

**Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 31 December 2021**
for
Airedale Chemical Company Limited
(Registered Number: 01149113)



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for the Year Ended 31 December 2021**

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Airedale Chemical Company Limited

**Company Information
for the Year Ended 31 December 2021**

DIRECTORS:

C J Chadwick
J M Leighton
C Thomson
R M Wolff
D Fox
T Howell
D G Marr
B M Hall

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
Statutory Auditors
Russell Chambers
61a North Street
Keighley
West Yorkshire
BD21 3DS

**Strategic Report
for the Year Ended 31 December 2021**

The directors present their strategic report on the company for the year ended 31st December 2020. During the year the principal activity of the company continued to be the manufacture and supply of speciality chemicals and dyestuffs.

REVIEW OF BUSINESS

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

The board of directors are pleased with the results for the year, given the difficult trading conditions created by the COVID 19 pandemic.

The year under review has been difficult and whilst the board originally set a challenging budget for 2020, we have only just fallen short on turnover albeit marginally. We budgeted a turnover of £48.7M, (although this was revised during a re-budget exercise in August 2020 to £46.4M which we surpassed).

Although we push forward with activities to enhance areas of the company we continue year on year to undertake a product category review to maintain gross margins at levels expected together with ways of reducing overheads. The board take seriously their commitment to achieving reductions in our carbon footprint which in turn create efficiencies for Airedale Chemical.

The pandemic did affect the company during the year, but we managed to alleviate this impact by diversifying into new areas which allowed the company to trade effectively given the circumstances. The first half of the year almost remained unaffected, albeit certain sectors being forced to closed had an impact, however the company did see trade decline in the second half.

Government incentives, especially the job retention scheme, allowed us to maintain staff numbers to July 2020, however we were forced to realign staff numbers in quarter 3 to compensate for lost business.

Turnover for the year ended 31st December 2020 amounted to £47,810,608 (2019 - £46,117,332) an increase of 3.7% on the previous year.

The majority of our turnover is generated from sales to the domestic market. Turnover generated from export was £855,124 (2019 - £1,397,883).

Export sales reduced in 2020 compared to the previous year by £266,403. One of the markets worst affected by the pandemic within our customer base is the textile trade to which we supply dyes. The majority of the decline relates to this sector.

Gross margin achieved in the year amounted to £13,058,988 (2019 - £12,742,716) an increase of £316,272, (2.5%). The company's gross margin percentage for the year was 27.3% (2019 - 27.6%). This was in line with the internal budgeted level.

Overheads levels are key focus to ensure these fall in line with budgeted levels.

We are pleased to report that overheads only increased marginally year on year even though trade increased by almost 4%. This once again demonstrates the commitment by both the board and staff to control cost.

Interest payable reduced in line with expectations year on year by £137,699. We expect a further saving as the board make a concerted effort to reduce the company's gearing.

We are pleased to report that in 2020 the company returned a net profit before taxation of £2,561,333.

The company continues to invest for the future in both infrastructure and plant and machinery.

**Strategic Report
for the Year Ended 31 December 2021**

We made significant Investment in 2020 amounting to £2,234,260 (2019 - £465,071). Our production facility/ main warehouse was extended, had a new roof installed and new cladding at a cost of £1m. We also took the opportunity to purchase property that had been previously occupied by Airedale Chemical under rental leases. In addition we installed solar panelling on site which dovetailed into our overhead reduction programme. A potential water bore hole was discovered on site which ended positively with the company being able to be self-sufficient on its water supply.

The company continued to invest into regulatory and the continued development of peracetic acid, which amounted to £152,343 (2019 - £134,601)

Stock as at 31st December 2020 was £2,941,537 (2019 - £3,351,393). The decrease, which is the third year in succession is in line with expectations and a result of the way in which we are able to buy certain chemicals.

Trade debtors as at 31st December 2020 was £8,450,788 (2019 - £10,117,782) a decrease of 16.5%. Within trade debtors is an amount due from a group company amounting to £1,961,872 (2019 - £2,565,404).

