

**Abbreviated Accounts**  
**for the Year Ended 31 December 2007**  
**for**  
**Airedale Chemical Co Limited**

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**Airedale Chemical Co Limited**

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for the Year Ended 31 December 2007**

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**Airedale Chemical Co Limited**  
**Company Information**  
**for the Year Ended 31 December 2007**

**DIRECTORS:**

B Chadwick  
D M Chadwick  
J W Chadwick  
R P Chadwick  
B M Hall  
S P Wilkinson  
M Leighton  
C Thomson

**SECRETARY:**

J W Chadwick

**REGISTERED OFFICE**

Airedale Mills  
Skipton Road  
Crosshills  
Keighley  
West Yorkshire  
BD20 7BX

**REGISTERED NUMBER:**

1149113 (England and Wales)

**AUDITORS:**

Stirk Lambert & Co  
Chartered Accountants  
Registered Auditors  
Russell Chambers  
61a North Street  
Keighley  
West Yorkshire  
BD21 3DS

**Airedale Chemical Co Limited**  
**Report of the Directors**  
**for the Year Ended 31 December 2007**

The directors present their report with the accounts of the company for the year ended 31 December 2007

**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 accounts

The company has continued to grow in 2007, albeit somewhat at the expense of profitability, as we have have invested in both fixed and current assets to manage our growth programme into the future

There have been key position changes within the business to manage the company's growth and 2007 has been a 'settling in period' as to launch the company into 2008 in a strong position

The supply of chemicals into the Utility companies has been demanding on the business, however we have been successful in our quest to provide a 'second to none' customer service which has provided Airedale Chemical with concrete foundation on which to grow in this area This was proven post year end by securing two further contracts in less than fifteen months within this sector

The company has continued successful management of its cost base and in doing so has clear visibility on its ability to increase profitability in 2008

**DIVIDENDS**

Interim dividends per share were paid as follows

19 91	- 31 March 2007
12 97	- 30 June 2007
3 27	- 30 September 2007
<hr/>	
36 12	
<hr/>	

The directors recommend that no final dividend be paid

The total distribution of dividends for the year ended 31 December 2007 will be £281,495

The following directors waived their rights to a dividend on their shares as follows during the year

<u>DIVIDENDS</u>	31/03/2007	30/06/2007	30/09/2007
<u>Directors</u>			
Mr S P Wilkinson	382	375	660
Mr B Chadwick	2408	2220	0
Mr R P Chadwick	0	0	2710
Mr D M Chadwick	0	0	2160
Mr J W Chadwick	0	0	1264
Mrs L Chadwick	0	0	896
Mr C Chadwick	0	0	550

**Airedale Chemical Co Limited**  
**Report of the Directors**  
**for the Year Ended 31 December 2007**

**DIRECTORS**

The directors during the year under review were

B Chadwick	
D M Chadwick	- resigned 31 12 07
J W Chadwick	
R P Chadwick	
B M Hall	
S P Wilkinson	
M Leighton	- appointed 1 7 07

The beneficial interests of the directors holding office on 31 December 2007 in the issued share capital of the company were as follows

	31 12 07	1 1 07 or date of appointment if later
<b>Ordinary £1 shares</b>		
B Chadwick	3,480	2,760
D M Chadwick	-	1,793
J W Chadwick	1,984	1,793
R P Chadwick	3,430	2,343
B M Hall	-	-
S P Wilkinson	660	660
M Leighton	-	-

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 these 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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Airedale Chemical Co Limited**

**Report of the Directors  
for the Year Ended 31 December 2007**

**AUDITORS**

The auditors, Stirk Lambert & Co, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985

**ON BEHALF OF THE BOARD:**

A handwritten signature in dark ink, appearing to read 'J. W. Chadwick', written in a cursive style.

