

**Abbreviated Accounts**  
**for the Year Ended 31 December 2011**  
**for**  
**Airedale Chemical Co Limited**



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for the Year Ended 31 December 2011**

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**Airedale Chemical Co Limited**  
**Company Information**  
**for the Year Ended 31 December 2011**

**DIRECTORS**

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

**SECRETARY:**

C Thomson

**REGISTERED OFFICE:**

Airedale Mills  
Skipton Road  
Crosshills  
Keighley  
West Yorkshire  
BD20 7BX

**REGISTERED NUMBER:**

01149113 (England and Wales)

**AUDITORS**

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

**Report of the Directors  
for the Year Ended 31 December 2011**

The directors present their report with the accounts of the company for the year ended 31 December 2011

**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**

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

The company have operated in difficult trading conditions in 2011 with the UK still deep in recession and on the back of weak sterling against the dollar and euro, that said, the Directors are satisfied with the result and see it as a 'step in the right direction' on the back of the previous year's result. Both turnover and profitability increased enhancing the company's financial strength, which remains a primary objective of the company.

Turnover for the year ended 31st December 2011 amounted to £28,808,088 an increase of 27.7% on the previous financial year. The vast majority of sales are UK based but we still have small amount of export mainly into Europe. We have seen in the year that exports have fallen to Australia and New Zealand which is solely cost related due to shipping.

Gross margin increased by 38.1% to £8,019,251. In overall terms gross margin increased from 25.7% in 2010 to 27.8% in 2011 of turnover. The increase in margin was achieved by having the flexibility of 13,000MT bulk storage facilities held at Liverpool. This in turn allowed the company to import phosphoric acid and stock pile at opportunistic times from China and sell competitively into the UK market.

Average staffing levels increased again in 2011 to 61 from 53 in 2010, on the back of the company's growth plans. One of the company's main objectives remains staff welfare and job security.

Transport and Logistics remain a significant cost to the company, the cost during the year amounting to £768k. We see this however as a USP and valuable selling tool for our business. During the year there was further growth in the fleet size to service the growth in turnover. I am pleased to report that our strategy moving our bulk storage tanks, from Immingham on the east coast to Liverpool on the west coast, had a positive impact to profitability as our new location is better placed to service our customer base. In 2011 our fleet cost amounted to 2.6% of turnover compared to 2.8% in 2010. On the surface this saving only appears satisfactory but when added to the equation the cost of diesel increased by 7.5% per litre from December 2010 to December 2011, this demonstrates the improvement in our fleet efficiency.

Our reputation on customer service, delivery performance and competitiveness in the market secured back to back contracts post year end, which undoubtedly will lead to further growth in 2012.

Profit before taxation increased from £1,734 in 2011 to £969,683 in the current year.

The company continues to reinvest its cash into fixed assets to facilitate its growth. During the year the reinvestment in fixed assets amounted to £723,651.

On the back of our importing strategy stock increased from £2,426,565 in 2010 to £5,982,093 in 2011, an increase of 246.5%.

Cash has been managed exceptionally well during the year and this is reflected by trade debtors increasing to £4,952,056 from £4,145,685 in 2010 and increase of 19.4%, on the back of turnover increasing far in excess of this.

The company purchases a significant amount of chemicals in foreign currencies, and as such the company recognises exposure to currency rate fluctuations. The company manages its exposure to exchange rate fluctuations by using various hedging methods.

We have continued to work closely with the Health and Safety Executive and environmental bodies to ensure obligations are met and surpassed.

We have taken the necessary steps post year end by employing the services of consultants to ensure our quality standards meet ISO14001 by mid-2012.

**Report of the Directors  
for the Year Ended 31 December 2011**

We continue our commitment to REACH legislation as we move towards the 2013 registration of products handled in excess of 100 metric tonnes, by employing experts to advise the company and 'hand hold' where necessary to ensure all obligations in this area are met

**DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2011

**DIRECTORS**

The directors during the year under review were

B Chadwick (deceased)	- deceased 18 1 11
R P Chadwick	
B M Hall	
S P Wilkinson	
M Leighton	
C Thomson	
C J Chadwick	
R M Wolff	
D Fox	- appointed 1 7 11

The beneficial interests of the directors holding office on 31 December 2011 in the issued share capital of the company were as follows

	31 12 11	1 1 11 or date of appointment if later
<b>Ordinary £1 shares</b>		
R P Chadwick	3,430	3,430
B M Hall	-	-
S P Wilkinson	660	660
M Leighton	-	-
C Thomson	-	-
C J Chadwick	1,984	1,984
R M Wolff	-	-
D Fox	-	-

**POLITICAL AND CHARITABLE CONTRIBUTIONS**

The company made charitable donation in the year of £6,496 (2010 £1,000)

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors and 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 accounting 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

**Report of the Directors  
for the Year Ended 31 December 2011**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued**

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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 418 of the Companies Act 2006) 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.

