

REGISTERED NUMBER: 1149113 (England and Wales)

Abbreviated Financial Statements
for the Year Ended 31 December 2002
for
AIREDALE CHEMICAL COMPANY LIMITED



AIREDALE CHEMICAL COMPANY LIMITED

**Contents of the Financial Statements
for the Year Ended 31 December 2002**

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors on the Abbreviated Financial Statements	4
Abbreviated Profit and Loss Account	5
Abbreviated Balance Sheet	6
Cash Flow Statement	7
Notes to the Cash Flow Statement	8
Notes to the Abbreviated Financial Statements	10

AIREDALE CHEMICAL COMPANY LIMITED

**Company Information
for the Year Ended 31 December 2002**

DIRECTORS:

B Chadwick
Mrs C Chadwick
D M Chadwick
J W Chadwick
R P Chadwick
B M Hall
M P Cawthera
S P Wilkinson
B R Sharpe

SECRETARY:

Mrs C Chadwick

REGISTERED OFFICE:

Airedale Mills
Skipton Road
Cross Hills
Keighley
WEST YORKSHIRE
BD20 7BX

REGISTERED NUMBER:

1149113 (England and Wales)

AUDITORS:

Haworths
Registered Auditors
Chartered Accountants
1 Stanley Street
Accrington

AIREDALE CHEMICAL COMPANY LIMITED

Report of the Directors for the Year Ended 31 December 2002

The directors present their report with the financial statements of the company for the year ended 31 December 2002.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of manufacture and supply of dyestuffs and chemicals.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS

Interim dividends per share were paid as follows:

£8.64	- 30 June 2001
£19.52	- 19 December 2002
<hr/>	
£28.16	
<hr/>	

The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 December 2002 will be £182,449.

Mr B Chadwick and Mrs C Chadwick waived their right to the dividends.

DIRECTORS

The directors during the year under review were:

B Chadwick	
Mrs C Chadwick	
D M Chadwick	
J W Chadwick	
R P Chadwick	
B M Hall	
M P Cawthera	
S P Wilkinson	
B R Sharpe	- appointed 1.12.02

The beneficial interests of the directors holding office on 31 December 2002 in the issued share capital of the company were as follows:

	31.12.02	1.1.02 or date of appointment if later
Ordinary £1 shares		
B Chadwick	3,420	3,420
Mrs C Chadwick	1,101	1,101
D M Chadwick	897	897
J W Chadwick	897	897
R P Chadwick	1,793	1,793
B M Hall	1,100	1,100
M P Cawthera	-	-
S P Wilkinson	-	-
B R Sharpe	-	-

AIREDALE CHEMICAL COMPANY LIMITED

**Report of the Directors
for the Year Ended 31 December 2002**

STATEMENT OF 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

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

AUDITORS

The auditors, Haworths, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:

..... *C. Chadwick*

Mrs C Chadwick - SECRETARY

Dated: 21.5.03

AIREDALE CHEMICAL COMPANY LIMITED

**Report of the Independent Auditors to
Airedale Chemical Company Limited
Under Section 247B of the Companies Act 1985**

We have examined the abbreviated financial statements on pages five to nineteen, together with the full financial statements of the company for the year ended 31 December 2002 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the financial statements to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

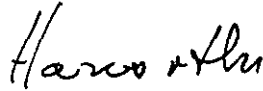
Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements 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 full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated financial statements on pages five to nineteen are properly prepared in accordance with that provision.