The company invests significant time and effort into working capital management. Robust debtor collection continues to be a key focus for the company.

We continue to minimise bad debts with the use of robust credit control procedures, there have been exceptions however given the current economic climate.

Bad debts provided for/ written off in the year amounted to £143,537 (2019 - £112,000).

Targets on trade debtor's collection time are in line with budget.

We continue to work closely with external financiers and the support given by our bank, HSBC is greatly appreciated by the board in allowing Airedale to reach their objectives.

OBJECTIVES

The objectives of the company are to secure financial stability over the next five years through retention of profits, control over cash flow and reduction in debt to allow the group to move into its next chapter.

We continue to build dedicated and trusting relationships with our customers, suppliers, staff and community.

STRATEGY

Airedale Chemical Company foundations are built on four core values. Relationships, innovation, trust and quality.

During the last 45 years we have built our industry renowned reputation using these four core values. We work hard to ensure our customers have complete trust in our people, our products and our services.

Company objectives are managed at board level through the implementation and control of strategic planning.

We constantly review and scrutinise all areas of the business to ensure a lean approach is adopted and controlled.

In recent years we have founded 'The Airedale Foundation' which is our commitment to Corporate Social Responsibility. Its objective has always been to develop links with our community which we have worked hard at through school links, apprenticeship schemes, placements, maintenance/funding support and donation schemes.

**Strategic Report
for the Year Ended 31 December 2021**

PRINCIPLE RISKS

The company manages credit risk by assessing each customer and applying credit limits using data from credit checking agencies. Limits are then reviewed on a regular basis by management to ensure the company minimises its exposure to possible over trading with companies seen to be a credit risk.

The company purchases chemicals and dyes in foreign currencies, and as such the company recognise exposure to currency rate fluctuations.

The board have continued the strategy to de-risk and forward purchase currency to protect gross margin.

OTHER KEY PERFORMANCE INDICATORS

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

Airedale operates their quality system under ISO14001 and ISO9001-2015 standards, demonstrating our commitment to operate the business under a 'best practice' philosophy.

During the year we have continued to incur cost in continuing our commitments to REACH legislation. All our obligations are currently up to date

We have continued to incur cost under 'BPR' ensuring objectives are met to continue supply of products that fall under article 95.

ON BEHALF OF THE BOARD:



C Thomson - Director

22 June 2022

**Report of the Directors
for the Year Ended 31 December 2021**

The directors present their report with the financial statements of the company for the year ended 31 December 2021.

PRINCIPAL ACTIVITY

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

DIVIDENDS

Interim dividends per share were paid as follows:

£2.2727	- 29 January 2021
£63.0323	- 23 April 2021
£13.6363	- 30 July 2021
£13.6363	- 22 October 2021
<u>£9.0908</u>	- 31 December 2021
<u>£101.6687</u>	

The total distribution of dividends for the year ended 31 December 2021 will be £1,118,357.

DIRECTORS

The directors during the year under review were:

C J Chadwick
J M Leighton
C Thomson
R M Wolff
D Fox
T Howell
D G Marr
B M Hall

The directors holding office at 31 December 2021 did not hold any beneficial interest in the issued share capital of the company at 1 January 2021 or 31 December 2021.

The interest the directors hold in Airedale Chemical Holdings Limited is disclosed in the holding company accounts.

POLITICAL AND CHARITABLE CONTRIBUTIONS

Charitable donations made in the year were £5,030 (2020 £Nil)

DISCLOSURE IN THE STRATEGIC REPORT

Information related to the review of the business, risks faced by the company and other key performance indicators are disclosed within the strategic report.

**Report of the Directors
for the Year Ended 31 December 2021**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

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 - Director

22 June 2022

Report of the Independent Auditors to the Members of Airedale Chemical Company Limited

Opinion

We have audited the financial statements of Airedale Chemical Company Limited (the 'company') for the year ended 31 December 2021 which comprise the Income Statement, Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

**Report of the Independent Auditors to the Members of
Airedale Chemical Company Limited**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page six, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Report of the Independent Auditors to the Members of Airedale Chemical Company Limited

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud and
- considered the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims and
- reviewing correspondence with HMRC and relevant regulators

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

**Report of the Independent Auditors to the Members of
Airedale Chemical Company Limited**

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

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.