**AUDITORS**

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

**ON BEHALF OF THE BOARD:**



C Thomson - Secretary

13 June 2012

**Report of the Independent Auditors to  
Airedale Chemical Co Limited  
Under Section 449 of the Companies Act 2006**

We have examined the abbreviated accounts set out on pages six to twenty four, together with the full financial statements of Airedale Chemical Co Limited for the year ended 31 December 2011 prepared under Section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. 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**

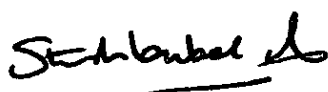
The directors are responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section and to report our opinion to you.

**Basis of opinion**

We conducted our work in accordance with Bulletin 2008/4 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 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section.



Richard Hudson FCA (Senior Statutory Auditor)  
for and on behalf of Stirk Lambert & Co  
Chartered Accountants  
Registered Auditors  
Russell Chambers  
61a North Street  
Keighley  
West Yorkshire  
BD21 3DS

13 June 2012

**Abbreviated Profit and Loss Account  
for the Year Ended 31 December 2011**

	Notes	31 12 11 £	£	31 12 10 £	£
<b>TURNOVER</b>	2		28,808,088		22,546,167
Cost of sales and other operating income			(20,410,426)		(16,721,191)
			<hr/>		<hr/>
			8,397,662		5,824,976
Distribution costs		1,742,728		1,644,888	
Administrative expenses		5,310,777		3,929,330	
		<hr/>	7,053,505	<hr/>	5,574,218
<b>OPERATING PROFIT</b>	4		1,344,157		250,758
Interest receivable and similar income			215		173
			<hr/>		<hr/>
			1,344,372		250,931
Interest payable and similar charges	5		374,689		249,200
			<hr/>		<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			969,683		1,731
Tax on profit on ordinary activities	6		301,667		35
			<hr/>		<hr/>
<b>PROFIT FOR THE FINANCIAL YEAR</b>			668,016		1,696
Retained profit brought forward			672,011		658,959
			<hr/>		<hr/>
			1,340,027		660,655
Reserve transfer			11,356		11,356
			<hr/>		<hr/>
<b>RETAINED PROFIT CARRIED FORWARD</b>			1,351,383		672,011
			<hr/>		<hr/>

**CONTINUING OPERATIONS**

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



**Statement of Total Recognised Gains and Losses  
for the Year Ended 31 December 2011**

	31 12 11 £	31 12 10 £
<b>PROFIT FOR THE FINANCIAL YEAR</b>	668,016	1,696
Unrealised deficit on revaluation of properties	(776,181)	-
	<hr/>	<hr/>
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>	<u>(108,165)</u>	<u>1,696</u>

**Note of Historical Cost Profits and Losses  
for the Year Ended 31 December 2011**

	31 12 11 £	31 12 10 £
<b>REPORTED PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	969,683	1,731
Difference between a historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	11,356	11,356
	<hr/>	<hr/>
<b>HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<u>981,039</u>	<u>13,087</u>
<b>HISTORICAL COST PROFIT FOR THE YEAR RETAINED AFTER TAXATION</b>	<u>679,372</u>	<u>13,052</u>

