

**SAFEGUARD CHEMICALS LIMITED**  
**ABBREVIATED ACCOUNTS**  
**FOR THE YEAR ENDED 31 JULY 2003**



**RICHARD PLACE DOBSON**  
**CHARTERED ACCOUNTANTS**





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**INDEPENDENT AUDITORS' REPORT TO SAFEGUARD CHEMICALS LIMITED  
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

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We have examined the abbreviated accounts set out on pages 2 to 5, together with the financial statements of the company for the year ended 31 July 2003 prepared under section 226 of the Companies Act 1985.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

**Basis of audit opinion**

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

**Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.

Richard Place Dobson

Chartered Accountants  
Registered Auditor

23/10/03

29 High Street  
Crawley  
West Sussex  
RH10 1BQ

# SAFEGUARD CHEMICALS LIMITED



## ABBREVIATED BALANCE SHEET AS AT 31 JULY 2003

		2003		2002 as restated	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	2		121,894		180,089
Investments	2		188		188
			<u>122,082</u>		<u>180,277</u>
<b>Current assets</b>					
Stocks		242,474		181,666	
Debtors		641,747		575,792	
Cash at bank and in hand		322		559	
		<u>884,543</u>		<u>758,017</u>	
<b>Creditors: amounts falling due within one year</b>		<u>(632,705)</u>		<u>(650,086)</u>	
<b>Net current assets</b>			<u>251,838</u>		<u>107,931</u>
<b>Total assets less current liabilities</b>			<u>373,920</u>		<u>288,208</u>
<b>Creditors: amounts falling due after more than one year</b>	3		-		(64,465)
			<u>373,920</u>		<u>223,743</u>
<b>Capital and reserves</b>					
Called up share capital	4		4,438		4,438
Other reserves			562		562
Profit and loss account			368,920		218,743
<b>Shareholders' funds</b>			<u>373,920</u>		<u>223,743</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the board on 17/10/03

D. Lambert  
Director



## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 JULY 2003

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

#### 1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

#### 1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Leasehold	Straight line over the term of the lease
Plant and machinery	25% Reducing balance
Motor vehicles	25% Reducing balance

#### 1.4 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

#### 1.5 Stock

Stock is valued at the lower of cost and net realisable value.

During the year-ended 31st July 2003 the company changed its accounting policy for the accounting of stock.

Previous years accounts recorded stock as the goods including an element of overheads. Although this is an acceptable policy the directors have made the decision that, in order to facilitate the ease of internal reporting and operations that the accounting policy for calculating stock should be changed to reflect cost of materials only.

The company has adjusted the accounts to incorporate a prior year adjustment reflecting the company's position and result for the previous year as if this policy had been in effect and comparative values have been restated in accordance with FRS18. The result from the change in accounting policy is to reduce stock on the balance sheet and profit in the comparative period by £160,122.

#### 1.6 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

#### 1.7 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

#### 1.8 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.



## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2003

### 2 Fixed assets

	Tangible assets	Investments	Total
	£	£	£
<b>Cost</b>			
At 1 August 2002	521,704	188	521,892
Additions	35,908	-	35,908
Disposals	(179,971)	-	(179,971)
At 31 July 2003	377,641	188	377,829
<b>Depreciation</b>			
At 1 August 2002	341,615	-	341,615
On disposals	(124,223)	-	(124,223)
Charge for the year	38,355	-	38,355
At 31 July 2003	255,747	-	255,747
<b>Net book value</b>			
At 31 July 2003	121,894	188	122,082
At 31 July 2002	180,089	188	180,277

#### Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
<b>Subsidiary undertakings</b>			
Safeguard Chemicals SA (Pty) Limited	South Africa	1 Rand Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves 2003 £	Profit for the year 2003 £
Safeguard Chemicals SA (Pty) Limited	5,495	214,278

The above note does not include any information pertaining to subsidiary undertakings that are either dormant or in the process of dissolution as they are deemed to be immaterial. Capital and reserves and profit for the year in respect of Safeguard Chemicals SA (Pty) Limited are stated in South African Rand and are based upon the unaudited accounts for the year-ended 28th February 2002.

### 3 Creditors: amounts falling due after more than one year

The aggregate amount of creditors for which security has been given amounted to £240,062 (2002 - £288,547).



## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2003

4	Share capital	2003 £	2002 £
	<b>Authorised</b>		
	4,200 Class A ordinary shares of £ 1 each	4,200	4,200
	800 Class B ordinary shares of £ 1 each	800	800
		<hr/>	<hr/>
		5,000	5,000
		<hr/>	<hr/>
	<b>Allotted, called up and fully paid</b>		
	3,638 Class A ordinary shares of £ 1 each	3,638	3,638
	800 Class B ordinary shares of £ 1 each	800	800
		<hr/>	<hr/>
		4,438	4,438
		<hr/>	<hr/>

The holders of the 'A' Ordinary Shares are entitled to one vote per share, whereas the holders of the 'B' Ordinary Shares hold no voting rights. The 'A' Ordinary and 'B' Ordinary Shares rank par passu in all other respects.

### 5 Transactions with directors

One of the directors, D. Lambert has loaned the company monies for short term financing which is being repaid on a monthly basis. At the balance sheet date the amount of this loan totalled £22,099 (2002: £34,009).

### 6 Control

The company is controlled by Mr David Lambert, the managing director, by virtue of his majority shareholding.