

**Report of the Directors and
Financial Statements for the Year Ended 31 December 2009
for
Airedale Chemical Co Limited**

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for the Year Ended 31 December 2009**

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Airedale Chemical Co Limited
Company Information
for the Year Ended 31 December 2009

DIRECTORS:

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

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

Airedale Chemical Co Limited (Registered number: 01149113)

**Report of the Directors
for the Year Ended 31 December 2009**

The directors present their report with the financial statements of the company for the year ended 31 December 2009

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

It has been a challenging year for the company in the current economic climate, and profitability has certainly suffered through demanding UK market conditions, that said the board consider the results as satisfactory

UK market conditions have been hard to predict and a fall in market price on key products meant Airedale Chemical achieved higher sales volume than in the previous year, even though turnover only showed a modest increase

Our supply of chemicals into the Utility companies has again been demanding on the business, however we have continued to provide a first class customer service which has provided Airedale Chemical with a first rate reputation within this sector This reputation lead to success in two further Utility contracts post year end

Airedale Chemical have been able to offer a wider range of products due to our increased involvement in Asia, and as a result of this, although demanding on working capital, we have been able to establish ourselves in different areas of UK markets, more competitively than before, which has provided us with a solid base in which to grow in future years

The company mainly trades in US dollars in Asia and manages its exposure to the US dollar by using forward contracts where possible

We are committed not only to the welfare of our staff but ensuring job security during the current economic climate Airedale are therefore pleased to report that additional jobs have been created during the year as a result of our continued growth

The company take seriously it responsibility to health and safety and environmental issues, and have taken extensive measures during the year under review to reinvest profits to allow significant improvement to site facilities, ensuring our obligations are surpassed We are continuing our commitment to reach legislation for chemicals by completing the relevant next steps after the pre registration of products

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2009

Airedale Chemical Co Limited (Registered number: 01149113)

**Report of the Directors
for the Year Ended 31 December 2009**

DIRECTORS

The directors during the year under review were

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

- appointed 1 7 09

The beneficial interests of the directors holding office on 31 December 2009 in the issued share capital of the company were as follows

	31 12 09	1 1 09 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	1,984
R M Wolff	-	-

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

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.

Airedale Chemical Co Limited (Registered number: 01149113)

**Report of the Directors
for the Year Ended 31 December 2009**

AUDITORS

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

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to be 'C Thomson', written over a horizontal line.

C Thomson - Secretary

10 May 2010

**Report of the Independent Auditors to the Shareholders of
Airedale Chemical Co Limited**

We have audited the financial statements of Airedale Chemical Co Limited for the year ended 31 December 2009 on pages six to twenty three. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

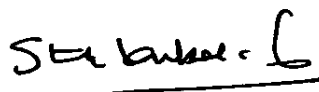
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



R J Hudson (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

10 May 2010

Airedale Chemical Co Limited (Registered number: 01149113)

**Profit and Loss Account
for the Year Ended 31 December 2009**

	Notes	31 12 09	31 12 08
		£	£
TURNOVER	2	20,396,996	20,072,209
Cost of sales		<u>14,037,002</u>	<u>12,153,362</u>
GROSS PROFIT		6,359,994	7,918,847
Distribution costs		1,111,227	1,079,156
Administrative expenses		<u>4,729,405</u>	<u>5,752,862</u>
		5,840,632	6,832,018
		519,362	1,086,829
Other operating income		<u>1,620</u>	<u>-</u>
OPERATING PROFIT	4	520,982	1,086,829
Interest receivable and similar income		<u>366</u>	<u>2,206</u>
		521,348	1,089,035
Interest payable and similar charges	5	<u>183,257</u>	<u>396,303</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		338,091	692,732
Tax on profit on ordinary activities	6	<u>56,828</u>	<u>221,508</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u>281,263</u>	<u>471,224</u>
PROFIT FOR THE YEAR		281,263	471,224
Retained profit brought forward		<u>366,340</u>	<u>223,785</u>
		647,603	695,009
Dividends	7	-	(340,025)
Reserve transfer		<u>11,356</u>	<u>11,356</u>
RETAINED PROFIT CARRIED FORWARD		<u>658,959</u>	<u>366,340</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 financial statements

