

REGISTERED NUMBER: 1149113 (England and Wales)

Abbreviated Accounts
for the Year Ended 31 December 2008
for
Airedale Chemical Co Limited

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Airedale Chemical Co Limited

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for the Year Ended 31 December 2008**

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Airedale Chemical Co Limited
Company Information
for the Year Ended 31 December 2008

DIRECTORS:

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

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 2008

The directors present their report with the accounts of the company for the year ended 31 December 2008.

PRINCIPAL ACTIVITY

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

REVIEW OF BUSINESS

Our growth plan was accelerated in 2008, as sales and profitability doubled on the previous year. This growth was not without its challenges; however the board are happy with the results.

Sales growth has passed all expectations due to the erratic market in the UK and Europe for one of our major chemicals. A worldwide shortage saw market selling prices triple in a short period of time. We ensured our customers were not disrupted during this difficult time however costs escalated in order to manage this. Positively Airedale strengthened its position in the UK market by signing a five year contract in May 2008 to secure supply in this area.

Airedale Chemical's key focus on customer service and the board's commitment to grow continued into 2009 by securing key contracts and despite the current economic climate the board are confident that 2009 will return a profit.

As would be expected due to the increase in trade both stock and debtors increased. During the year all trade debtor terms were aligned to 30 days end of month where possible, and control of working capital, allowed the company to minimise the extent of external funding required for the company's growth

The company is fully committed to its health and safety and environmental responsibilities. During 2008 this commitment was extended to the reach legislation for chemicals by completing the first stage of the pre registration process.

DIVIDENDS

Interim dividends per share were paid as follows:

8.34	- 31 March 2008
10.91	- 30 June 2008
<u>10.91</u>	- 30 September 2008
<u>30.16</u>	

The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 December 2008 will be £340,025.

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

<u>DIVIDENDS</u>	<u>31/01/2008</u>	<u>30/04/2008</u>	<u>30/06/2008</u>	<u>30/09/2008</u>
Directors				
Mr S P Wilkinson	0	601	0	0
Mr B Chadwick	0	3,167	0	0
Mr J W Chadwick	0	1,805	0	0
Mrs L Chadwick	0	815	0	0
Mr C Chadwick	0	500	0	0
Mr R P Chadwick	2,710	411	0	0

Airedale Chemical Co Limited

Report of the Directors for the Year Ended 31 December 2008

DIRECTORS

The directors during the year under review were:

B Chadwick	
J W Chadwick	- resigned 1.10.08
R P Chadwick	
B M Hall	
S P Wilkinson	
M Leighton	
C Thomson	- appointed 1.1.08
C J Chadwick	- appointed 1.11.08

The beneficial interests of the directors holding office on 31 December 2008 in the issued share capital of the company were as follows:

	31.12.08	1.1.08 or date of appointment if later
Ordinary £1 shares		
B Chadwick	3,480	3,480
R P Chadwick	3,430	3,430
B M Hall	-	-
S P Wilkinson	660	660
M Leighton	-	-
C Thomson	-	-
C J Chadwick	1,984	-

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.

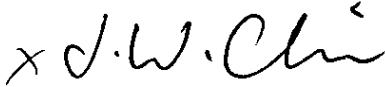
Airedale Chemical Co Limited

**Report of the Directors
for the Year Ended 31 December 2008**

AUDITORS

The auditors, Stirk Lambert & Co, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

x 

J W Chadwick - Secretary

23 July 2009

**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 three, together with the financial statements of Airedale Chemical Co Limited for the year ended 31 December 2008 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 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

Stirk Lambert & Co

24 July 2009

Airedale Chemical Co Limited

**Abbreviated Profit and Loss Account
for the Year Ended 31 December 2008**

	Notes	31.12.08		31.12.07	
		£	£	£	£
GROSS PROFIT			7,918,847		3,670,052
Distribution costs		1,079,156		705,132	
Administrative expenses		<u>5,752,862</u>		<u>2,347,877</u>	
			<u>6,832,018</u>		<u>3,053,009</u>
OPERATING PROFIT	3		1,086,829		617,043
Interest receivable and similar income			<u>2,206</u>		<u>6,332</u>
			1,089,035		623,375
Interest payable and similar charges	4		<u>396,303</u>		<u>316,144</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			692,732		307,231
Tax on profit on ordinary activities	5		<u>221,508</u>		<u>72,183</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			<u>471,224</u>		<u>235,048</u>
PROFIT FOR THE YEAR			471,224		235,048
Retained profit brought forward			<u>223,785</u>		<u>258,876</u>
			695,009		493,924
Dividends	6		(340,025)		(281,495)
Reserve transfer			<u>11,356</u>		<u>11,356</u>
RETAINED PROFIT CARRIED FORWARD			<u>366,340</u>		<u>223,785</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 2008**