J W Chadwick - Secretary

2 June 2008

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

We have examined the abbreviated accounts set out on pages six to twenty two, together with the financial statements of Airedale Chemical Co Limited for the year ended 31 December 2007 prepared under Section 226 of the Companies Act 1985

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it 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 we have formed.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the abbreviated accounts 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 accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

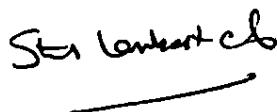
**Basis of opinion**

We conducted our work in accordance with Bulletin 2006/3 "The Special Auditor's Report on Abbreviated Accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin 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 accounts and that the abbreviated accounts to be delivered are properly prepared.

**Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision.

Stirk Lambert & Co  
Chartered Accountants  
Registered Auditors  
Russell Chambers  
61a North Street  
Keighley  
West Yorkshire  
BD21 3DS



9 June 2008

**Airedale Chemical Co Limited**

**Abbreviated Profit and Loss Account  
for the Year Ended 31 December 2007**

	Notes	31 12 07 £	£	31 12 06 £	£
<b>GROSS PROFIT</b>			3,670,052		3,257,465
Distribution costs		705,132		617,374	
Administrative expenses		<u>2,347,878</u>		<u>1,935,048</u>	
			3,053,010		2,552,422
<b>OPERATING PROFIT</b>	3		617,042		705,043
Interest receivable and similar income			<u>6,332</u>		<u>-</u>
			623,374		705,043
Interest payable and similar charges	4		<u>316,144</u>		<u>185,068</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			307,230		519,975
Tax on profit on ordinary activities	5		<u>72,183</u>		<u>140,742</u>
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>			<u>235,047</u>		<u>379,233</u>
<b>PROFIT FOR THE YEAR</b>			235,047		379,233
Retained profit brought forward			<u>258,876</u>		<u>113,889</u>
			493,923		493,122
Dividends	6		(281,495)		(245,602)
Reserve transfer			<u>11,356</u>		<u>11,356</u>
<b>RETAINED PROFIT CARRIED FORWARD</b>			<u><u>223,784</u></u>		<u><u>258,876</u></u>

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous year

The notes form part of these abbreviated accounts



**Airedale Chemical Co Limited**

**Statement of Total Recognised Gains and Losses  
for the Year Ended 31 December 2007**

	31 12 07	31 12 06
	£	£
<b>PROFIT FOR THE FINANCIAL YEAR</b>	235,047	379,233
Unrealised surplus on revaluation of property		
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>	<u>235,047</u>	<u>379,233</u>

**Note of Historical Cost Profits and Losses  
for the Year Ended 31 December 2007**

	31 12 07	31 12 06
	£	£
<b>REPORTED PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	307,230	519,975
Difference between a historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount		
	<u>11,356</u>	<u>11,356</u>
<b>HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<u>318,586</u>	<u>531,331</u>
<b>HISTORICAL COST (LOSS)/PROFIT FOR THE YEAR RETAINED AFTER TAXATION AND DIVIDENDS</b>	<u>(35,092)</u>	<u>144,987</u>

The notes form part of these abbreviated accounts

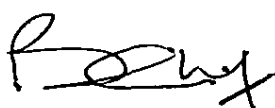
**Airedale Chemical Co Limited**

**Abbreviated Balance Sheet  
31 December 2007**

	Notes	31 12 07 £	£	31 12 06 £	£
<b>FIXED ASSETS</b>					
Intangible assets	7		13,631		15,579
Tangible assets	8		3,122,075		2,844,789
			<u>3,135,706</u>		<u>2,860,368</u>
<b>CURRENT ASSETS</b>					
Stocks	9	1,560,883		558,725	
Debtors	10	1,676,536		2,074,410	
Cash at bank and in hand		215,959		71,589	
		<u>3,453,378</u>		<u>2,704,724</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	11	2,623,908		2,562,149	
		<u>2,623,908</u>		<u>2,562,149</u>	
<b>NET CURRENT ASSETS</b>					
			<u>829,470</u>		<u>142,575</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
			<u>3,965,176</u>		<u>3,002,943</u>
<b>CREDITORS</b>					
Amounts falling due after more than one year	12		(2,692,096)		(1,696,415)
<b>PROVISIONS FOR LIABILITIES</b>					
	16		(104,000)		(91,000)
<b>NET ASSETS</b>					
			<u>1,169,080</u>		<u>1,215,528</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	17		11,000		11,000
Revaluation reserve	18		934,296		945,652
Profit and loss account			223,784		258,876
<b>SHAREHOLDERS' FUNDS</b>					
	21		<u>1,169,080</u>		<u>1,215,528</u>