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

22 June 2022

Airedale Chemical Company Limited (Registered number: 01149113)

**Income Statement
for the Year Ended 31 December 2021**

	Notes	31.12.21 £	31.12.20 £
TURNOVER	4	48,993,345	47,810,608
Cost of sales		<u>33,870,312</u>	<u>34,751,621</u>
GROSS PROFIT		15,123,033	13,058,987
Distribution costs		2,851,048	2,384,557
Administrative expenses		<u>7,689,164</u>	<u>7,981,436</u>
		<u>10,540,212</u>	<u>10,365,993</u>
		4,582,821	2,692,994
Other operating income		<u>5</u>	<u>188,437</u>
OPERATING PROFIT	6	4,582,826	2,881,431
Interest receivable and similar income		<u>7,200</u>	<u>-</u>
		4,590,026	2,881,431
Interest payable and similar expenses	7	<u>198,871</u>	<u>230,099</u>
PROFIT BEFORE TAXATION		4,391,155	2,651,332
Tax on profit	8	<u>467,273</u>	<u>481,003</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>3,923,882</u></u>	<u><u>2,170,329</u></u>

The notes form part of these financial statements

Airedale Chemical Company Limited (Registered number: 01149113)

**Other Comprehensive Income
for the Year Ended 31 December 2021**

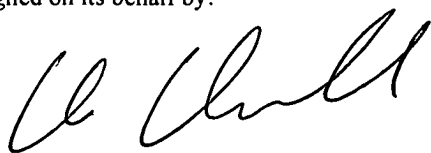
	Notes	31.12.21 £	31.12.20 £
PROFIT FOR THE YEAR		3,923,882	2,170,329
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>3,923,882</u></u>	<u><u>2,170,329</u></u>

The notes form part of these financial statements

Statement of Financial Position
31 December 2021

	Notes	31.12.21 £	31.12.20 £
FIXED ASSETS			
Intangible assets	10	881,450	1,081,955
Tangible assets	11	<u>7,168,476</u>	<u>6,597,742</u>
		8,049,926	7,679,697
CURRENT ASSETS			
Stocks	12	3,762,019	2,941,537
Debtors	13	12,961,765	10,717,458
Cash at bank and in hand		<u>12,826</u>	<u>85,210</u>
		16,736,610	13,744,205
CREDITORS			
Amounts falling due within one year	14	<u>14,597,464</u>	<u>13,087,089</u>
NET CURRENT ASSETS		<u>2,139,146</u>	<u>657,116</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		10,189,072	8,336,813
CREDITORS			
Amounts falling due after more than one year	15	<u>2,482,047</u>	<u>3,435,313</u>
NET ASSETS		<u>7,707,025</u>	<u>4,901,500</u>
CAPITAL AND RESERVES			
Called up share capital	19	11,000	11,000
Retained earnings	20	<u>7,696,025</u>	<u>4,890,500</u>
SHAREHOLDERS' FUNDS		<u>7,707,025</u>	<u>4,901,500</u>

The financial statements were approved by the Board of Directors and authorised for issue on 22 June 2022 and were signed on its behalf by:



C J Chadwick - Director

Airedale Chemical Company Limited (Registered number: 01149113)

**Statement of Changes in Equity
for the Year Ended 31 December 2021**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2020	11,000	3,054,942	3,065,942
Changes in equity			
Dividends	-	(334,771)	(334,771)
Total comprehensive income	<u>-</u>	<u>2,170,329</u>	<u>2,170,329</u>
Balance at 31 December 2020	<u>11,000</u>	<u>4,890,500</u>	<u>4,901,500</u>
Changes in equity			
Dividends	-	(1,118,357)	(1,118,357)
Total comprehensive income	<u>-</u>	<u>3,923,882</u>	<u>3,923,882</u>
Balance at 31 December 2021	<u><u>11,000</u></u>	<u><u>7,696,025</u></u>	<u><u>7,707,025</u></u>