The notes form part of these abbreviated accounts

**Abbreviated Balance Sheet**  
**31 December 2011**

	Notes	31 12 11 £	£	31 12 10 £	£
<b>FIXED ASSETS</b>					
Intangible assets	7		5,841		7,789
Tangible assets	8		3,622,937		4,475,162
Investments	9		-		-
			<u>3,628,778</u>		<u>4,482,951</u>
<b>CURRENT ASSETS</b>					
Stocks	10	5,982,093		2,426,565	
Debtors	11	4,952,056		4,145,685	
Cash at bank and in hand		34,371		2,262,177	
		<u>10,968,520</u>		<u>8,834,427</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	12	<u>10,177,675</u>		<u>8,005,808</u>	
<b>NET CURRENT ASSETS</b>					
			<u>790,845</u>		<u>828,619</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
			4,419,623		5,311,570
<b>CREDITORS</b>					
Amounts falling due after more than one year	13		(2,755,549)		(3,562,331)
<b>PROVISIONS FOR LIABILITIES</b>					
	17		<u>(189,000)</u>		<u>(166,000)</u>
<b>NET ASSETS</b>					
			<u><u>1,475,074</u></u>		<u><u>1,583,239</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	18		11,000		11,000
Revaluation reserve	19		112,691		900,228
Profit and loss account			<u>1,351,383</u>		<u>672,011</u>
<b>SHAREHOLDERS' FUNDS</b>					
	25		<u><u>1,475,074</u></u>		<u><u>1,583,239</u></u>

The abbreviated accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to medium-sized companies

The financial statements were approved by the Board of Directors on 13 June 2012 and were signed on its behalf by



R P Chadwick - Director

The notes form part of these abbreviated accounts

**Cash Flow Statement**  
**for the Year Ended 31 December 2011**

	Notes	31 12 11 £	£	31 12 10 £	£
<b>Net cash (outflow)/inflow from operating activities</b>	1		(943,174)		3,724,967
<b>Returns on investments and servicing of finance</b>	2		(374,474)		(249,027)
<b>Taxation</b>			-		(42,907)
<b>Capital expenditure</b>	2		(113,618)		(323,409)
			(1,431,266)		3,109,624
<b>Financing</b>	2		(1,788,031)		968,766
<b>(Decrease)/increase in cash in the period</b>			<u>(3,219,297)</u>		<u>4,078,390</u>
<hr/>					
<b>Reconciliation of net cash flow to movement in net debt</b>	3				
(Decrease)/increase in cash in the period		(3,219,297)		4,078,390	
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing		<u>2,098,346</u>		<u>(1,263,587)</u>	
Change in net debt resulting from cash flows			(1,120,951)		2,814,803
New finance leases			<u>(418,703)</u>		<u>(692,565)</u>
<b>Movement in net debt in the period</b>			<u>(1,539,654)</u>		<u>2,122,238</u>
<b>Net debt at 1 January</b>			<u>(4,461,192)</u>		<u>(6,583,430)</u>
<b>Net debt at 31 December</b>			<u><u>(6,000,846)</u></u>		<u><u>(4,461,192)</u></u>

The notes form part of these abbreviated accounts

**Notes to the Cash Flow Statement  
for the Year Ended 31 December 2011**

**1 RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES**

	31 12 11 £	31 12 10 £
Operating profit	1,344,157	250,758
Depreciation charges	620,000	564,436
(Profit)/loss on disposal of fixed assets	(9,694)	15,676
(Increase)/decrease in stocks	(3,555,528)	990,014
Increase in debtors	(875,220)	(412,467)
Increase in creditors	1,533,111	2,316,550
<b>Net cash (outflow)/inflow from operating activities</b>	<u>(943,174)</u>	<u>3,724,967</u>

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

	31 12 11 £	31 12 10 £
<b>Returns on investments and servicing of finance</b>		
Interest received	215	173
Interest paid	(326,688)	(199,483)
Interest element of hire purchase payments	(48,001)	(49,717)
<b>Net cash outflow for returns on investments and servicing of finance</b>	<u>(374,474)</u>	<u>(249,027)</u>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	(304,948)	(327,459)
Sale of tangible fixed assets	191,330	4,050
<b>Net cash outflow for capital expenditure</b>	<u>(113,618)</u>	<u>(323,409)</u>
<b>Financing</b>		
New loans in year	6,265,952	8,093,519
Loan repayments in year	(7,173,085)	(5,723,301)
Decrease in other loans	(742,500)	(55,550)
Net movement in non-director loans	586,501	-
Capital repayments in year	(403,059)	(501,078)
Amount introduced by directors	845,630	125,218
Amount withdrawn by directors	(1,167,470)	(970,042)
<b>Net cash (outflow)/inflow from financing</b>	<u>(1,788,031)</u>	<u>968,766</u>

