Movement in group balances	(68,253)	(124,029)
Net cash (outflow)/inflow from operating activities	<u>(259,135)</u>	<u>65,463</u>

14. ANALYSIS OF CHANGES IN NET (DEBT)/FUNDS

	At 30 November 2002 £	Cash flow £	At 30 November 2003 £
Cash at bank and in hand	460,660	221,629	682,289
Bank overdrafts	<u>(318,613)</u>	<u>(493,793)</u>	<u>(812,406)</u>
	<u>142,047</u>	<u>(272,164)</u>	<u>(130,117)</u>

15. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN (DEBT)/NET FUNDS

	2003 £	2002 £
(Decrease)/increase in cash in the year	<u>(272,164)</u>	<u>80,599</u>
Change in net funds resulting from cash flows	<u>(272,164)</u>	<u>80,599</u>
Net funds at 1 December	<u>142,047</u>	<u>61,448</u>
Net (debt)/funds at 30 November	<u>(130,117)</u>	<u>142,047</u>

16. 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.

17. RELATED PARTY TRANSACTIONS

Included within administrative expenses are £136,000 (2002 - £93,000) 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.