The notes form part of these financial statements

**Statement of Cash Flows
for the Year Ended 31 December 2021**

	Notes	31.12.21 £	31.12.20 £
Cash flows from operating activities			
Cash generated from operations	1	1,370,043	3,702,732
Interest paid		(163,631)	(211,506)
Interest element of hire purchase payments paid		(35,240)	(18,593)
Tax paid		<u>(530,634)</u>	<u>(420,424)</u>
Net cash from operating activities		<u>640,538</u>	<u>3,052,209</u>
 Cash flows from investing activities			
Purchase of intangible fixed assets		(81,186)	(152,343)
Purchase of tangible fixed assets		(1,228,924)	(2,234,259)
Sale of tangible fixed assets		19,999	12,699
Interest received		<u>7,200</u>	<u>-</u>
Net cash from investing activities		<u>(1,282,911)</u>	<u>(2,373,903)</u>
 Cash flows from financing activities			
Loan repayments in year		(258,230)	(191,077)
Net movement in other loans		362,551	(96,040)
Capital repayments in year		206,081	194,610
Amount introduced by directors		305,226	207,843
Amount withdrawn by directors		<u>-</u>	<u>(341,778)</u>
Net cash from financing activities		<u>615,628</u>	<u>(226,442)</u>
 (Decrease)/increase in cash and cash equivalents		 (26,745)	 451,864
Cash and cash equivalents at beginning of year	2	<u>39,571</u>	<u>(412,293)</u>
 Cash and cash equivalents at end of year	2	 <u><u>12,826</u></u>	 <u><u>39,571</u></u>

The notes form part of these financial statements

Notes to the Statement of Cash Flows
for the Year Ended 31 December 2021

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	31.12.21	31.12.20
	£	£
Profit before taxation	4,391,155	2,651,332
Depreciation charges	919,923	851,623
(Profit)/loss on disposal of fixed assets	(41)	6,546
Dividend paid	(1,118,357)	(334,771)
Finance costs	198,871	230,099
Finance income	(7,200)	-
	<u>4,384,351</u>	<u>3,404,829</u>
(Increase)/decrease in stocks	(820,482)	409,856
(Increase)/decrease in trade and other debtors	(2,431,185)	1,842,749
Increase/(decrease) in trade and other creditors	<u>237,359</u>	<u>(1,954,702)</u>
Cash generated from operations	<u><u>1,370,043</u></u>	<u><u>3,702,732</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 December 2021

	31.12.21	1.1.21
	£	£
Cash and cash equivalents	12,826	85,210
Bank overdrafts	-	(45,639)
	<u><u>12,826</u></u>	<u><u>39,571</u></u>

Year ended 31 December 2020

	31.12.20	1.1.20
	£	£
Cash and cash equivalents	85,210	905,430
Bank overdrafts	(45,639)	(1,317,723)
	<u><u>39,571</u></u>	<u><u>(412,293)</u></u>

Notes to the Statement of Cash Flows
for the Year Ended 31 December 2021

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.21 £	Cash flow £	At 31.12.21 £
Net cash			
Cash at bank and in hand	85,210	(72,384)	12,826
Bank overdrafts	<u>(45,639)</u>	<u>45,639</u>	<u>-</u>
	<u>39,571</u>	<u>(26,745)</u>	<u>12,826</u>
Debt			
Finance leases	(538,037)	(206,081)	(744,118)
Debts falling due within 1 year	(227,539)	(371,992)	(599,531)
Debts falling due after 1 year	<u>(1,414,706)</u>	<u>223,339</u>	<u>(1,191,367)</u>
	<u>(2,180,282)</u>	<u>(354,734)</u>	<u>(2,535,016)</u>
Total	<u>(2,140,711)</u>	<u>(381,479)</u>	<u>(2,522,190)</u>

**Notes to the Financial Statements
for the Year Ended 31 December 2021**

1. STATUTORY INFORMATION

Airedale Chemical Company Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

Preparation of consolidated financial statements

The financial statements contain information about Airedale Chemical Company Limited as an individual company. The company is exempt from the requirement to prepare group accounts because it is a subsidiary company only. The company is included within the consolidated accounts prepared by its parent company Airedale Chemical Holdings Limited a company registered in England.