**Notes to the Cash Flow Statement  
for the Year Ended 31 December 2011**

**3 ANALYSIS OF CHANGES IN NET DEBT**

	At 1 1 11 £	Cash flow £	Other non-cash changes £	At 31 12 11 £
Net cash				
Cash at bank and in hand	2,262,177	(2,227,806)		34,371
Bank overdrafts	-	(991,491)		(991,491)
	<u>2,262,177</u>	<u>(3,219,297)</u>		<u>(957,120)</u>
Debt				
Hire purchase	(749,681)	403,059	(418,703)	(765,325)
Debts falling due within one year	(2,857,847)	916,806	-	(1,941,041)
Debts falling due after one year	(3,115,841)	778,481	-	(2,337,360)
	<u>(6,723,369)</u>	<u>2,098,346</u>	<u>(418,703)</u>	<u>(5,043,726)</u>
Total	<u>(4,461,192)</u>	<u>(1,120,951)</u>	<u>(418,703)</u>	<u>(6,000,846)</u>

The notes form part of these abbreviated accounts

**Notes to the Abbreviated Accounts  
for the Year Ended 31 December 2011**

**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

Notes to the Abbreviated Accounts - continued  
for the Year Ended 31 December 2011

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.

**Employer-Financed Retirement Benefit Scheme (EFRBS)**

The company has established trusts for the benefit of employees and persons connected with them. Monies held in these trusts are held by independent trustees and managed at their discretion. The trustees are empowered to provide both retirement and other employee benefits.

Where the company retains future economic benefit from, and has de facto control of the assets and liabilities of the trust, they are accounted for as assets and liabilities of the company until the earlier of the date that an allocation of trust funds to employees in respect of past services is declared and the date that assets of the trust vest in identified individuals.

Where monies held in a trust are determined by the company on the basis of employees' past services to the business and the company can obtain no future economic benefit from those monies, such monies, whether in the trust or accrued for by the company are charged to the profit and loss account in the period to which they relate.

Where monies held in a trust are determined by the company on the basis of employees' past services to the business and are payable after completion of the employment, such monies are charged to the profit and loss account in the period during which services are rendered by employees.

2 TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	31 12 11	31 12 10
	£	£
United Kingdom	28,339,926	21,923,427
Other European Union Countries	438,131	432,876
Australia & New Zealand	30,031	189,864
	<u>28,808,088</u>	<u>22,546,167</u>

3 STAFF COSTS

	31 12 11	31 12 10
	£	£
Wages and salaries	3,278,592	2,046,540
Social security costs	230,321	190,084
Other pension costs	175,470	20,554
	<u>3,684,383</u>	<u>2,257,178</u>

Notes to the Abbreviated Accounts - continued  
for the Year Ended 31 December 2011

## 3 STAFF COSTS - continued

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

	31 12 11	31 12 10
Management and Administration	15	14
Sales and Distribution Staff	21	19
Technical Staff	6	4
Production	19	16
	<u>61</u>	<u>53</u>

## 4 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	31 12 11	31 12 10
	£	£
Hire of plant and machinery	84,708	9,593
Other operating leases	57,549	56,692
Depreciation - owned assets	363,847	264,317
Depreciation - assets on hire purchase contracts	254,212	298,173
(Profit)/loss on disposal of fixed assets	(9,694)	15,676
Patents and licences amortisation	1,948	1,948
Auditors' remuneration	10,000	8,000
Research and development	37,698	17,987
	<u>418,500</u>	<u>523,821</u>

Directors' remuneration

418,500 523,821

Information regarding the highest paid director is as follows

	31 12 11	31 12 10
	£	£
Emoluments etc	81,500	109,017

## 5 INTEREST PAYABLE AND SIMILAR CHARGES

	31 12 11	31 12 10
	£	£
Bank interest	11,064	50,006
Bank loan interest	79,973	55,420
Interest on directors loans	6,692	4,146
Interest on pension scheme loan	4,013	4,487
Other interest	112,809	1,182
Mortgage interest	22,686	30,458
Invoice discounting interest charges	89,451	53,784
Hire purchase	48,001	49,717
	<u>374,689</u>	<u>249,200</u>



Notes to the Abbreviated Accounts - continued  
for the Year Ended 31 December 2011

## 6 TAXATION

**Analysis of the tax charge**

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

	31 12 11 £	31 12 10 £
Current tax		
UK corporation tax	278,667	-
Underprovision in prior year	-	35
Total current tax	278,667	35
Deferred tax	23,000	-
Tax on profit on ordinary activities	301,667	35