	31.12.08 £	31.12.07 £
PROFIT FOR THE FINANCIAL YEAR	471,224	235,048
Unrealised surplus on revaluation of property	<u> </u>	<u> </u>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u><u>471,224</u></u>	<u><u>235,048</u></u>

**Note of Historical Cost Profits and Losses
for the Year Ended 31 December 2008**

	31.12.08 £	31.12.07 £
REPORTED PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	692,732	307,231
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>
HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	<u><u>704,088</u></u>	<u><u>318,587</u></u>
HISTORICAL COST PROFIT/(LOSS) FOR THE YEAR RETAINED AFTER TAXATION AND DIVIDENDS	<u><u>142,555</u></u>	<u><u>(35,091)</u></u>

The notes form part of these abbreviated accounts

Airedale Chemical Co Limited

**Abbreviated Balance Sheet
31 December 2008**

	Notes	31.12.08 £	£	31.12.07 £	£
FIXED ASSETS					
Intangible assets	7		11,684		13,631
Tangible assets	8		3,304,421		3,122,076
Investments	9		<u>-</u>		<u>-</u>
			3,316,105		3,135,707
CURRENT ASSETS					
Stocks	10	5,259,089		1,560,883	
Debtors	11	4,108,373		1,676,536	
Cash at bank and in hand		<u>281,786</u>		<u>215,959</u>	
			9,649,248		3,453,378
CREDITORS					
Amounts falling due within one year	12	<u>7,654,277</u>		<u>2,623,908</u>	
NET CURRENT ASSETS			<u>1,994,971</u>		<u>829,470</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			5,311,076		3,965,177
CREDITORS					
Amounts falling due after more than one year	13		(3,860,796)		(2,692,096)
PROVISIONS FOR LIABILITIES	17		<u>(150,000)</u>		<u>(104,000)</u>
NET ASSETS			<u>1,300,280</u>		<u>1,169,081</u>
CAPITAL AND RESERVES					
Called up share capital	18		11,000		11,000
Revaluation reserve	19		922,940		934,296
Profit and loss account			<u>366,340</u>		<u>223,785</u>
SHAREHOLDERS' FUNDS	22		<u>1,300,280</u>		<u>1,169,081</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 23 July 2009 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 2008**

	Notes	31.12.08 £	£	31.12.07 £	£
Net cash inflow from operating activities	1		622,940		198,641
Returns on investments and servicing of finance	2		(394,097)		(309,812)
Taxation			(52,008)		(142,425)
Capital expenditure and financial investment	2		(2,698,726)		(585,098)
Equity dividends paid			<u>(340,025)</u>		<u>(281,495)</u>
			(2,861,916)		(1,120,189)
Financing	2		<u>1,031,958</u>		<u>1,264,559</u>
(Decrease)/Increase in cash in the period			<u>(1,829,958)</u>		<u>144,370</u>
<hr/>					
Reconciliation of net cash flow to movement in net debt	3				
(Decrease)/Increase in cash in the period		(1,829,958)		144,370	
Cash inflow from increase in debt and lease financing		<u>(971,927)</u>		<u>(1,055,403)</u>	
Change in net debt resulting from cash flows			(2,801,885)		(911,033)
New finance leases			<u>(303,135)</u>		<u>-</u>
Movement in net debt in the period			(3,105,020)		(911,033)
Net debt at 1 January			<u>(2,746,594)</u>		<u>(1,835,561)</u>
Net debt at 31 December			<u>(5,851,614)</u>		<u>(2,746,594)</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 2008**

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

	31.12.08	31.12.07
	£	£
Operating profit	1,086,829	617,043
Depreciation charges	317,930	309,756
Loss on disposal of fixed assets	2,538	-
Impairment of fixed asset investment	2,501,000	-
Increase in stocks	(3,698,206)	(1,002,158)
(Increase)/Decrease in debtors	(2,431,837)	386,911
Increase/(Decrease) in creditors	<u>2,844,686</u>	<u>(112,911)</u>
Net cash inflow from operating activities	<u>622,940</u>	<u>198,641</u>