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

The financial statements were approved by the Board of Directors on 2 June 2008 and were signed on its behalf by



B Chadwick - Director

The notes form part of these abbreviated accounts

**Airedale Chemical Co Limited**

**Cash Flow Statement  
for the Year Ended 31 December 2007**

	Notes	31 12 07 £	£	31 12 06 £	£
<b>Net cash inflow from operating activities</b>	1		198,640		1,596,239
<b>Returns on investments and servicing of finance</b>	2		(309,812)		(185,068)
<b>Taxation</b>			(142,425)		(30,028)
<b>Capital expenditure</b>	2		(585,098)		20,063
<b>Equity dividends paid</b>			(281,495)		(245,602)
			(1,120,190)		1,155,604
<b>Financing</b>	2		1,264,560		313,522
<b>Increase in cash in the period</b>			<u>144,370</u>		<u>1,469,126</u>
<hr/>					
<b>Reconciliation of net cash flow to movement in net debt</b>	3				
Increase in cash in the period		144,370		1,469,126	
Cash inflow from increase in debt and lease financing		<u>(1,055,403)</u>		<u>(360,683)</u>	
Change in net debt resulting from cash flows			<u>(911,033)</u>		<u>1,108,443</u>
<b>Movement in net debt in the period</b>			<u>(911,033)</u>		<u>1,108,443</u>
<b>Net debt at 1 January</b>			<u>(1,835,561)</u>		<u>(2,944,004)</u>
<b>Net debt at 31 December</b>			<u><u>(2,746,594)</u></u>		<u><u>(1,835,561)</u></u>

The notes form part of these abbreviated accounts

**Airedale Chemical Co Limited**

**Notes to the Cash Flow Statement  
for the Year Ended 31 December 2007**

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

	31 12 07	31 12 06
	£	£
Operating profit	617,042	705,043
Depreciation charges	309,756	221,619
Profit on disposal of fixed assets	-	(3,736)
(Increase)/Decrease in stocks	(1,002,158)	7,417
Decrease/(Increase) in debtors	386,911	(468,600)
(Decrease)/Increase in creditors	(112,911)	1,134,496
<b>Net cash inflow from operating activities</b>	<u>198,640</u>	<u>1,596,239</u>

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

	31 12 07	31 12 06
	£	£
<b>Returns on investments and servicing of finance</b>		
Interest received	6,332	-
Interest paid	(278,969)	(178,543)
Interest element of hire purchase payments	(37,175)	(6,525)
<b>Net cash outflow for returns on investments and servicing of finance</b>	<u>(309,812)</u>	<u>(185,068)</u>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	(585,098)	(139,600)
Sale of tangible fixed assets	-	159,663
<b>Net cash (outflow)/inflow for capital expenditure</b>	<u>(585,098)</u>	<u>20,063</u>
<b>Financing</b>		
New loans in year	2,425,000	550,000
Loan repayments in year	(1,513,868)	(107,278)
Decrease in other loans	(146,773)	(45,912)
Capital repayments in year	291,047	(36,126)
Amount introduced by directors	314,677	18,213
Amount withdrawn by directors	(105,523)	(65,375)
<b>Net cash inflow from financing</b>	<u>1,264,560</u>	<u>313,522</u>