UK corporation tax has been charged at 25.88% (2010 - 21%)

**Factors affecting the tax charge**

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

	31 12 11 £	31 12 10 £
Profit on ordinary activities before tax	969,683	1,731
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 25.879% (2010 - 21%)	250,944	364
Effects of		
Expenses not deductible for tax purposes	25,991	12,881
Capital allowances in excess of depreciation	-	(15,968)
Depreciation in excess of capital allowances	16,758	-
Utilisation of tax losses	(3,355)	2,723
Adjustments to tax charge in respect of previous periods	-	35
Repairs included in improvements to property	(11,671)	-
Current tax charge	278,667	35

Notes to the Abbreviated Accounts - continued  
for the Year Ended 31 December 2011

## 7 INTANGIBLE FIXED ASSETS

	Patents and licences £
<b>COST</b>	
At 1 January 2011 and 31 December 2011	19,473
<b>AMORTISATION</b>	
At 1 January 2011	11,684
Amortisation for year	1,948
At 31 December 2011	13,632
<b>NET BOOK VALUE</b>	
At 31 December 2011	5,841
At 31 December 2010	7,789

## 8 TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Plant and machinery £
<b>COST OR VALUATION</b>			
At 1 January 2011	2,019,796	518,282	3,093,751
Additions	-	76,014	187,766
Disposals	(171,883)	-	-
Revaluations	(810,438)	(260,641)	-
At 31 December 2011	1,037,475	333,655	3,281,517
<b>DEPRECIATION</b>			
At 1 January 2011	193,563	58,296	1,683,781
Charge for year	46,456	22,084	305,722
Eliminated on disposal	(21,883)	-	-
Revaluation adjustments	(218,136)	(76,762)	-
At 31 December 2011	-	3,618	1,989,503
<b>NET BOOK VALUE</b>			
At 31 December 2011	1,037,475	330,037	1,292,014
At 31 December 2010	1,826,233	459,986	1,409,970

Notes to the Abbreviated Accounts - continued  
for the Year Ended 31 December 2011

## 8 TANGIBLE FIXED ASSETS - continued

	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST OR VALUATION</b>			
At 1 January 2011	178,529	1,511,446	7,321,804
Additions	114,022	345,849	723,651
Disposals	-	(131,355)	(303,238)
Revaluations	-	-	(1,071,079)
At 31 December 2011	292,551	1,725,940	6,671,138
<b>DEPRECIATION</b>			
At 1 January 2011	156,674	754,328	2,846,642
Charge for year	11,915	231,882	618,059
Eliminated on disposal	-	(99,719)	(121,602)
Revaluation adjustments	-	-	(294,898)
At 31 December 2011	168,589	886,491	3,048,201
<b>NET BOOK VALUE</b>			
At 31 December 2011	123,962	839,449	3,622,937
At 31 December 2010	21,855	757,118	4,475,162

Cost or valuation at 31 December 2011 is represented by

	Freehold property £	Improvements to property £	Plant and machinery £
Valuation in 2006	567,804	-	-
Valuation in 2011	(810,438)	(260,641)	-
Cost	1,280,109	594,296	3,281,517
	1,037,475	333,655	3,281,517
	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 2006	-	-	567,804
Valuation in 2011	-	-	(1,071,079)
Cost	292,551	1,725,940	7,174,413
	292,551	1,725,940	6,671,138

Notes to the Abbreviated Accounts - continued  
for the Year Ended 31 December 2011

## 8 TANGIBLE FIXED ASSETS - continued

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

	31 12 11 £	31 12 10 £
Cost	1,249,992	1,249,992
Aggregate depreciation	283,404	258,404

Freehold property was valued on existing use value basis on 31 December 2011 by Jones Lang Lasalle

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 11 £	31 12 10 £
Cost	434,993	434,993
Aggregate depreciation	307,664	290,376

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

	Plant and machinery £	Motor vehicles £	Totals £
<b>COST OR VALUATION</b>			
At 1 January 2011	708,031	877,874	1,585,905
Additions	117,777	337,324	455,101
Transfer to ownership	(94,822)	(334,484)	(429,306)
At 31 December 2011	730,986	880,714	1,611,700
<b>DEPRECIATION</b>			
At 1 January 2011	145,927	278,397	424,324
Charge for year	103,268	150,944	254,212
Transfer to ownership	(47,976)	(165,255)	(213,231)
At 31 December 2011	201,219	264,086	465,305
<b>NET BOOK VALUE</b>			
At 31 December 2011	529,767	616,628	1,146,395
At 31 December 2010	562,104	599,477	1,161,581

## 9 FIXED ASSET INVESTMENTS

Following the company's exclusion from benefit during the year to 31 December 2009, the business benefit trust that was shown as a fixed asset under the operation of UITF Abstract 32 was impaired and the profit and loss account debited during that year under FRS 11. There have been no movements since that period and fixed asset investments stand at nil net book value comprising of original cost £4,503,000 less impairment provision of £4,503,000.