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

	31.12.08	31.12.07
	£	£
Returns on investments and servicing of finance		
Interest received	2,206	6,332
Interest paid	(360,003)	(278,969)
Interest element of hire purchase payments	<u>(36,300)</u>	<u>(37,175)</u>
Net cash outflow for returns on investments and servicing of finance	<u>(394,097)</u>	<u>(309,812)</u>
 Capital expenditure and financial investment		
Purchase of tangible fixed assets	(200,244)	(585,098)
Purchase of fixed asset investments	(2,501,000)	-
Sale of tangible fixed assets	<u>2,518</u>	<u>-</u>
Net cash outflow for capital expenditure and financial investment	<u>(2,698,726)</u>	<u>(585,098)</u>
 Financing		
New loans in year	-	2,425,000
Loan repayments in year	(794,541)	(1,513,869)
Decrease in other loans	(8,448)	(146,773)
Capital repayments in year	(225,089)	291,047
Amount introduced by directors	2,250,666	314,677
Amount withdrawn by directors	<u>(190,630)</u>	<u>(105,523)</u>
Net cash inflow from financing	<u>1,031,958</u>	<u>1,264,559</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 2008**

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.08 £	Cash flow £	Other non-cash changes £	At 31.12.08 £
Net cash:				
Cash at bank and in hand	215,959	65,827		281,786
Bank overdraft	<u>-</u>	<u>(1,895,785)</u>		<u>(1,895,785)</u>
	<u>215,959</u>	<u>(1,829,958)</u>		<u>(1,613,999)</u>
Debt:				
Hire purchase	(359,055)	225,089	(303,135)	(437,101)
Debts falling due within one year	(114,510)	(58,228)	-	(172,738)
Debts falling due after one year	<u>(2,488,988)</u>	<u>(1,138,788)</u>	<u>-</u>	<u>(3,627,776)</u>
	<u>(2,962,553)</u>	<u>(971,927)</u>	<u>(303,135)</u>	<u>(4,237,615)</u>
Total	<u>(2,746,594)</u>	<u>(2,801,885)</u>	<u>(303,135)</u>	<u>(5,851,614)</u>

The notes form part of these abbreviated accounts

Airedale Chemical Co Limited

Notes to the Abbreviated Accounts for the Year Ended 31 December 2008

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 2008**

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

Fixed asset investments

The company has adopted UITF Abstract 32, FRS11, FRS12 and FRS21 in relation to arriving at its stated profit after impairment of fixed assets.

2. STAFF COSTS

	31.12.08	31.12.07
	£	£
Wages and salaries	3,974,349	1,125,523
Social security costs	136,910	113,354
Other pension costs	<u>17,484</u>	<u>17,017</u>
	<u><u>4,128,743</u></u>	<u><u>1,255,894</u></u>

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

	31.12.08	31.12.07
Management and Administration	14	11
Sales and Distribution Staff	13	12
Technical Staff	5	6
Production	<u>10</u>	<u>13</u>
	<u><u>42</u></u>	<u><u>42</u></u>

3. OPERATING PROFIT

The operating profit is stated after charging:

	31.12.08	31.12.07
	£	£
Hire of plant and machinery	5,072	2,960
Other operating leases	2,946	1,135
Depreciation - owned assets	189,383	183,800
Depreciation - assets on hire purchase contracts	126,595	124,009
Loss on disposal of fixed assets	2,538	-
Patents and licences amortisation	1,947	1,947
Auditors' remuneration	6,000	5,000
Research and development	32,453	22,182
Hire of equipment	<u>311,401</u>	<u>267,786</u>
	<u><u>377,444</u></u>	<u><u>186,711</u></u>
Directors' emoluments		

The company made a contribution out of the profit for the year to the Airedale Chemical Business Benefit Trust, a trust created for the benefit of the company, employees (past and present) and their dependents. Subsequently the company ceased to be a beneficiary of the trust resulting in a debit to the profit and loss account under UK financial reporting standards. There is an amount included in staff costs of £2,501,000 (2007 - nil) in respect of this.