Airedale Chemical Co Limited (Registered number: 01149113)

**Statement of Total Recognised Gains and Losses
for the Year Ended 31 December 2009**

	31 12 09 £	31 12 08 £
PROFIT FOR THE FINANCIAL YEAR	281,263	471,224
Unrealised surplus on revaluation of property	—	—
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>281,263</u>	<u>471,224</u>

**Note of Historical Cost Profits and Losses
for the Year Ended 31 December 2009**

	31 12 09 £	31 12 08 £
REPORTED PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	338,091	692,732
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>349,447</u>	<u>704,088</u>
HISTORICAL COST PROFIT FOR THE YEAR RETAINED AFTER TAXATION AND DIVIDENDS	<u>292,619</u>	<u>142,555</u>

The notes form part of these financial statements

Airedale Chemical Co Limited (Registered number: 01149113)

Balance Sheet
31 December 2009

	Notes	31 12 09 £	31 12 08 £
FIXED ASSETS			
Intangible assets	8	9,737	11,684
Tangible assets	9	4,037,354	3,304,421
Investments	10	-	-
		<u>4,047,091</u>	<u>3,316,105</u>
CURRENT ASSETS			
Stocks	11	3,416,579	5,259,089
Debtors	12	3,664,369	4,108,373
Cash at bank and in hand		<u>4,600</u>	<u>281,786</u>
		7,085,548	9,649,248
CREDITORS			
Amounts falling due within one year	13	<u>5,357,965</u>	<u>7,654,277</u>
NET CURRENT ASSETS		<u>1,727,583</u>	<u>1,994,971</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		5,774,674	5,311,076
CREDITORS			
Amounts falling due after more than one year	14	(4,027,131)	(3,860,796)
PROVISIONS FOR LIABILITIES	18	<u>(166,000)</u>	<u>(150,000)</u>
NET ASSETS		<u>1,581,543</u>	<u>1,300,280</u>
CAPITAL AND RESERVES			
Called up share capital	19	11,000	11,000
Revaluation reserve	20	911,584	922,940
Profit and loss account		<u>658,959</u>	<u>366,340</u>
SHAREHOLDERS' FUNDS	25	<u>1,581,543</u>	<u>1,300,280</u>

The financial statements were approved by the Board of Directors on 10 May 2010 and were signed on its behalf by



B Chadwick - Director

The notes form part of these financial statements

Airedale Chemical Co Limited (Registered number: 01149113)

**Cash Flow Statement
for the Year Ended 31 December 2009**

	Notes	31 12 09	31 12 08
		£	£
Net cash inflow from operating activities	1	2,694,493	622,940
Returns on investments and servicing of finance	2	(182,891)	(394,097)
Taxation		(177,956)	(52,008)
Capital expenditure and financial investment	2	(2,694,267)	(2,698,726)
Equity dividends paid		<u>-</u>	<u>(340,025)</u>
		(360,621)	(2,861,916)
Financing	2	<u>158,407</u>	<u>1,031,958</u>
Decrease in cash in the period		<u>(202,214)</u>	<u>(1,829,958)</u>
<hr/>			
Reconciliation of net cash flow to movement in net debt	3		
Decrease in cash in the period		(202,214)	(1,829,958)
Cash inflow from increase in debt and lease financing		<u>(102,064)</u>	<u>(971,927)</u>
Change in net debt resulting from cash flows		(304,278)	(2,801,885)
New finance leases		<u>(427,538)</u>	<u>(303,135)</u>
Movement in net debt in the period		(731,816)	(3,105,020)
Net debt at 1 January		<u>(5,851,614)</u>	<u>(2,746,594)</u>
Net debt at 31 December		<u>(6,583,430)</u>	<u>(5,851,614)</u>