Turnover

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

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Patents and licences are being amortised evenly over their estimated useful life of ten years.

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.

IBC's are used in the business to transport certain chemicals to customers. Dependant on the type of chemical the directors are uncertain of the useful economic life. The directors have taken the prudent approach to write off IBC's in full in the year they are purchased. This is a change in policy where historically IBC's have been stated on the balance sheet and written off when they are scrapped.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

3. ACCOUNTING POLICIES - continued

Deferred taxation

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

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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 statement of financial position 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 profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

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

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 profit or loss in the period to which they relate.

Fixed asset investments

The company has adopted UK GAAP in relation to arriving at its stated profit after impairment of fixed assets.

4. 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:

	31.12.21	31.12.20
	£	£
United Kingdom	47,462,721	46,955,484
Other European Union Countries	757,929	711,670
ROW/Australasia	195,345	8,788
Non EU Countries	577,350	134,666
	<u>48,993,345</u>	<u>47,810,608</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

5. EMPLOYEES AND DIRECTORS

	31.12.21	31.12.20
	£	£
Wages and salaries	4,762,096	5,028,085
Social security costs	433,345	439,294
Other pension costs	192,110	180,680
	<u>5,387,551</u>	<u>5,648,059</u>

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

	31.12.21	31.12.20
Management and Administration	37	21
Sales and Distribution Staff	28	42
Technical Staff	3	5
Production	<u>32</u>	<u>37</u>
	<u>100</u>	<u>105</u>

	31.12.21	31.12.20
	£	£
Directors' remuneration	<u>1,028,395</u>	<u>783,273</u>

Information regarding the highest paid director is as follows:

	31.12.21	31.12.20
	£	£
Emoluments etc	<u>208,000</u>	<u>170,473</u>

6. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	31.12.21	31.12.20
	£	£
Hire of plant and machinery	113,226	110,414
Other operating leases	174,924	180,255
Depreciation - owned assets	472,335	429,092
Depreciation - assets on hire purchase contracts	165,897	153,283
(Profit) / Loss on disposal of fixed assets	(41)	6,546
Patents and licenses amortisation	281,691	269,248
Auditors remuneration	18,000	16,000
Other general accounting & tax work	9,500	9,000
Research & Development	200,000	98,504
Foreign exchange loss /(profit)	<u>(5)</u>	<u>0</u>

Amounts paid to the auditors relating to other group companies are disclosed via the holding company financial statements.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.12.21	31.12.20
	£	£
Bank interest	15,889	27,012
Bank loan interest	24,295	21,310
Interest on directors loans	11,093	5,800
Interest on pension scheme loan	-	2,717
Other interest	-	286
Mortgage interest	20,310	19,480
Invoice discounting interest charges	92,044	134,901
Hire purchase	<u>35,240</u>	<u>18,593</u>
	<u>198,871</u>	<u>230,099</u>

8. TAXATION

Analysis of the tax charge

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

	31.12.21	31.12.20
	£	£
Current tax:		
UK corporation tax	629,363	486,072
Overprovision in previous year	<u>(162,090)</u>	<u>(5,069)</u>
Tax on profit	<u>467,273</u>	<u>481,003</u>

UK corporation tax has been charged at 19% (2020 - 19%).