Airedale Chemical Co Limited

**Notes to the Abbreviated Accounts - continued
for the Year Ended 31 December 2008**

3. OPERATING PROFIT - continued

Information regarding the highest paid director for the year ended 31 December 2008 is as follows:

	31.12.08
	£
Emoluments etc	<u>141,877</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	31.12.08	31.12.07
	£	£
Bank interest	3,644	5,491
Bank loan interest	69,647	55,056
Interest on directors loans	23,412	24,934
Interest on pension scheme loan	9,808	10,937
Other interest	59,408	2,878
Mortgage interest	89,309	102,047
Invoice discounting interest charges	104,775	77,626
Hire purchase	<u>36,300</u>	<u>37,175</u>
	<u>396,303</u>	<u>316,144</u>

5. TAXATION

Analysis of the tax charge

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

	31.12.08	31.12.07
	£	£
Current tax:		
UK corporation tax	180,000	59,183
Overprovision in previous year	<u>(4,492)</u>	<u>-</u>
Total current tax	175,508	59,183
Deferred tax	<u>46,000</u>	<u>13,000</u>
Tax on profit on ordinary activities	<u>221,508</u>	<u>72,183</u>

UK corporation tax has been charged at 26.16% (2007 - 19.75%).

Airedale Chemical Co Limited

**Notes to the Abbreviated Accounts - continued
for the Year Ended 31 December 2008**

5. TAXATION - continued

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:

	31.12.08 £	31.12.07 £
Profit on ordinary activities before tax	<u>692,732</u>	<u>307,231</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26.160% (2007 - 19.750%)	181,219	60,678
Effects of:		
Timing Differences	(10,420)	(8,475)
Disallowed Expenses	9,201	4,297
Overprovision in prior year	(4,492)	-
Underpaid tax in prior year	<u>-</u>	<u>2,683</u>
Current tax charge	<u>175,508</u>	<u>59,183</u>

6. DIVIDENDS

	31.12.08 £	31.12.07 £
Ordinary shares of £1 each Interim	<u>340,025</u>	<u>281,495</u>

7. INTANGIBLE FIXED ASSETS

	Patents and licences £
COST	
At 1 January 2008 and 31 December 2008	<u>19,473</u>
AMORTISATION	
At 1 January 2008	5,842
Amortisation for year	<u>1,947</u>
At 31 December 2008	<u>7,789</u>
NET BOOK VALUE	
At 31 December 2008	<u>11,684</u>
At 31 December 2007	<u>13,631</u>

Airedale Chemical Co Limited

**Notes to the Abbreviated Accounts - continued
for the Year Ended 31 December 2008**

8. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Plant and machinery £
COST OR VALUATION			
At 1 January 2008	1,817,796	434,993	1,674,486
Additions	-	-	179,759
At 31 December 2008	<u>1,817,796</u>	<u>434,993</u>	<u>1,854,245</u>
DEPRECIATION			
At 1 January 2008	72,712	17,330	1,108,529
Charge for year	36,356	8,700	130,610
Eliminated on disposal	-	-	-
At 31 December 2008	<u>109,068</u>	<u>26,030</u>	<u>1,239,139</u>
NET BOOK VALUE			
At 31 December 2008	<u>1,708,728</u>	<u>408,963</u>	<u>615,106</u>
At 31 December 2007	<u>1,745,084</u>	<u>417,663</u>	<u>565,957</u>

	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION			
At 1 January 2008	164,989	690,712	4,782,976
Additions	3,695	319,925	503,379
Disposals	(565)	(54,393)	(54,958)
At 31 December 2008	<u>168,119</u>	<u>956,244</u>	<u>5,231,397</u>
DEPRECIATION			
At 1 January 2008	129,408	332,921	1,660,900
Charge for year	12,435	127,877	315,978
Eliminated on disposal	(47)	(49,855)	(49,902)
At 31 December 2008	<u>141,796</u>	<u>410,943</u>	<u>1,926,976</u>
NET BOOK VALUE			
At 31 December 2008	<u>26,323</u>	<u>545,301</u>	<u>3,304,421</u>
At 31 December 2007	<u>35,581</u>	<u>357,791</u>	<u>3,122,076</u>

Cost or valuation at 31 December 2008 is represented by:

	Freehold property £	Improvements to property £	Plant and machinery £
Valuation in 2006	567,804	-	-
Cost	<u>1,249,992</u>	<u>434,993</u>	<u>1,854,245</u>
	<u>1,817,796</u>	<u>434,993</u>	<u>1,854,245</u>