The notes form part of these financial statements

**Notes to the Cash Flow Statement
for the Year Ended 31 December 2009**

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

	31 12 09	31 12 08
	£	£
Operating profit	520,982	1,086,829
Depreciation charges	387,771	317,930
Loss on disposal of fixed assets	1,049	2,538
Impairment of fixed asset investment	2,002,000	2,501,000
Decrease/(Increase) in stocks	1,842,510	(3,698,206)
Decrease/(Increase) in debtors	444,004	(2,431,837)
(Decrease)/Increase in creditors	<u>(2,503,823)</u>	<u>2,844,686</u>
Net cash inflow from operating activities	<u>2,694,493</u>	<u>622,940</u>

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

	31 12 09	31 12 08
	£	£
Returns on investments and servicing of finance		
Interest received	366	2,206
Interest paid	(143,388)	(360,003)
Interest element of hire purchase payments	<u>(39,869)</u>	<u>(36,300)</u>
Net cash outflow for returns on investments and servicing of finance	<u>(182,891)</u>	<u>(394,097)</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(692,657)	(200,244)
Purchase of fixed asset investments	(2,002,000)	(2,501,000)
Sale of tangible fixed assets	<u>390</u>	<u>2,518</u>
Net cash outflow for capital expenditure and financial investment	<u>(2,694,267)</u>	<u>(2,698,726)</u>
Financing		
Loan repayments in year	(181,621)	(794,541)
Increase in other loans	40,129	(8,448)
Capital repayments in year	(306,445)	(225,089)
Amount introduced by directors	1,034,515	2,250,666
Amount withdrawn by directors	<u>(428,171)</u>	<u>(190,630)</u>
Net cash inflow from financing	<u>158,407</u>	<u>1,031,958</u>

The notes form part of these financial statements

Airedale Chemical Co Limited (Registered number: 01149113)

**Notes to the Cash Flow Statement
for the Year Ended 31 December 2009**

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1 1 09 £	Cash flow £	Other non-cash changes £	At 31 12 09 £
Net cash				
Cash at bank and in hand	281,786	(277,186)		4,600
Bank overdrafts	<u>(1,895,785)</u>	<u>74,972</u>		<u>(1,820,813)</u>
	<u>(1,613,999)</u>	<u>(202,214)</u>		<u>(1,816,213)</u>
Debt				
Hire purchase	(437,101)	306,445	(427,538)	(558,194)
Debts falling due within one year	(172,738)	(268,297)	-	(441,035)
Debts falling due after one year	<u>(3,627,776)</u>	<u>(140,212)</u>	<u>-</u>	<u>(3,767,988)</u>
	<u>(4,237,615)</u>	<u>(102,064)</u>	<u>(427,538)</u>	<u>(4,767,217)</u>
Total	<u>(5,851,614)</u>	<u>(304,278)</u>	<u>(427,538)</u>	<u>(6,583,430)</u>

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31 December 2009**

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 Financial Statements - continued
for the Year Ended 31 December 2009

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 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 09	31 12 08
	£	£
United Kingdom	19,738,094	19,450,011
Other European Union Countries	625,560	525,541
Australia & New Zealand	27,824	86,327
Non European Union Countries	<u>5,518</u>	<u>10,330</u>
	<u>20,396,996</u>	<u>20,072,209</u>

3 STAFF COSTS

	31 12 09	31 12 08
	£	£
Wages and salaries	3,399,341	3,974,349
Social security costs	137,192	136,910
Other pension costs	<u>14,566</u>	<u>17,484</u>
	<u>3,551,099</u>	<u>4,128,743</u>

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

	31 12 09	31 12 08
Management and Administration	14	14
Sales and Distribution Staff	13	13
Technical Staff	4	5
Production	<u>13</u>	<u>10</u>
	<u>44</u>	<u>42</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2009

4 OPERATING PROFIT

The operating profit is stated after charging

	31 12 09	31 12 08
	£	£
Hire of plant and machinery	364,233	267,786
Other operating leases	34,737	2,946
Depreciation - owned assets	222,818	189,383
Depreciation - assets on hire purchase contracts	163,005	126,595
Loss on disposal of fixed assets	1,049	2,538
Patents and licences amortisation	1,947	1,947
Auditors' remuneration	6,000	1,750
Research and development	<u>22,412</u>	<u>32,453</u>
Directors' remuneration	<u>275,904</u>	<u>377,444</u>

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 £2,002,000 (2008 - £2,501,000) in respect of this.