Haworths
Registered Auditors
Chartered Accountants
1 Stanley Street
Accrington



Dated: 9th June 2003

AIREDALE CHEMICAL COMPANY LIMITED

**Abbreviated Profit and Loss Account
for the Year Ended 31 December 2002**

	Notes	2002		2001	
		£	£	£	£
GROSS PROFIT			2,044,004		1,963,703
Distribution costs		156,262		125,572	
Administrative expenses		<u>1,538,758</u>		<u>1,503,751</u>	
			<u>1,695,020</u>		<u>1,629,323</u>
OPERATING PROFIT	3		348,984		334,380
Interest payable and similar charges	4		<u>74,088</u>		<u>77,529</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			274,896		256,851
Tax on profit on ordinary activities	5		<u>58,188</u>		<u>62,362</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			216,708		194,489
Dividends	6		<u>182,449</u>		<u>182,449</u>
			34,259		12,040
Retained profit brought forward			240,036		227,996
RETAINED PROFIT CARRIED FORWARD			<u><u>£274,295</u></u>		<u><u>£240,036</u></u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current and previous years.

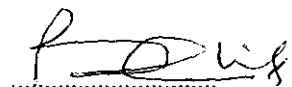
AIREDALE CHEMICAL COMPANY LIMITED

**Abbreviated Balance Sheet
31 December 2002**

		2002		2001	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	7		1,080,738		933,681
CURRENT ASSETS:					
Stocks	8	577,743		795,731	
Debtors	9	1,636,968		1,158,013	
Cash at bank and in hand		143,662		157,988	
		<u>2,358,373</u>		<u>2,111,732</u>	
CREDITORS: Amounts falling due within one year	10	<u>2,349,235</u>		<u>2,053,254</u>	
NET CURRENT ASSETS:			<u>9,138</u>		<u>58,478</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			1,089,876		992,159
CREDITORS: Amounts falling due after more than one year	11		(783,581)		(726,423)
PROVISIONS FOR LIABILITIES AND CHARGES:	15		(21,000)		(14,700)
			<u>£285,295</u>		<u>£251,036</u>
CAPITAL AND RESERVES:					
Called up share capital	16		11,000		11,000
Profit and loss account			274,295		240,036
SHAREHOLDERS' FUNDS:	20		<u>£285,295</u>		<u>£251,036</u>

These abbreviated financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

ON BEHALF OF THE BOARD:



B Chadwick - DIRECTOR

Approved by the Board on 23/5/03

The notes form part of these financial statements

AIREDALE CHEMICAL COMPANY LIMITED

**Cash Flow Statement
for the Year Ended 31 December 2002**

		2002		2001	
	Notes	£	£	£	£
Net cash inflow from operating activities	1		481,474		523,790
Returns on investments and servicing of finance	2		(74,088)		(77,529)
Taxation			(60,227)		(47,763)
Capital expenditure	2		(337,671)		(77,192)
Equity dividends paid			(182,449)		(182,449)
			<u>(172,961)</u>		<u>138,857</u>
Financing	2		158,635		(4,551)
(Decrease)/Increase in cash in the period			<u>£(14,326)</u>		<u>£134,306</u>
<hr/>					
Reconciliation of net cash flow to movement in net debt	3				
(Decrease)/Increase in cash in the period		(14,326)		134,306	
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing		<u>760,592</u>		<u>(6,510)</u>	
Change in net debt resulting from cash flows			<u>746,266</u>		<u>127,796</u>
Movement in net debt in the period			<u>746,266</u>		<u>127,796</u>
Net debt at 1 January			<u>(620,108)</u>		<u>(747,904)</u>
Net funds/(debt) at 31 December			<u>£126,158</u>		<u>£(620,108)</u>