Airedale Chemical Co Limited

**Notes to the Abbreviated Accounts - continued
for the Year Ended 31 December 2008**

8. TANGIBLE FIXED ASSETS - continued

	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 2006	-	-	567,804
Cost	<u>168,119</u>	<u>956,244</u>	<u>4,663,593</u>
	<u>168,119</u>	<u>956,244</u>	<u>5,231,397</u>

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

	31.12.08 £	31.12.07 £
Cost	<u>1,249,992</u>	<u>1,249,992</u>
Aggregate depreciation	<u>183,404</u>	<u>183,404</u>

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

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:

	31.12.08 £	31.12.07 £
Cost	<u>434,993</u>	<u>434,993</u>
Aggregate depreciation	<u>281,732</u>	<u>273,088</u>

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

	Plant and machinery £	Motor vehicles £	Totals £
COST OR VALUATION			
At 1 January 2008	78,322	555,323	633,645
Additions	-	303,135	303,135
Transfer to ownership	<u>-</u>	<u>(114,469)</u>	<u>(114,469)</u>
At 31 December 2008	<u>78,322</u>	<u>743,989</u>	<u>822,311</u>
DEPRECIATION			
At 1 January 2008	11,748	218,541	230,289
Charge for year	13,315	113,280	126,595
Transfer to ownership	<u>-</u>	<u>(87,305)</u>	<u>(87,305)</u>
At 31 December 2008	<u>25,063</u>	<u>244,516</u>	<u>269,579</u>
NET BOOK VALUE			
At 31 December 2008	<u>53,259</u>	<u>499,473</u>	<u>552,732</u>
At 31 December 2007	<u>66,574</u>	<u>336,782</u>	<u>403,356</u>

Airedale Chemical Co Limited

**Notes to the Abbreviated Accounts - continued
for the Year Ended 31 December 2008**

9. FIXED ASSET INVESTMENTS

Following the company's exclusion from benefit, the Business Benefit Trust shown as fixed assets under the operation of UITF Abstract 32, has been impaired and the profit and loss account debited under FRS 11.

10. STOCKS

	31.12.08	31.12.07
	£	£
Raw materials & finished goods	<u>5,259,089</u>	<u>1,560,883</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.08	31.12.07
	£	£
Trade debtors	3,819,781	1,593,109
Other debtors	117,432	-
Prepayments	<u>171,160</u>	<u>83,427</u>
	<u>4,108,373</u>	<u>1,676,536</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.08	31.12.07
	£	£
Bank loans and overdrafts (see note 14)	2,024,891	62,430
Other loans (see note 14)	43,632	52,080
Hire purchase contracts (see note 15)	204,081	155,947
Trade creditors	974,622	848,541
Tax	180,000	56,500
Social security and other taxes	841,988	289,824
Invoice discounting accounts	2,621,553	637,023
Directors' current accounts	428,171	368,135
Accrued expenses	<u>335,339</u>	<u>153,428</u>
	<u>7,654,277</u>	<u>2,623,908</u>

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.12.08	31.12.07
	£	£
Bank loans (see note 14)	1,499,232	2,360,444
Other loans (see note 14)	2,128,544	128,544
Hire purchase contracts (see note 15)	<u>233,020</u>	<u>203,108</u>
	<u>3,860,796</u>	<u>2,692,096</u>

Airedale Chemical Co Limited

**Notes to the Abbreviated Accounts - continued
for the Year Ended 31 December 2008**

14. LOANS

An analysis of the maturity of loans is given below:

	31.12.08 £	31.12.07 £
Amounts falling due within one year or on demand:		
Bank overdrafts	1,895,785	-
Bank loans	129,106	62,430
Other loans	43,632	52,080
	<u>2,068,523</u>	<u>114,510</u>
 Amounts falling due between one and two years:		
Bank loans	413,893	1,066,943
Other loans	128,544	128,544
Directors loan accounts	2,000,000	-
	<u>2,542,437</u>	<u>1,195,487</u>
 Amounts falling due between two and five years:		
Bank loans	<u>413,550</u>	<u>229,031</u>
 Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans	<u>671,789</u>	<u>1,064,470</u>

The bank loans are repayable as follows:-

Flexible loan with Natwest Bank taken out in March 2007, with no fixed repayment terms. Interest is calculated at 1.50% over the Bank of England base rate.

Term loan with Natwest Bank, taken out in November 2007, repayable in monthly instalments over a period of fifteen years with interest payable at 1.25% above the Bank of England base rate.