The notes form part of these abbreviated accounts

**Airedale Chemical Co Limited**

**Notes to the Cash Flow Statement  
for the Year Ended 31 December 2007**

**3 ANALYSIS OF CHANGES IN NET DEBT**

	At 1 1 07 £	Cash flow £	At 31 12 07 £
Net cash			
Cash at bank and in hand	71,589	144,370	215,959
	<u>71,589</u>	<u>144,370</u>	<u>215,959</u>
 Debt			
Hire purchase	(68,008)	(291,047)	(359,055)
Debts falling due within one year	(173,081)	58,571	(114,510)
Debts falling due after one year	(1,666,061)	(822,927)	(2,488,988)
	<u>(1,907,150)</u>	<u>(1,055,403)</u>	<u>(2,962,553)</u>
 Total	<u>(1,835,561)</u>	<u>(911,033)</u>	<u>(2,746,594)</u>

The notes form part of these abbreviated accounts

# Airedale Chemical Co Limited

## Notes to the Abbreviated Accounts for the Year Ended 31 December 2007

### 1 ACCOUNTING POLICIES

#### Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets

#### Turnover

Turnover represents the amounts received or receivable for goods and services provided to customers, excluding VAT

#### Intangible Assets

Costs directly attributable to obtaining the IPPC licence have been capitalised and are amortised on the straight-line basis over the estimated useful economic life of 10 years, which was chosen because it represents the length of period the directors expect benefits to arise from holding the permit

#### 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	- 2% on cost
Plant and machinery	- 20% on reducing balance
Fixtures and fittings	- 20% on reducing balance
Motor vehicles	- 25% on reducing balance

#### Stocks

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

#### Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future, or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis

#### Research and development

Expenditure on research and development is written off in the year in which it is incurred

#### Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result

#### 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

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease

**Airedale Chemical Co Limited**

**Notes to the Abbreviated Accounts - continued  
for the Year Ended 31 December 2007**

**1 ACCOUNTING POLICIES - continued**

**Pension costs and other post-retirement benefits**

Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate

**2 STAFF COSTS**

	31 12 07	31 12 06
	£	£
Wages and salaries	1,125,523	991,156
Social security costs	113,354	104,621
Other pension costs	17,017	11,443
	<u>1,255,894</u>	<u>1,107,220</u>

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

	31 12 07	31 12 06
Management and Administration	11	7
Sales and Distribution Staff	12	12
Technical Staff	6	6
Production	13	13
	<u>42</u>	<u>38</u>

**3 OPERATING PROFIT**

The operating profit is stated after charging/(crediting)

	31 12 07	31 12 06
	£	£
Hire of plant and machinery	2,960	37,460
Other operating leases	1,135	-
Depreciation - owned assets	195,549	195,586
Depreciation - assets on hire purchase contracts	112,261	24,086
Profit on disposal of fixed assets	-	(3,736)
Patents and licences amortisation	1,947	1,947
Auditors' remuneration	5,000	4,500
Research and development	22,182	23,119
Hire of equipment	22,119	18,809
	<u>186,711</u>	<u>167,001</u>
Directors' emoluments	<u>186,711</u>	<u>167,001</u>

**Airedale Chemical Co Limited**

**Notes to the Abbreviated Accounts - continued  
for the Year Ended 31 December 2007**

**4 INTEREST PAYABLE AND SIMILAR CHARGES**

	31 12 07	31 12 06
	£	£
Bank interest	5,491	68,055
Bank loan interest	55,056	22,521
Interest on directors loans	24,934	30,302
Interest on pension scheme loan	10,937	9,815
Other interest	2,878	-
Mortgage interest	102,047	47,850
Invoice discounting interest charges	77,626	-
Hire purchase	37,175	6,525
	<u>316,144</u>	<u>185,068</u>

**5 TAXATION**

**Analysis of the tax charge**

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

	31 12 07	31 12 06
	£	£
Current tax		
UK corporation tax	59,183	139,742
Deferred tax	13,000	1,000
Tax on profit on ordinary activities	<u>72,183</u>	<u>140,742</u>