Notes to the Abbreviated Accounts - continued  
for the Year Ended 31 December 2011

## 10 STOCKS

	31 12 11	31 12 10
	£	£
Raw materials & finished goods	5,982,093	2,426,565

## 11 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 12 11	31 12 10
	£	£
Trade debtors	4,549,017	3,427,330
Other debtors	4,640	189,868
Directors' current accounts	-	68,849
Prepayments	398,399	459,638
	4,952,056	4,145,685

## 12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 12 11	31 12 10
	£	£
Bank loans and overdrafts (see note 14)	2,288,991	2,777,333
Other loans (see note 14)	643,541	80,514
Hire purchase contracts (see note 15)	347,136	303,191
Trade creditors	2,958,266	1,426,941
Tax	278,667	-
Social security and other taxes	350,396	568,801
Invoice discounting accounts	2,550,571	1,974,903
Directors' current accounts	500,000	258,541
Accrued expenses	260,107	615,584
	10,177,675	8,005,808

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

	31 12 11	31 12 10
	£	£
Bank loans (see note 14)	922,097	1,039,597
Other loans (see note 14)	1,415,263	2,076,244
Hire purchase contracts (see note 15)	418,189	446,490
	2,755,549	3,562,331

## 14 LOANS

An analysis of the maturity of loans is given below

	31 12 11	31 12 10
	£	£
Amounts falling due within one year or on demand		
Bank overdrafts	991,491	-
Bank loans	1,297,500	2,777,333
Other loans	643,541	80,514
	2,932,532	2,857,847

Notes to the Abbreviated Accounts - continued  
for the Year Ended 31 December 2011

## 14 LOANS - continued

	31 12 11 £	31 12 10 £
Amounts falling due between one and two years		
Bank loans	94,000	94,000
Other loans	1,244,016	76,244
Directors loan accounts	171,247	500,000
	<u>1,509,263</u>	<u>670,244</u>
Amounts falling due between two and five years		
Bank loans	282,000	282,000
Directors current accounts	-	1,500,000
	<u>282,000</u>	<u>1,782,000</u>
Amounts falling due in more than five years		
Repayable by instalments		
Bank loans	<u>546,097</u>	<u>663,597</u>

The bank loans are repayable as follows -

Uncommitted Multi Option Facility with Natwest Bank taken out in March 2009, with no fixed repayment terms  
Interest is calculated at 2.50% over the Bank of England base rate/Bank's relevant Currency Lending Rate

Term loan with Natwest Bank commencing June 2010, repayable in quarterly instalments over a period of twelve years with interest payable at 1.25% over LIBOR

## 15 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	31 12 11 £	Hire purchase contracts 31 12 10 £
Gross obligations repayable		
Within one year	373,150	337,100
Between one and five years	439,672	474,727
	<u>812,822</u>	<u>811,827</u>
Finance charges repayable		
Within one year	26,014	33,909
Between one and five years	21,483	28,237
	<u>47,497</u>	<u>62,146</u>
Net obligations repayable		
Within one year	347,136	303,191
Between one and five years	418,189	446,490
	<u>765,325</u>	<u>749,681</u>

Notes to the Abbreviated Accounts - continued  
for the Year Ended 31 December 2011

## 15 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES - continued

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

	Land and buildings		Other operating leases	
	31 12 11	31 12 10	31 12 11	31 12 10
	£	£	£	£
Expiring				
Within one year	-	-	10,378	6,424
Between one and five years	54,000	54,000	306,684	341,746
In more than five years	-	-	44,036	-
	<u>54,000</u>	<u>54,000</u>	<u>361,098</u>	<u>348,170</u>