Airedale Chemical Co Limited

**Notes to the Abbreviated Accounts - continued
for the Year Ended 31 December 2008**

15. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	Hire purchase contracts	
	31.12.08	31.12.07
	£	£
Gross obligations repayable:		
Within one year	230,824	180,118
Between one and five years	<u>244,796</u>	<u>218,556</u>
	<u>475,620</u>	<u>398,674</u>
Finance charges repayable:		
Within one year	26,743	24,171
Between one and five years	<u>11,776</u>	<u>15,448</u>
	<u>38,519</u>	<u>39,619</u>
Net obligations repayable:		
Within one year	204,081	155,947
Between one and five years	<u>233,020</u>	<u>203,108</u>
	<u>437,101</u>	<u>359,055</u>

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

	Other operating leases	
	31.12.08	31.12.07
	£	£
Expiring:		
Within one year	46,986	9,995
Between one and five years	296,531	267,371
In more than five years	<u>3,494</u>	<u>-</u>
	<u>347,011</u>	<u>277,366</u>

Airedale Chemical Co Limited

**Notes to the Abbreviated Accounts - continued
for the Year Ended 31 December 2008**

16. SECURED DEBTS

The following secured debts are included within creditors:

	31.12.08 £	31.12.07 £
Bank overdraft	1,895,785	-
Bank loans	1,628,338	2,422,874
Hire purchase contracts	<u>437,101</u>	<u>359,055</u>
	<u>3,961,224</u>	<u>2,781,929</u>

Bank borrowings are secured by a Debenture comprising fixed and floating charges over all assets of the company.

First legal charge over Airedale Mills, Skipton Road, Crosshills, Keighley, BD20 7BX and its associated assets dated 23/10/2007 in favour of Natwest Bank.

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. Invoice discounting accounts are secured against the invoices discounted.

17. PROVISIONS FOR LIABILITIES

	31.12.08 £	31.12.07 £
Deferred tax	<u>150,000</u>	<u>104,000</u>
		Deferred tax £
Balance at 1 January 2008		104,000
Increase in provision		<u>46,000</u>
Balance at 31 December 2008		<u>150,000</u>

18. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	31.12.08 £	31.12.07 £
20,000	Ordinary	£1	<u>20,000</u>	<u>20,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.12.08 £	31.12.07 £
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 2008**

19. RESERVES

	Revaluation reserve £
At 1 January 2008	934,296
Reserve transfer	<u>(11,356)</u>
At 31 December 2008	<u>922,940</u>

20. 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.

21. 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	65,220	308,393	304,443
C J Chadwick	1,540	12,001	12,001
R P Chadwick	163,478	2,004,535	2,000,585
B M Hall	96,782	96,782	96,782
S P Wilkinson	2,864	15,192	14,305
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	23,412
Self Administered Pension Scheme	9,808

The director with beneficial interests in the Self Administered Pension Scheme is Mr R P Chadwick.

Airedale Chemical Co Limited

**Notes to the Abbreviated Accounts - continued
for the Year Ended 31 December 2008**

22. RELATED PARTY DISCLOSURES

The company has received the following loans from members of the directors families:

	Balance b/fwd £	Maximum balance in year £	Balance c/fwd £
T D K Howard	10,000	10,000	0
N Purcell	12,600	12,600	0
L C Hall	15,615	16,381	7,381
L A Chadwick	313	21,283	1,283
J W Chadwick	30,633	34,250	0
E Chadwick	6,000	16,000	6,024
E Chadwick	6,000	6,024	6,024
D M Chadwick	9,159	31,225	22,920

The company pays a commercial rate of interest of 2% over the bank of England base rate on these loans. During the year the company paid interest on these loans of £3,680 (£17,806).

J W Chadwick resigned as director on 1 October 2008 however he remains a shareholder. A loan balance due to the company existed at 31 December 2008 of £107,432 (2007 - Nil), this represents the maximum balance in the year.

23. ULTIMATE CONTROLLING PARTY

The directors control the company by virtue of their majority shareholding.

22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.12.08 £	31.12.07 £
Profit for the financial year	471,224	235,048
Dividends	(340,025)	(281,495)
Revaluation		
Net addition/(reduction) to shareholders' funds	131,199	(46,447)
Opening shareholders' funds	<u>1,169,081</u>	<u>1,215,528</u>
Closing shareholders' funds	<u>1,300,280</u>	<u>1,169,081</u>