Reconciliation of total tax charge included in profit and loss

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

	31.12.21	31.12.20
	£	£
Profit before tax	<u>4,391,155</u>	<u>2,651,332</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	834,319	503,753
Effects of:		
Expenses not deductible for tax purposes	185,630	7,985
Capital allowances in excess of depreciation	(283,842)	(6,950)
Research & Development	(38,000)	(18,716)
Over/Under provision in earlier yrs	(164,328)	(5,069)
Patent Box	(5,700)	-
New Structure & Building allowance	(4,797)	-
Amortisation	<u>(56,009)</u>	<u>-</u>
Total tax charge	<u>467,273</u>	<u>481,003</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

9. DIVIDENDS

	31.12.21 £	31.12.20 £
Ordinary shares of £1 each		
Interim	<u>1,118,357</u>	<u>334,771</u>

10. INTANGIBLE FIXED ASSETS

	Patents and licences £
COST	
At 1 January 2021	1,901,300
Additions	<u>81,186</u>
At 31 December 2021	<u>1,982,486</u>
AMORTISATION	
At 1 January 2021	819,345
Amortisation for year	<u>281,691</u>
At 31 December 2021	<u>1,101,036</u>
NET BOOK VALUE	
At 31 December 2021	<u>881,450</u>
At 31 December 2020	<u>1,081,955</u>

Patent and licence costs relate to the costs of obtaining trade licences, and these costs are amortised over the useful life of the licence.

11. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Plant and machinery £
COST OR VALUATION			
At 1 January 2021	2,531,991	2,779,635	5,490,715
Additions	155,131	117,750	510,896
Disposals	-	-	-
Reclassification/transfer	<u>-</u>	<u>(77,570)</u>	<u>77,570</u>
At 31 December 2021	<u>2,687,122</u>	<u>2,819,815</u>	<u>6,079,181</u>
DEPRECIATION			
At 1 January 2021	274,759	359,947	4,351,095
Charge for year	44,661	56,241	285,013
Eliminated on disposal	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2021	<u>319,420</u>	<u>416,188</u>	<u>4,636,108</u>
NET BOOK VALUE			
At 31 December 2021	<u>2,367,702</u>	<u>2,403,627</u>	<u>1,443,073</u>
At 31 December 2020	<u>2,257,232</u>	<u>2,419,688</u>	<u>1,139,620</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

11. TANGIBLE FIXED ASSETS - continued

	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION			
At 1 January 2021	624,059	3,041,461	14,467,861
Additions	42,603	402,544	1,228,924
Disposals	(395,911)	(284,776)	(680,687)
Reclassification/transfer	-	-	-
At 31 December 2021	<u>270,751</u>	<u>3,159,229</u>	<u>15,016,098</u>
DEPRECIATION			
At 1 January 2021	519,009	2,365,309	7,870,119
Charge for year	22,333	229,984	638,232
Eliminated on disposal	(393,940)	(266,789)	(660,729)
At 31 December 2021	<u>147,402</u>	<u>2,328,504</u>	<u>7,847,622</u>
NET BOOK VALUE			
At 31 December 2021	<u>123,349</u>	<u>830,725</u>	<u>7,168,476</u>
At 31 December 2020	<u>105,050</u>	<u>676,152</u>	<u>6,597,742</u>

All tangible fixed assets have been pledged as security for bank lending.

Cost or valuation at 31 December 2021 is represented by:

	Freehold property £	Improvements to property £	Plant and machinery £
Valuation in 2006	567,804	-	-
Valuation in 2011	(810,438)	(260,641)	-
Cost	<u>2,929,756</u>	<u>3,080,456</u>	<u>6,079,181</u>
	<u>2,687,122</u>	<u>2,819,815</u>	<u>6,079,181</u>

	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 2006	-	-	567,804
Valuation in 2011	-	-	(1,071,079)
Cost	<u>270,751</u>	<u>3,159,229</u>	<u>15,519,373</u>
	<u>270,751</u>	<u>3,159,229</u>	<u>15,016,098</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

11. TANGIBLE FIXED ASSETS - continued

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

	31.12.21 £	31.12.20 £
Cost	<u>2,929,756</u>	<u>2,774,625</u>
Aggregate depreciation	<u>664,182</u>	<u>617,927</u>

Freehold property was valued on existing use value basis on 17 June 2016 by Knight Frank.