The notes form part of these financial statements

AIREDALE CHEMICAL COMPANY LIMITED

**Notes to the Cash Flow Statement
for the Year Ended 31 December 2002**

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

	2002 £	2001 £
Operating profit	348,984	334,380
Depreciation charges	183,440	135,319
Loss on sale of fixed assets	7,174	45,516
Decrease/(Increase) in stocks	217,988	(5,619)
Increase in debtors	(478,955)	(98,160)
Increase in creditors	202,843	112,354
	<u>481,474</u>	<u>523,790</u>
Net cash inflow from operating activities	<u><u>481,474</u></u>	<u><u>523,790</u></u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2002 £	2001 £
Returns on investments and servicing of finance		
Interest paid	(71,455)	(72,646)
Interest element of hire purchase payments	<u>(2,633)</u>	<u>(4,883)</u>
Net cash outflow for returns on investments and servicing of finance	<u><u>(74,088)</u></u>	<u><u>(77,529)</u></u>
Capital expenditure		
Purchase of tangible fixed assets	(344,277)	(91,192)
Sale of tangible fixed assets	<u>6,606</u>	<u>14,000</u>
Net cash outflow for capital expenditure	<u><u>(337,671)</u></u>	<u><u>(77,192)</u></u>
Financing		
New loan taken out in year	135,000	-
Loan repayments in year	(57,107)	(57,416)
Increase in Other Loans	126,758	55,475
Amount withdrawn by directors	<u>(46,016)</u>	<u>(2,610)</u>
Net cash inflow/(outflow) from financing	<u><u>158,635</u></u>	<u><u>(4,551)</u></u>

AIREDALE CHEMICAL COMPANY LIMITED

Notes to the Cash Flow Statement for the Year Ended 31 December 2002

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.02 £	Cash flow £	At 31.12.02 £
Net cash:			
Cash at bank and in hand	157,988	(14,326)	143,662
	<u>157,988</u>	<u>(14,326)</u>	<u>143,662</u>
Debt:			
Hire purchase	(42,907)	25,403	(17,504)
Debts falling due within one year	(505,191)	505,191	-
Debts falling due after one year	(229,998)	229,998	-
	<u>(778,096)</u>	<u>760,592</u>	<u>(17,504)</u>
Total	<u>(620,108)</u>	<u>746,266</u>	<u>126,158</u>
Analysed in Balance Sheet			
Cash at bank and in hand	157,988		143,662
Hire purchase			
within one year	(24,035)		(17,504)
after one year	(18,872)		-
Debts falling due within one year	(505,191)		-
Debts falling due after one year	(229,998)		-
	<u>(620,108)</u>		<u>126,158</u>

AIREDALE CHEMICAL COMPANY LIMITED

Notes to the Abbreviated Financial Statements for the Year Ended 31 December 2002

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold Property	- 2% on cost
Improvements to Property	- 20% on cost
Plant and Machinery	- 20% on reducing balance
Fixtures and Office Equipment	- 33% on cost and 20% on reducing balance
Motor Vehicles	- 25% on reducing balance

Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable for the year are charged in the profit and loss account.

2. STAFF COSTS

	2002	2001
	£	£
Wages and salaries	707,418	575,645
Social security costs	70,139	55,618
Other pension costs	10,869	6,478
	<u>788,426</u>	<u>637,741</u>

AIREDALE CHEMICAL COMPANY LIMITED

Notes to the Abbreviated Financial Statements for the Year Ended 31 December 2002

2. STAFF COSTS - continued

The average monthly number of employees during the year was as follows:

	2002	2001
Management and Administration	17	13
Sales and Distribution Staff	13	8
Technical Staff	7	9
	<u>—</u>	<u>—</u>
	37	30
	<u>==</u>	<u>==</u>

3. OPERATING PROFIT

The operating profit is stated after charging:

	2002	2001
	£	£
Hire of plant and machinery	9,255	6,641
Depreciation - owned assets	172,923	121,297
Depreciation - assets on hire purchase contracts	10,517	14,022
Loss on disposal of fixed assets	7,174	45,516
Auditors' remuneration	5,500	3,500
	<u>=====</u>	<u>=====</u>
Directors' emoluments	285,913	155,353
Directors' pension contributions to money purchase schemes	10,869	6,478
	<u>=====</u>	<u>=====</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	3	3
	<u>==</u>	<u>==</u>

Information regarding the highest paid director for the year ended 31 December 2002 is as follows:

	2002
	£
Emoluments etc	89,464
	<u>=====</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2002	2001
	£	£
Bank Loan Interest	30,393	23,156
Loan Interest	41,062	49,490
Hire Purchase	2,633	4,883
	<u>=====</u>	<u>=====</u>
	74,088	77,529
	<u>=====</u>	<u>=====</u>