Information regarding the highest paid director is as follows

	31 12 09	31 12 08
	£	£
Emoluments etc	<u>75,000</u>	<u>141,877</u>

5 INTEREST PAYABLE AND SIMILAR CHARGES

	31 12 09	31 12 08
	£	£
Bank interest	35,115	3,644
Bank loan interest	23,483	69,647
Interest on directors loans	3,593	23,412
Interest on pension scheme loan	4,673	9,808
Other interest	1,286	59,408
Mortgage interest	28,138	89,309
Invoice discounting interest charges	47,100	104,775
Hire purchase	<u>39,869</u>	<u>36,300</u>
	<u>183,257</u>	<u>396,303</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2009

6 TAXATION

Analysis of the tax charge

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

	31 12 09 £	31 12 08 £
Current tax		
UK corporation tax	42,500	180,000
Overprovision in previous year	<u>(1,672)</u>	<u>(4,492)</u>
Total current tax	40,828	175,508
Deferred tax	<u>16,000</u>	<u>46,000</u>
Tax on profit on ordinary activities	<u>56,828</u>	<u>221,508</u>

UK corporation tax has been charged at 21% (2008 - 26 16%)

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 09 £	31 12 08 £
Profit on ordinary activities before tax	<u>338,091</u>	<u>692,732</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2008 - 26 160%)	70,999	181,219
Effects of		
Timing Differences	(37,232)	(10,420)
Disallowed Expenses	8,733	9,201
Overprovision in prior year	<u>(1,672)</u>	<u>(4,492)</u>
Current tax charge	<u>40,828</u>	<u>175,508</u>

7 DIVIDENDS

	31 12 09 £	31 12 08 £
Ordinary shares of £1 each		
Interim	<u>-</u>	<u>340,025</u>

Airedale Chemical Co Limited (Registered number: 01149113)

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2009**

8 INTANGIBLE FIXED ASSETS

	Patents and licences £
COST	
At 1 January 2009	
and 31 December 2009	<u>19,473</u>
AMORTISATION	
At 1 January 2009	7,789
Amortisation for year	<u>1,947</u>
At 31 December 2009	<u>9,736</u>
NET BOOK VALUE	
At 31 December 2009	<u>9,737</u>
At 31 December 2008	<u>11,684</u>

9 TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Plant and machinery £
COST OR VALUATION			
At 1 January 2009	1,817,796	434,993	1,854,245
Additions	<u>202,000</u>	<u>58,722</u>	<u>587,942</u>
At 31 December 2009	<u>2,019,796</u>	<u>493,715</u>	<u>2,442,187</u>
DEPRECIATION			
At 1 January 2009	109,068	26,030	1,239,139
Charge for year	38,039	13,989	171,403
Eliminated on disposal	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2009	<u>147,107</u>	<u>40,019</u>	<u>1,410,542</u>
NET BOOK VALUE			
At 31 December 2009	<u>1,872,689</u>	<u>453,696</u>	<u>1,031,645</u>
At 31 December 2008	<u>1,708,728</u>	<u>408,963</u>	<u>615,106</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2009

9 TANGIBLE FIXED ASSETS - continued

	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION			
At 1 January 2009	168,119	956,244	5,231,397
Additions	5,550	265,981	1,120,195
Disposals	<u>(389)</u>	<u>(20,914)</u>	<u>(21,303)</u>
At 31 December 2009	<u>173,280</u>	<u>1,201,311</u>	<u>6,330,289</u>
DEPRECIATION			
At 1 January 2009	141,796	410,943	1,926,976
Charge for year	7,281	155,111	385,823
Eliminated on disposal	<u>(128)</u>	<u>(19,736)</u>	<u>(19,864)</u>
At 31 December 2009	<u>148,949</u>	<u>546,318</u>	<u>2,292,935</u>
NET BOOK VALUE			
At 31 December 2009	<u>24,331</u>	<u>654,993</u>	<u>4,037,354</u>
At 31 December 2008	<u>26,323</u>	<u>545,301</u>	<u>3,304,421</u>