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:

	31.12.21 £	31.12.20 £
Cost	<u>3,080,276</u>	<u>3,040,276</u>
Aggregate depreciation	<u>653,335</u>	<u>531,629</u>

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

	Improvements to property £	Plant and machinery £	Motor vehicles £	Totals £
COST OR VALUATION				
At 1 January 2021	200,775	143,435	785,754	1,129,964
Additions	-	-	334,471	334,471
Transfer to ownership	<u>-</u>	<u>(77,370)</u>	<u>(262,620)</u>	<u>(339,990)</u>
At 31 December 2021	<u>200,775</u>	<u>66,065</u>	<u>857,605</u>	<u>1,124,445</u>
DEPRECIATION				
At 1 January 2021	335	39,396	366,367	406,098
Charge for year	4,009	13,213	148,675	165,897
Transfer to ownership	<u>-</u>	<u>(34,992)</u>	<u>(179,526)</u>	<u>(214,518)</u>
At 31 December 2021	<u>4,344</u>	<u>17,617</u>	<u>335,516</u>	<u>357,477</u>
NET BOOK VALUE				
At 31 December 2021	<u>196,431</u>	<u>48,448</u>	<u>522,089</u>	<u>766,968</u>
At 31 December 2020	<u>200,440</u>	<u>104,039</u>	<u>419,387</u>	<u>723,866</u>

12. STOCKS

	31.12.21 £	31.12.20 £
Raw materials & finished goods	<u>3,762,019</u>	<u>2,941,537</u>

All items of stock have been pledged as security for bank lending.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

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

	31.12.21	31.12.20
	£	£
Trade debtors	9,984,186	8,450,788
Amounts owed by group undertakings	1,238,813	1,057,255
Other debtors	551,404	555,641
Directors' current accounts	100,425	288,037
Prepayments	<u>1,086,937</u>	<u>365,737</u>
	<u>12,961,765</u>	<u>10,717,458</u>

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

	31.12.21	31.12.20
	£	£
Bank loans and overdrafts (see note 16)	205,965	240,856
Other loans (see note 16)	393,566	32,322
Hire purchase contracts (see note 17)	286,433	183,420
Trade creditors	6,818,865	5,007,995
Tax	347,025	453,986
Social security and other taxes	1,251,824	827,069
Tax scheme settlement	832,995	832,995
Invoice discounting accounts	2,077,833	3,244,104
Directors' current accounts	359,380	241,766
Accrued expenses	<u>2,023,578</u>	<u>2,022,576</u>
	<u>14,597,464</u>	<u>13,087,089</u>

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

	31.12.21	31.12.20
	£	£
Bank loans (see note 16)	1,191,367	1,414,706
Hire purchase contracts (see note 17)	457,685	354,617
Tax scheme settlement	<u>832,995</u>	<u>1,665,990</u>
	<u>2,482,047</u>	<u>3,435,313</u>

16. **LOANS**

An analysis of the maturity of loans is given below:

	31.12.21	31.12.20
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	-	45,639
Bank loans	205,965	195,217
Other loans	<u>393,566</u>	<u>32,322</u>
	<u>599,531</u>	<u>273,178</u>
Amounts falling due between one and two years:		
Bank loans	<u>212,897</u>	<u>201,685</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

16. LOANS - continued

	31.12.21 £	31.12.20 £
Amounts falling due between two and five years:		
Bank loans	<u>473,113</u>	<u>208,957</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans	<u>505,357</u>	<u>1,004,064</u>

The bank loans are repayable as follows:-

A Combined Limit Multi Currency Facility incorporating import loan with HSBC commencing September 2012, with no fixed repayment terms, facilities are repayable on demand. Interest is calculated at 2.75% over Bank of England base rate.

Term loan with HSBC commencing July 2014, repayable in monthly instalments over a period of ten years with interest payable at 2% over base rate.

17. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	31.12.21 £	31.12.20 £
Gross obligations repayable:		
Within one year	312,346	207,637
Between one and five years	<u>478,905</u>	<u>381,202</u>
	<u>791,251</u>	<u>588,839</u>
Finance charges repayable:		
Within one year	25,913	24,217
Between one and five years	<u>21,220</u>	<u>26,585</u>
	<u>47,133</u>	<u>50,802</u>
Net obligations repayable:		
Within one year	286,433	183,420
Between one and five years	<u>457,685</u>	<u>354,617</u>
	<u>744,118</u>	<u>538,037</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

17. LEASING AGREEMENTS - continued

	Non-cancellable operating leases	
	31.12.21	31.12.20
	£	£
Within one year	230,642	185,592
Between one and five years	430,612	358,243
In more than five years	<u>119,000</u>	<u>187,000</u>
	<u>780,254</u>	<u>730,835</u>

18. SECURED DEBTS

The following secured debts are included within creditors:

	31.12.21	31.12.20
	£	£
Bank overdraft	-	45,639
Bank loans	1,397,332	1,609,923
Hire purchase contracts	<u>744,118</u>	<u>538,037</u>
	<u>2,141,450</u>	<u>2,193,599</u>

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

First Legal Mortgage over the Freehold Property of Airedale Chemical Company Limited known as Airedale Mills, Skipton Road, Crosshills, Keighley dated 6 August 2012 in favour of HSBC.

Composite company unlimited multilateral guarantee dated 18 September 2013 given by Airedale Solutions Limited and Airedale Chemical Company Limited.

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.

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	31.12.21	31.12.20
Number:	Class:		£	£
11,000	Ordinary	£1	<u>11,000</u>	<u>11,000</u>

20. RESERVES

	Retained earnings
	£
At 1 January 2021	4,890,500
Profit for the year	3,923,882
Dividends	<u>(1,118,357)</u>
At 31 December 2021	<u>7,696,025</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

21. 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 contributions of £189,656 were paid to the fund (2020: £180,680).

22. ULTIMATE PARENT COMPANY

Airedale Chemical Holdings Limited is regarded by the directors as being the company's ultimate parent company.

23. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to directors subsisted during the years ended 31 December 2021 and 31 December 2020:

	31.12.21 £	31.12.20 £
C J Chadwick		
Balance outstanding at start of year	173,513	35,785
Amounts advanced	466,103	173,513
Amounts repaid	(639,616)	(35,785)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>-</u>	<u>173,513</u>
J M Leighton		
Balance outstanding at start of year	63,000	70,918
Amounts repaid	(13,097)	(7,918)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>49,903</u>	<u>63,000</u>
R M Wolff		
Balance outstanding at start of year	50,289	51,289
Amounts advanced	8,734	-
Amounts repaid	(8,500)	(1,000)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>50,523</u>	<u>50,289</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

23. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES - 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	359,380	359,380

The company pays a commercial rate of interest of 2.40% over bank of England base rate for all loans from Directors.

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

Directors	2,743
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Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

24. 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 C Hall	5,766	5,893	5,893
DA Chadwick	0	89,487	89,487
EJ Chadwick	2,188	2,232	2,232
EL Chadwick	141	143	143
M Chadwick	5,069	5,170	5,170
M Chadwick	9,096	9,278	1,778
DM Chadwick	6,664	19,141	19,141
JW Chadwick	295	26,698	26,698
BM Hall	241,765	246,568	241,068

The company pays a commercial rate of interest of 2.40% above bank of England base rate of these loans. During the year the loans attracted interest of £8,350 (2020 - £2,842)

Information relating to J W Chadwick and D M Chadwick, being Directors' of the parent company, is disclosed within the accounts of Airedale Chemical Holdings Limited.

RP Chadwick who is a member of the directors' families, has a loan due to the company at 31 December 2021 of £339,005 (2020 - £Nil)

Transactions and balances relating to Airedale Solutions Limited, Rigest Trading Limited and Alutech Surface Treatments Limited (being fellow subsidiaries) are disclosed via the consolidated accounts prepared by the holding company Airedale Chemical Holdings Limited.

25. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is the holding company Airedale Chemical Holdings Limited, which is registered in England. The registered office of Airedale Chemical Holdings Limited, is Airedale Mills, Skipton Road, Cross Hills, West Yorkshire, BD20 7B