AIREDALE CHEMICAL COMPANY LIMITED

Notes to the Abbreviated Financial Statements for the Year Ended 31 December 2002

5. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2002 £	2001 £
Current tax:		
UK corporation tax	51,888	60,227
Overprovision in previous year	-	(965)
	<u>51,888</u>	<u>59,262</u>
Total current tax		
	<u>51,888</u>	<u>59,262</u>
Deferred tax:		
Deferred Taxation	6,300	3,100
Tax on profit on ordinary activities	<u>58,188</u>	<u>62,362</u>

UK corporation tax has been charged at 20% (2001 - 22.50%).

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2002 £	2001 £
Profit on ordinary activities before tax	<u>274,896</u>	<u>256,851</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19.255% (2001 - 30%)	52,931	77,055
Effects of:		
Timing Differences	(5,940)	2,535
Disallowed Expenses	4,897	10,619
Marginal Relief	-	(29,982)
Overprovision in previous years	-	(965)
	<u>51,888</u>	<u>59,262</u>
Current tax charge		
	<u>51,888</u>	<u>59,262</u>

6. DIVIDENDS

	2002 £	2001 £
Equity shares:		
Interim Dividend	182,449	55,979
Final Dividend	-	126,470
	<u>182,449</u>	<u>182,449</u>

AIREDALE CHEMICAL COMPANY LIMITED

**Notes to the Abbreviated Financial Statements
for the Year Ended 31 December 2002**

7. TANGIBLE FIXED ASSETS

	Freehold Property	Improvements to Property	Plant and Machinery
	£	£	£
COST:			
At 1 January 2002	625,478	174,767	513,057
Additions	-	73,542	246,831
At 31 December 2002	625,478	248,309	759,888
DEPRECIATION:			
At 1 January 2002	45,895	131,254	345,923
Charge for year	12,509	49,662	82,793
At 31 December 2002	58,404	180,916	428,716
NET BOOK VALUE:			
At 31 December 2002	567,074	67,393	331,172
At 31 December 2001	579,584	43,513	167,134

	Fixtures and Office Equipment	Motor Vehicles	Totals
	£	£	£
COST:			
At 1 January 2002	70,734	229,195	1,613,231
Additions	19,268	4,636	344,277
Disposals	-	(43,550)	(43,550)
At 31 December 2002	90,002	190,281	1,913,958
DEPRECIATION:			
At 1 January 2002	41,083	115,395	679,550
Charge for year	12,311	26,165	183,440
Eliminated on disposals	-	(29,770)	(29,770)
At 31 December 2002	53,394	111,790	833,220
NET BOOK VALUE:			
At 31 December 2002	36,608	78,491	1,080,738
At 31 December 2001	29,651	113,799	933,681

AIREDALE CHEMICAL COMPANY LIMITED

**Notes to the Abbreviated Financial Statements
for the Year Ended 31 December 2002**

7. TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor Vehicles
	£
COST:	
At 1 January 2002	
and 31 December 2002	90,641
DEPRECIATION:	
At 1 January 2002	48,575
Charge for year	10,517
At 31 December 2002	59,092
NET BOOK VALUE:	
At 31 December 2002	31,549
At 31 December 2001	42,066

8. STOCKS

	2002	2001
	£	£
Raw Materials	26,133	31,573
Finished Goods	551,610	764,158
	<u>577,743</u>	<u>795,731</u>

**9. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2002	2001
	£	£
Trade Debtors	1,499,901	1,108,386
Other Debtors	744	7,682
Prepayments	136,323	41,945
	<u>1,636,968</u>	<u>1,158,013</u>

AIREDALE CHEMICAL COMPANY LIMITED

**Notes to the Abbreviated Financial Statements
for the Year Ended 31 December 2002**

**10. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2002	2001
	£	£
Bank loans and overdrafts (see note 12)	74,000	23,400
Other Loans (see note 12)	839,857	713,099
Hire purchase contracts (see note 13)	17,504	24,035
Trade Creditors	993,748	772,233
Directors Current Accounts	192,337	261,687
Social Security & Other Taxes	84,796	129,399
Taxation	51,888	60,227
Accrued Expenses	95,105	69,174
	<u>2,349,235</u>	<u>2,053,254</u>