UK corporation tax has been charged at 19.75% (2006 - 25.29%)

**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

	31 12 07	31 12 06
	£	£
Profit on ordinary activities before tax	<u>307,230</u>	<u>519,975</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19.750% (2006 - 25.286%)	60,678	131,481
Effects of		
Timing Differences	(8,475)	5,663
Disallowed Expenses	4,297	5,521
R & D enhanced deduction	-	(2,923)
Underpaid tax in prior year	2,683	-
Current tax charge	<u>59,183</u>	<u>139,742</u>

**6 DIVIDENDS**

	31 12 07	31 12 06
	£	£
Ordinary shares of £1 each		
Interim	<u>281,495</u>	<u>245,602</u>



**Airedale Chemical Co Limited**

**Notes to the Abbreviated Accounts - continued  
for the Year Ended 31 December 2007**

**7 INTANGIBLE FIXED ASSETS**

	Patents and licences £
<b>COST</b>	
At 1 January 2007	
and 31 December 2007	19,473
<b>AMORTISATION</b>	
At 1 January 2007	3,895
Amortisation for year	1,947
At 31 December 2007	5,842
<b>NET BOOK VALUE</b>	
At 31 December 2007	13,631
At 31 December 2006	15,578

**8 TANGIBLE FIXED ASSETS**

	Freehold property £	Improvements to property £	Plant and machinery £
<b>COST OR VALUATION</b>			
At 1 January 2007	1,817,796	432,203	1,479,426
Additions	-	2,790	195,060
At 31 December 2007	1,817,796	434,993	1,674,486
<b>DEPRECIATION</b>			
At 1 January 2007	36,356	8,644	980,951
Charge for year	36,356	8,686	127,578
At 31 December 2007	72,712	17,330	1,108,529
<b>NET BOOK VALUE</b>			
At 31 December 2007	1,745,084	417,663	565,957
At 31 December 2006	1,781,440	423,559	498,475

**Airedale Chemical Co Limited**

**Notes to the Abbreviated Accounts - continued  
for the Year Ended 31 December 2007**

**8 TANGIBLE FIXED ASSETS - continued**

	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST OR VALUATION</b>			
At 1 January 2007	159,321	309,132	4,197,878
Additions	5,668	381,580	585,098
At 31 December 2007	<u>164,989</u>	<u>690,712</u>	<u>4,782,976</u>
<b>DEPRECIATION</b>			
At 1 January 2007	113,482	213,658	1,353,091
Charge for year	15,926	119,264	307,810
At 31 December 2007	<u>129,408</u>	<u>332,922</u>	<u>1,660,901</u>
<b>NET BOOK VALUE</b>			
At 31 December 2007	<u>35,581</u>	<u>357,790</u>	<u>3,122,075</u>
At 31 December 2006	<u>45,839</u>	<u>95,474</u>	<u>2,844,787</u>

Cost or valuation at 31 December 2007 is represented by

	Freehold property £	Improvements to property £	Plant and machinery £
Valuation in 2006	567,804	-	-
Cost	1,249,992	434,993	1,674,486
	<u>1,817,796</u>	<u>434,993</u>	<u>1,674,486</u>
	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 2006	-	-	567,804
Cost	164,989	690,712	4,215,172
	<u>164,989</u>	<u>690,712</u>	<u>4,782,976</u>

If Freehold property had not been revalued it would have been included at the following historical cost

	31 12 07 £	31 12.06 £
Cost	1,249,992	1,249,992
Aggregate depreciation	<u>183,404</u>	<u>158,404</u>

Freehold property was valued on an open market basis on 3 July 2006 by GerwynBryan Property Solutions

**Airedale Chemical Co Limited**

**Notes to the Abbreviated Accounts - continued  
for the Year Ended 31 December 2007**

**8 TANGIBLE FIXED ASSETS - continued**

Improvements to property were also revalued at the same time on the same basis. If they had not been revalued they would have been included at the following historical cost