## 16 SECURED DEBTS

The following secured debts are included within creditors

	31 12 11	31 12 10
	£	£
Bank overdrafts	991,491	-
Bank loans	2,219,597	3,816,930
Hire purchase contracts	765,325	749,681
	<u>3,976,413</u>	<u>4,566,611</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 debtors ledger of the company

## 17 PROVISIONS FOR LIABILITIES

	31 12 11	31 12 10
	£	£
Deferred tax	<u>189,000</u>	<u>166,000</u>
		Deferred tax
		£
Balance at 1 January 2011		166,000
Increase in provision		23,000
Balance at 31 December 2011		<u>189,000</u>

Notes to the Abbreviated Accounts - continued  
for the Year Ended 31 December 2011

18 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value £1	31 12 11 £	31 12 10 £
11,000	Ordinary	£1	<u>11,000</u>	<u>11,000</u>

19 RESERVES

	Revaluation reserve £
At 1 January 2011	900,228
Revaluation	(776,181)
Reserve transfer	<u>(11,356)</u>
At 31 December 2011	<u>112,691</u>

20 PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The assets are held separately from those of the company in a separately administered fund. During the year property with a market value of £150,000 was transferred as a contribution to the scheme (2010 - nil)

21 CONTINGENT LIABILITIES

The company has appointed assets to an Employer Financed Retirement Benefits Scheme. The company is liable for PAYE/NIC that may arise on awards made by the Trustees. The directors are of the opinion that the Trustees will award most of the benefits in a way that will not result in a PAYE/NIC liability.

22 TRANSACTIONS WITH DIRECTORS

The following loans to directors subsisted during the years ended 31 December 2011 and 31 December 2010

	31 12 11 £	31 12 10 £
<b>C J Chadwick</b>		
Balance outstanding at start of year	22,457	-
Amounts advanced	-	22,457
Amounts repaid	(22,457)	-
Balance outstanding at end of year	<u>-</u>	<u>22,457</u>
<b>S P Wilkinson</b>		
Balance outstanding at start of year	4,891	-
Amounts advanced	-	4,891
Amounts repaid	(4,891)	-
Balance outstanding at end of year	<u>-</u>	<u>4,891</u>
<b>R M Wolff</b>		
Balance outstanding at start of year	41,500	-
Amounts advanced	-	41,500
Amounts repaid	(41,500)	-
Balance outstanding at end of year	<u>-</u>	<u>41,500</u>



Notes to the Abbreviated Accounts - continued  
for the Year Ended 31 December 2011

## 22 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 £
C J Chadwick	0	8,851	8,560
R P Chadwick	893,459	893,459	326,943
B M Hall	119,856	152,554	152,554
J M Leighton	35,567	50,893	47,893
C Thomson	12,541	44,669	27,684
S P Wilkinson	0	50,300	50,289
Pension Scheme	128,544	128,544	76,244
R M Wolff	0	16,799	6,799
D Fox	0	50,000	50,000

The company pays a commercial rate of interest of 4.5% over the Bank of England base rate on all loans from directors and 3% over Bank of England base rate on loans from the Self Administered Pension Scheme

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

Directors	6,692
Self Administered Pension Scheme	4,013

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

## 23 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 £
Executors of B Chadwick (Deceased)	1,196,605	1,254,681	1,167,772
L A Chadwick	40	440,041	404,741
E J Chadwick	5,082	8,276	7,076
E L Chadwick	6,470	6,650	6,650
D M Chadwick	0	2,039	2,039
L C Hall	3,707	3,707	1,091
J W Chadwick	0	3,949	3,949

The company pays a commercial rate of interest of 4.5% over the bank of England base rate on these loans  
During the year the loans attracted interest of £18,637 (2010 £1,182)

J W Chadwick, a shareholder in the company, has a loan due to the company at 31 December 2011 of NIL (2010 - £172,758) The maximum balance outstanding during the year was £194,534

## 24 ULTIMATE CONTROLLING PARTY

The directors control the company by virtue of their majority shareholding

Notes to the Abbreviated Accounts - continued  
for the Year Ended 31 December 2011

25 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 12 11	31 12 10
	£	£
Profit for the financial year	668,016	1,696
Other recognised gains and losses relating to the year (net)	(776,181)	-
Net (reduction)/addition to shareholders' funds	(108,165)	1,696
Opening shareholders' funds	1,583,239	1,581,543
Closing shareholders' funds	1,475,074	1,583,239