Cost or valuation at 31 December 2009 is represented by

	Freehold property £	Improvements to property £	Plant and machinery £
Valuation in 2006	567,804	-	-
Cost	<u>1,451,992</u>	<u>493,715</u>	<u>2,442,187</u>
	<u>2,019,796</u>	<u>493,715</u>	<u>2,442,187</u>

	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 2006	-	-	567,804
Cost	<u>173,280</u>	<u>1,201,311</u>	<u>5,762,485</u>
	<u>173,280</u>	<u>1,201,311</u>	<u>6,330,289</u>

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

	31 12 09 £	31 12 08 £
Cost	<u>1,249,992</u>	<u>1,249,992</u>
Aggregate depreciation	<u>233,404</u>	<u>208,404</u>

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

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**Notes to the Financial Statements - continued
for the Year Ended 31 December 2009**

9 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 08 £	31 12 07 £
Cost	<u>434,993</u>	<u>434,993</u>
Aggregate depreciation	<u>290,376</u>	<u>281,732</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 2009	78,322	743,989	822,311
Additions	161,557	265,981	427,538
Transfer to ownership	<u>-</u>	<u>(64,069)</u>	<u>(64,069)</u>
At 31 December 2009	<u>239,879</u>	<u>945,901</u>	<u>1,185,780</u>
DEPRECIATION			
At 1 January 2009	25,063	244,516	269,579
Charge for year	19,351	143,654	163,005
Transfer to ownership	<u>-</u>	<u>(48,865)</u>	<u>(48,865)</u>
At 31 December 2009	<u>44,414</u>	<u>339,305</u>	<u>383,719</u>
NET BOOK VALUE			
At 31 December 2009	<u>195,465</u>	<u>606,596</u>	<u>802,061</u>
At 31 December 2008	<u>53,259</u>	<u>499,473</u>	<u>552,732</u>

10 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

11 STOCKS

	31 12 09 £	31 12 08 £
Raw materials & finished goods	<u>3,416,579</u>	<u>5,259,089</u>

12 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 12 09 £	31 12 08 £
Trade debtors	2,983,447	3,819,781
Other debtors	172,458	117,432
Prepayments	<u>508,464</u>	<u>171,160</u>
	<u>3,664,369</u>	<u>4,108,373</u>

Airedale Chemical Co Limited (Registered number: 01149113)

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2009**

13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 12 09	31 12 08
	£	£
Bank loans and overdrafts (see note 15)	2,178,084	2,024,891
Other loans (see note 15)	83,764	43,632
Hire purchase contracts (see note 16)	299,051	204,081
Trade creditors	839,683	974,622
Tax	42,872	180,000
Social security and other taxes	43,193	841,988
Invoice discounting accounts	1,219,699	2,621,553
Directors' current accounts	484,515	428,171
Accrued expenses	<u>167,104</u>	<u>335,339</u>
	<u>5,357,965</u>	<u>7,654,277</u>

14 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31 12 09	31 12 08
	£	£
Bank loans (see note 15)	1,089,444	1,499,232
Other loans (see note 15)	2,678,544	2,128,544
Hire purchase contracts (see note 16)	<u>259,143</u>	<u>233,020</u>
	<u>4,027,131</u>	<u>3,860,796</u>

15 LOANS

An analysis of the maturity of loans is given below

	31 12 09	31 12 08
	£	£
Amounts falling due within one year or on demand		
Bank overdrafts	1,820,813	1,895,785
Bank loans	357,271	129,106
Other loans	<u>83,764</u>	<u>43,632</u>
	<u>2,261,848</u>	<u>2,068,523</u>
Amounts falling due between one and two years		
Bank loans	135,367	413,893
Other loans	128,544	128,544
Directors loan accounts	<u>500,000</u>	<u>2,000,000</u>
	<u>763,911</u>	<u>2,542,437</u>
Amounts falling due between two and five years		
Bank loans	420,640	413,550
Directors current accounts	<u>2,050,000</u>	<u>-</u>
	<u>2,470,640</u>	<u>413,550</u>