	31 12 06 £	31 12 06 £
Cost	434,993	432,204
Aggregate depreciation	273,088	264,444

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

	Motor vehicles £
<b>COST OR VALUATION</b>	
At 1 January 2007	178,538
Additions	376,785
At 31 December 2007	555,323
<b>DEPRECIATION</b>	
At 1 January 2007	106,281
Charge for year	112,261
At 31 December 2007	218,542
<b>NET BOOK VALUE</b>	
At 31 December 2007	336,781
At 31 December 2006	72,257

**9 STOCKS**

	31 12 07 £	31 12 06 £
Raw materials & finished goods	1,560,883	558,725

**10 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31 12 07 £	31 12 06 £
Trade debtors	1,593,109	1,975,606
Directors' current accounts	-	10,963
Prepayments	83,427	87,841
	1,676,536	2,074,410

**Airedale Chemical Co Limited**

**Notes to the Abbreviated Accounts - continued  
for the Year Ended 31 December 2007**

**11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31 12 07	31 12 06
	£	£
Bank loans and overdrafts (see note 13)	62,430	133,210
Other loans (see note 13)	52,080	39,871
Hire purchase contracts (see note 14)	155,947	37,654
Trade creditors	848,541	631,257
Tax	56,500	139,742
Social security and other taxes	289,824	262,855
Invoice discounting accounts	637,023	1,031,729
Directors' current accounts	368,135	169,945
Accrued expenses	153,428	115,886
	<u>2,623,908</u>	<u>2,562,149</u>

**12 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	31 12 07	31 12 06
	£	£
Bank loans (see note 13)	2,360,444	1,378,535
Other loans (see note 13)	128,544	287,526
Hire purchase contracts (see note 14)	203,108	30,354
	<u>2,692,096</u>	<u>1,696,415</u>

**13 LOANS**

An analysis of the maturity of loans is given below

	31 12 07	31 12 06
	£	£
Amounts falling due within one year or on demand		
Bank loans	62,430	133,210
Other loans	52,080	39,871
	<u>114,510</u>	<u>173,081</u>
Amounts falling due between one and two years		
Bank loans	1,066,943	141,316
Other loans	128,544	128,544
Directors loan accounts	-	158,982
	<u>1,195,487</u>	<u>428,842</u>
Amounts falling due between two and five years		
Bank loans	<u>229,031</u>	<u>278,110</u>
Amounts falling due in more than five years		
Repayable by instalments		
Bank loans	<u>1,064,470</u>	<u>959,109</u>

**Airelle Chemical Co Limited**

**Notes to the Abbreviated Accounts - continued  
for the Year Ended 31 December 2007**

**13 LOANS - continued**

The bank loans are repayable as follows -

Bank loan, taken out in October 2007, repayable monthly over a period of fifteen years with interest payable at 1 25% above the bank's base rate

**14 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES**

	Hire purchase contracts	
	31 12 07	31 12 06
	£	£
Gross obligations repayable		
Within one year	180,118	41,295
Between one and five years	218,556	32,213
	<u>398,674</u>	<u>73,508</u>
Finance charges repayable		
Within one year	24,171	3,641
Between one and five years	15,448	1,859
	<u>39,619</u>	<u>5,500</u>
Net obligations repayable		
Within one year	155,947	37,654
Between one and five years	203,108	30,354
	<u>359,055</u>	<u>68,008</u>

The following operating lease payments are committed to be paid within one year

	Other operating leases	
	31 12 07	31 12 06
	£	£
Expiring		
Within one year	9,995	-
Between one and five years	267,371	256,986
	<u>277,366</u>	<u>256,986</u>

