

**SAFETY FIRST MANUFACTURING COMPANY
LIMITED**

DIRECTORS' REPORT AND ACCOUNTS

YEAR ENDED 30TH JUNE 2001



Company No. 03213061

SAFETY FIRST MANUFACTURING COMPANY LIMITED

COMPANY INFORMATION

Directors	Mr A J Mailling Mrs A A Ladkin
Secretary	Mrs M Young
Company number	03213061
Registered office	Old Station Yard South Brent Devon TQ10 9AL
Accountants	Atkey Goodman Prudence House Ashleigh Way Langage Business Park Plympton Plymouth Devon PL7 5JX
Bankers	Barclays Bank 14 Fore Street Ivybridge Devon PL21 9AQ

SAFETY FIRST MANUFACTURING COMPANY LIMITED

CONTENTS

	Page
Directors' report	1 to 2
Accountants' report	3
Profit and loss account	4
Balance sheet	5 to 6
Notes to the accounts	7 to 11
<i>The following pages do not form part of the statutory accounts</i>	
Management profit and loss account	12 to 13

SAFETY FIRST MANUFACTURING COMPANY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30TH JUNE 2001

The directors present their report and the accounts for the company for the year ended 30th June 2001. The company commenced trading on 1st July 2000.

Principal activity

The company's principal activity during the year was to manufacture, import and export all kinds of safety and protective clothing and associated safety products.

Directors and their interests

The directors who held office during the year and their beneficial interests in the company's issued share capital are given below:

Name of director	Share type	At 30th June 2001	At 1st July 2000
Mr A J Mailling	Ordinary	-	-
Mrs A A Ladkin.	Ordinary	1	1

Mr A J Mailling was appointed as a director on 10th November 2000.

Statement of directors' responsibilities

Company law requires the directors to prepare accounts 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 for that year. In preparing those accounts the directors are required to:

Select suitable accounting policies and then apply them consistently;

Make judgements and estimates that are reasonable and prudent;

State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;

Prepare the accounts 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 enable them to ensure that the accounts 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.

SAFETY FIRST MANUFACTURING COMPANY LIMITED

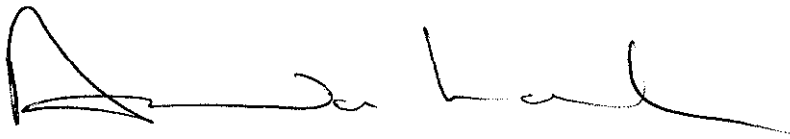
DIRECTORS' REPORT

FOR THE YEAR ENDED 30TH JUNE 2001

Small company exemptions

This report has been prepared in accordance with the special provisions relating to small companies within part VII of the Companies Act 1985.

On behalf of the Board



Mrs A A Ladkin, Director
Old Station Yard
South Brent
Devon
TQ10 9AL
Date: 28/11/2001

ACCOUNTANTS' REPORT TO THE DIRECTORS
ON THE UNAUDITED ACCOUNTS OF
SAFETY FIRST MANUFACTURING COMPANY LIMITED

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 30th June 2001, set out on pages 4 to 11, and you consider that the company is exempt from an audit and a report under Section 249A(1) of the Companies Act 1985. In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.



Atkey Goodman
Chartered Accountants
Prudence House
Ashleigh Way
Langage Business Park
Plympton
Plymouth
Devon
PL7 5JX

Date: 29th November 2001

SAFETY FIRST MANUFACTURING COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30TH JUNE 2001

	Notes	2001 £	2000 £
Turnover	2	674,041	-
Cost of sales		(370,672)	-
Gross profit		303,369	-
Distribution costs		(28,034)	-
Administrative expenses		(222,302)	-
		53,033	-
Other operating income		2,000	-
Operating profit	4	55,033	-
Interest receivable		533	-
Interest payable and similar charges	3	(886)	-
Profit on ordinary activities before taxation		54,680	-
Tax on profit on ordinary activities	6	(11,766)	-
Profit for the financial year		42,914	-

SAFETY FIRST MANUFACTURING COMPANY LIMITED

BALANCE SHEET

AS AT 30TH JUNE 2001

	Notes	£	2001 £	£	2000 £
Fixed assets					
Intangible assets	7		143,103		-
Tangible assets	8		56,141		-
			<u>199,244</u>		<u>-</u>
Current assets					
Stocks		40,704		-	
Debtors	9	181,180		1	
Cash at bank and in hand		28,891		-	
		<u>250,775</u>		<u>1</u>	
Creditors: amounts falling due within one year	10	(388,672)		-	
Net current liabilities/assets			<u>(137,897)</u>		<u>1</u>
Total assets less current liabilities			<u>61,347</u>		<u>1</u>
Creditors: amounts falling due after more than one year	11		(18,432)		-
			<u>42,915</u>		<u>1</u>
Capital and reserves					
Share capital	12		1		1
Profit and loss account			42,914		-
Shareholders' funds			<u>42,915</u>		<u>1</u>

For the financial year ended 30th June 2001, the company was entitled to exemption from audit under Section 249A(1) Companies Act 1985.

No notice has been deposited under Section 249B(2) Companies Act 1985.

SAFETY FIRST MANUFACTURING COMPANY LIMITED

BALANCE SHEET

AS AT 30TH JUNE 2001

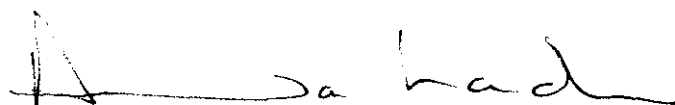
The directors acknowledge their responsibilities for:

ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985,

and preparing accounts which give a true and fair view of the state of the affairs of the company as at the end of the financial year and of its results for the financial year in accordance with the requirements of Section 226 of the Companies Act 1985, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

These accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities (effective March 2000).