Amounts falling due in more than five years

Airedale Chemical Co Limited (Registered number: 01149113)

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2009**

15 LOANS - continued

	31 12 09 £	31 12 08 £
Amounts falling due in more than five years		
Repayable by instalments		
Bank loans	<u>533,437</u>	<u>671,789</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, taken out in October 2007, repayable in monthly instalments over a period of fifteen years with interest payable at 1.25% above the Bank of England base rate

16 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	31 12 09 £	31 12 08 £
	Hire purchase contracts	
Gross obligations repayable		
Within one year	325,411	230,824
Between one and five years	<u>273,866</u>	<u>244,796</u>
	<u>599,277</u>	<u>475,620</u>
Finance charges repayable		
Within one year	26,360	26,743
Between one and five years	<u>14,723</u>	<u>11,776</u>
	<u>41,083</u>	<u>38,519</u>
Net obligations repayable		
Within one year	299,051	204,081
Between one and five years	<u>259,143</u>	<u>233,020</u>
	<u>558,194</u>	<u>437,101</u>

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

	Land and buildings		Other operating leases	
	31 12 09 £	31 12 08 £	31 12 09 £	31 12 08 £
Expiring				
Within one year	-	-	166,078	46,986
Between one and five years	54,000	-	57,784	296,531
In more than five years	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,494</u>
	<u>54,000</u>	<u>-</u>	<u>223,862</u>	<u>347,011</u>

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**Notes to the Financial Statements - continued
for the Year Ended 31 December 2009**

17 SECURED DEBTS

The following secured debts are included within creditors

	31 12 09	31 12 08
	£	£
Bank overdrafts	1,820,813	1,895,785
Bank loans	1,446,715	1,628,338
Hire purchase contracts	<u>558,194</u>	<u>437,101</u>
	<u><u>3,825,722</u></u>	<u><u>3,961,224</u></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

18 PROVISIONS FOR LIABILITIES

	31 12 09	31 12 08
	£	£
Deferred tax	<u>166,000</u>	<u>150,000</u>
		Deferred tax
		£
Balance at 1 January 2009		150,000
Increase in provision		<u>16,000</u>
Balance at 31 December 2009		<u><u>166,000</u></u>

19 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid			31 12 09	31 12 08
Number	Class	Nominal value	£	£
11,000	Ordinary	£1	<u>11,000</u>	<u>11,000</u>

20 RESERVES

	Revaluation reserve
	£
At 1 January 2009	922,940
Reserve transfer	<u>(11,356)</u>
At 31 December 2009	<u><u>911,584</u></u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2009

21 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.

22 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	304,443	1,261,152	1,194,049
C J Chadwick	12,001	163,305	163,305
R P Chadwick	2,000,585	2,000,585	1,374,501
B M Hall	96,782	101,856	92,856
J M Leighton	0	112	112
C Thomson	0	197,938	197,248
S P Wilkinson	14,305	20,444	12,444
Pension Scheme	128,544	128,544	128,544

The company pays a commercial rate of interest of 2% 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	3,593
Self Administered Pension Scheme	4,673

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 £
L A Chadwick	1283	1,283	33
E J Chadwick	6,024	6,418	6,418
E L Chadwick	6,024	6,339	6,339
D M Chadwick	22,920	63,949	63,949
L C Hall	7,381	9,025	7,025

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 £1,277 (2008 - £3,680).

J W Chadwick a shareholder in the company, has a loan due to the company at 31 December 2009 of £168,108 (2008 - £107,432), this represents the maximum balance in the year.

24 ULTIMATE CONTROLLING PARTY

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

Airedale Chemical Co Limited (Registered number: 01149113)

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2009**

25 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 12 09	31 12 08
	£	£
Profit for the financial year	281,263	471,224
Dividends	-	(340,025)
Revaluation	<u> </u>	<u> </u>
Net addition to shareholders' funds	281,263	131,199
Opening shareholders' funds	<u>1,300,280</u>	<u>1,169,081</u>
Closing shareholders' funds	<u><u>1,581,543</u></u>	<u><u>1,300,280</u></u>