**Airedale Chemical Co Limited**

**Notes to the Abbreviated Accounts - continued  
for the Year Ended 31 December 2007**

**15 SECURED DEBTS**

The following secured debts are included within creditors

	31 12 07	31 12 06
	£	£
Bank loans	2,422,874	1,511,745
Hire purchase contracts	359,055	68,008
	<u>2,781,929</u>	<u>1,579,753</u>

Bank borrowings are secured by a Debenture comprising fixed and floating charges over all assets of the company and a legal charge for all sums over land & buildings dated 2/11/2007

Legal mortgage dated 22/11/2007 over Airedale Mills, Skipton Road, Crosshills, Keighley, BD20 7BX

The multi option facility is also secured by a personal guarantee for £1,000,000 by Mr B Chadwick and Mr R P Chadwick

Hire Purchase creditors are secured on the assets to which the agreement relates

**16 PROVISIONS FOR LIABILITIES**

	31 12 07	31 12 06
	£	£
Deferred tax	<u>104,000</u>	<u>91,000</u>
		Deferred tax
		£
Balance at 1 January 2007		91,000
Increase in provision		13,000
Balance at 31 December 2007		<u>104,000</u>

**17 CALLED UP SHARE CAPITAL**

Authorised Number	Class	Nominal value	31 12 07	31 12 06
			£	£
20,000	Ordinary	£1	<u>20,000</u>	<u>20,000</u>
Allotted, issued and fully paid Number	Class	Nominal value	31 12 07	31 12 06
			£	£
11,000	Ordinary	£1	<u>11,000</u>	<u>11,000</u>

**Airedale Chemical Co Limited**

**Notes to the Abbreviated Accounts - continued  
for the Year Ended 31 December 2007**

**18 RESERVES**

	Revaluation reserve £
At 1 January 2007	945,652
Reserve transfer	<u>(11,356)</u>
At 31 December 2007	<u>934,296</u>

**19 PENSION COMMITMENTS**

The company operates a defined contribution pension scheme. The assets are held separately from those of the company in an independently administered fund. No contributions were paid to the fund during the year.

**20 TRANSACTIONS WITH DIRECTORS**

The following loans to directors subsisted during the years ended 31 December 2007 and 31 December 2006

	31 12 07 £	31 12 06 £
<b>J W Chadwick</b>		
Balance outstanding at start of year	9,504	(51,352)
Balance outstanding at end of year	-	9,504
Maximum balance outstanding during year	<u>9,504</u>	<u>19,008</u>
 <b>R P Chadwick</b>		
Balance outstanding at start of year	1,459	(37,141)
Balance outstanding at end of year	-	1,459
Maximum balance outstanding during year	<u>1,459</u>	<u>2,917</u>

**Airedale Chemical Co Limited**

**Notes to the Abbreviated Accounts - continued  
for the Year Ended 31 December 2007**

**20 TRANSACTIONS WITH DIRECTORS - continued**

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	21,064	74,953	65,220
Exors of Mrs C Chadwick (Deceased)	210,889	210,889	0
D M Chadwick	264	9,159	9,159
J W Chadwick	(19,008)		
R P Chadwick	(2,917)	163,478	163,478
B M Hall	101,786	106,782	96,782
S P Wilkinson	5,885	11,866	2,864
Pension Scheme	128,544	128,544	128,544

The company pays a commercial rate of interest of 2% over base rate on all loans from 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	24,934
Self Administered Pension Scheme	8,166

The directors with beneficial interests in the Self Administered Pension Scheme are Mr DM Chadwick, Mr J W Chadwick and Mr R P Chadwick

**21 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	31 12 07 £	31 12 06 £
Profit for the financial year	235,047	379,233
Dividends	(281,495)	(245,602)
	(46,448)	133,631
Revaluation	-	215,205
<b>Net (reduction)/addition to shareholders' funds</b>	<b>(46,448)</b>	<b>348,836</b>
Opening shareholders' funds	1,215,528	866,692
<b>Closing shareholders' funds</b>	<b>1,169,080</b>	<b>1,215,528</b>