These accounts were approved by the board on 28th November 2001 and signed on its behalf by:



Mrs A A Ladkin
Director

SAFETY FIRST MANUFACTURING COMPANY LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH JUNE 2001

1 Accounting policies

Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

The company has taken advantage of the exemptions in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

Turnover

Turnover comprises the value of sales excluding value added tax and trade discounts.

Tangible fixed assets and depreciation

Depreciation has been provided at the following rates in order to write down the cost of all tangible fixed assets by reducing balance method over their expected useful lives:

Office equipment and furniture	15%
Motor vehicles	25%
Equipment	25%
Fixtures and fittings	15%

Goodwill and intangible assets

Goodwill, which represents the excess of cost of acquisitions of businesses over the value attributed to their net assets, is amortised through the profit and loss account by equal instalments over its estimated useful economic life of up to a maximum of 20 years. Goodwill previously eliminated against reserves has not been reinstated and will only be charged to the profit and loss account on the subsequent disposal of any business to which it related.

Intangible assets are amortised through the profit and loss account by equal instalments over their estimated useful economic life up to a maximum of 20 years.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Hire purchase and leased assets

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet at their fair value and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

SAFETY FIRST MANUFACTURING COMPANY LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH JUNE 2001

2 Turnover

The turnover was derived from the company's principal activity which was carried out wholly in the UK.

3 Interest Payable and Similar Charges

2001	2000
£	£

Interest payable includes:

On finance lease and hire purchase contracts

886	-
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4 Operating profit

The operating profit is stated after charging:

2001	2000
£	£

Depreciation of tangible fixed assets:

-owned assets

9,352	-
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-assets held under finance leases and hire purchase

9,036	-
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Amortisation of intangible fixed assets

7,567	-
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Loss on disposal of fixed assets

2,350	-
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5 Directors' remuneration

2001	2000
£	£

Aggregate emoluments

41,408	-
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6 Taxation

2001	2000
£	£

Based on the profit for the year:

UK corporation tax at 20%

11,766	-
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SAFETY FIRST MANUFACTURING COMPANY LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH JUNE 2001

7 Intangible fixed assets

	Trademarks £	Goodwill £	Total £
Cost			
Additions	670	150,000	150,670
At 30th June 2001	670	150,000	150,670
Amortisation			
Provided during the year	67	7,500	7,567
At 30th June 2001	67	7,500	7,567
Net book value			
At 30th June 2001	603	142,500	143,103
At 30th June 2000	-	-	-

8 Tangible fixed assets

	Equipment £	Motor vehicles £	Furniture and office equipment £	Fixtures and fittings £	Total £
Cost					
Additions	51,213	31,000	2,381	65	84,659
Disposals	(630)	(9,500)	-	-	(10,130)
At 30th June 2001	50,583	21,500	2,381	65	74,529
Depreciation					
Charge for the year	12,646	5,375	357	10	18,388
At 30th June 2001	12,646	5,375	357	10	18,388
Net book value					
At 30th June 2001	37,937	16,125	2,024	55	56,141
At 30th June 2000	-	-	-	-	-

Assets held under finance leases and hire purchase originally cost £36,144 (2000: £-) and have a net book value of £25,487 (2000: £-). Depreciation charged for the year was £9,036 (2000: £-).

SAFETY FIRST MANUFACTURING COMPANY LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH JUNE 2001

9	Debtors	2001 £	2000 £
	Trade debtors	178,689	-
	Other debtors	2,491	-
	Called up share capital not paid	-	1
		<u>181,180</u>	<u>1</u>

10	Creditors: amounts falling due within one year	2001 £	2000 £
	Bank loans and overdrafts	3,404	-
	Obligations under hire purchase and finance lease	10,878	-
	Trade creditors	89,803	-
	Other creditors	20,181	-
	Directors' loans (Note 13)	264,406	-
		<u>388,672</u>	<u>-</u>

The bank loans and overdrafts and obligations under hire purchase and finance leases are secured.

'Other creditors' include £18,481 in respect of taxation and social security.

11	Creditors: amounts falling due after more than one year	2001 £	2000 £
	Obligations under hire purchase and finance lease	18,432	-

Creditors falling due after more than one year are secured and are all due between two and five years.

12	Share capital	2001 £	2000 £
	Authorised		
	1,000 ordinary shares of £1.00 each	1,000	-
	Allotted		
	1 Allotted, called up and fully paid ordinary shares of £1.00 each	1	1

SAFETY FIRST MANUFACTURING COMPANY LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH JUNE 2001

13 Transactions with directors

During the year Mrs A A Ladkin provided a loan to the company. The outstanding amounts were as follows: beginning of year: £-; end of year: £264,406; maximum during the year: £280,012.

No interest was paid on this loan and there are no fixed dates for repayment.

Sale of business to the company:

On 1st July 2000, a business known as 'Safety First Manufacturing Company' (in which Mrs A A Ladkin was sole proprietor) was purchased by the company. The consideration for the sale of the business and assets paid by the company was £229,102, analysed as follows:

Goodwill	150,000
Equipment	40,000
Stock	29,600
Motor vehicle	9,500
Benefits of contracts	1
Intellectual property rights	1
Total	229,102

The directors estimate the amounts paid for the assets represent their open market values at the date of purchase.

14 Control and related party transactions

The company is controlled by Mrs A A Ladkin, who owns all of the issued share capital.

Details of transactions with related parties are disclosed in the transactions with directors note above.