**11. CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	2002	2001
	£	£
Bank loans (see note 12)	401,705	349,009
Other Loans (see note 12)	128,544	128,544
Directors Current Accounts (see note 12)	253,332	229,998
Hire purchase contracts (see note 13)	-	18,872
	<u>783,581</u>	<u>726,423</u>

AIREDALE CHEMICAL COMPANY LIMITED

Notes to the Abbreviated Financial Statements for the Year Ended 31 December 2002

12. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	2002 £	2001 £
Amounts falling due within one year or on demand:		
Bank loans	74,000	23,400
Other Loans	839,857	713,099
	<u>913,857</u>	<u>736,499</u>
Amounts falling due between one and two years:		
Bank loans	80,000	23,400
Other Loans	128,544	128,544
Directors Current Accounts	253,332	229,998
	<u>461,876</u>	<u>381,942</u>
Amounts falling due between two and five years:		
Bank loans	<u>165,000</u>	<u>70,200</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans	<u>156,705</u>	<u>255,409</u>

The bank loans are repayable as follows :-

Corporate Loan, taken out during year, repayable monthly over a period of twelve years with interest payable at 2% above the bank's base rate.

Base Rate Loan, taken out in April 1998, repayable monthly over a period of fifteen years with interest payable at 2% above the bank's base rate.

AIREDALE CHEMICAL COMPANY LIMITED

**Notes to the Abbreviated Financial Statements
for the Year Ended 31 December 2002**

16. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal	2002	2001
		value:	£	£
20,000	Ordinary	£1	20,000	20,000
			<u> </u>	<u> </u>

Allotted, issued and fully paid:				
Number:	Class:	Nominal	2002	2001
		value:	£	£
11,000	Ordinary	£1	11,000	11,000
			<u> </u>	<u> </u>

17. PENSION COMMITMENTS

The Company operates a defined contribution pension scheme. The assets are held separately from those of the company in an independantly administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £10,869 (2001 £6,478).

18. CAPITAL COMMITMENTS

	2002	2001
	£	£
Contracted but not provided for in the financial statements	590,514	-
	<u> </u>	<u> </u>

AIREDALE CHEMICAL COMPANY LIMITED

Notes to the Abbreviated Financial Statements for the Year Ended 31 December 2002

19. TRANSACTIONS WITH DIRECTORS

The company has received from the directors and from the Self Administered Pension Scheme the following loans :-

	Balance b\ fwd £	Maximum balance in year £	Balance c\ fwd £
B. Chadwick	248,979	248,979	227,291
C. Chadwick	160,616	169,413	164,922
D. M. Chadwick	17,217	19,217	9,617
J. W. Chadwick	12,447	16,237	16,237
R. P. Chadwick	30,413	30,413	413
B. M. Hall	22,014	40,826	27,190
M P Cawthera	Nil	Nil	Nil
Pension Scheme	128,544	128,544	128,544

The company pays a commercial rate of interest of 2% over base rate on the loans from the directors and 3% over base rate on the loans from the Self Administered Pension Scheme.

During the year the company paid the following interest on loans to :-
£

Directors	27,958
Self Administered Pension Scheme	8,998

The Directors with beneficial interests in the Self Administered Pension Scheme are Mr. D. M. Chadwick, Mr. J. W. Chadwick and Mr. R. P. Chadwick

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002 £	2001 £
Profit for the financial year	216,708	194,489
Dividends	(182,449)	(182,449)
Net addition to shareholders' funds	<u>34,259</u>	<u>12,040</u>
Opening shareholders' funds	251,036	238,996
Closing shareholders' funds	<u><u>285,295</u></u>	<u><u>251,036</u></u>
Equity interests	<u><u>285,295</u></u>	<u><u>251,036</u></u>