

REGISTERED NUMBER: 01615294 (England and Wales)

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**GROUP STRATEGIC REPORT, REPORT OF THE DIRECTOR AND
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
FOR
BRADFORD HIDE COMPANY LIMITED**

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FOR THE YEAR ENDED 31 MARCH 2017**

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BRADFORD HIDE COMPANY LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2017**

DIRECTOR: J Woodward

SECRETARY: Ms L Roscoe

REGISTERED OFFICE: Dryden Street
Bradford
West Yorkshire
BD1 5ND

REGISTERED NUMBER: 01615294 (England and Wales)

AUDITORS: Brosnans
Chartered Accountants
and Statutory Auditors
Birkby House
Bailiff Bridge
Brighouse
West Yorkshire
HD6 4JJ

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2017**

The director presents his strategic report of the company and the group for the year ended 31 March 2017.

REVIEW OF BUSINESS

The group's parent company along with its subsidiaries continues its principal activity of processor and merchant of hides, skins and leather. Turnover for the year was £38,588,429 (2016 - £40,871,521), this was a decrease of 5.6% on previous year and pre tax profits have increased from £2,069,927 in 2016 to £2,312,264 for the year ended 31 March 2017. The group continues to face reduced margins in a highly competitive world wide market.

PRINCIPAL RISKS AND UNCERTAINTIES

Financial risk management objectives and policies

The group operates in the UK market and overseas. The company seeks to mitigate exposure to all forms of risk both internal and external.

Customers and suppliers

The group is not wholly dependent on any one supplier or customer.

Foreign exchange

The majority of transactions are undertaken in Euros. The use of Forward Exchange contracts are used to overcome any currency exchange risks.

Laws and regulations

The group complies with all animal health regulations to operate within the law. It is in frequent contact with the animal health and vet agency regarding changes in the law.

The group takes its health, safety and environmental responsibilities very seriously.

Employees

The average number of employees throughout the year was 79.

The group continues to be an Equal Opportunities Employer. In employment related decisions the group complies with anti discrimination requirements concerning matters of race, colour, national origin, marital status, sexual orientation, religious belief, age and physical or mental ability. Disabled people are given full and equal consideration for employment and their development is assisted and encouraged.

ON BEHALF OF THE BOARD:



J Woodward - Director

27 September 2017

**REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31 MARCH 2017**

The director presents his report with the financial statements of the company and the group for the year ended 31 March 2017.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of processor and merchants of hides, skins and wool.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2017.

DIRECTOR

J Woodward held office during the whole of the period from 1 April 2016 to the date of this report.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Group Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the director is 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 director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and the group 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 director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and he 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 group's auditors are aware of that information.

**REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31 MARCH 2017**

AUDITORS

The auditors, Brosnans, 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 'J Woodward', written over a horizontal line.

J Woodward - Director

27 September 2017

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BRADFORD HIDE COMPANY LIMITED

We have audited the financial statements of Bradford Hide Company Limited for the year ended 31 March 2017 on pages seven to thirty. 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 director and auditors

As explained more fully in the Statement of Director's Responsibilities set out on page three, the director is 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 and express an opinion on 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 group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Group Strategic Report and the Report of the Director to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2017 and of the group's 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, based on the work undertaken in the course of our audit, the information given in the Group Strategic Report and the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements, and has been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the group and the parent company and its environment, we have not identified any material misstatements in the Group Strategic Report or the Report of the Director.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
BRADFORD HIDE COMPANY LIMITED**

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



Adam John Brosnan (Senior Statutory Auditor)

for and on behalf of Brosnans

Chartered Accountants
and Statutory Auditors

Birkby House

Bailiff Bridge

Brighouse

West Yorkshire

HD6 4JJ

27 October 2017

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2017**

	Notes	2017 £	2016 £
TURNOVER	3	38,588,429	40,871,521
Cost of sales		<u>32,194,024</u>	<u>35,059,786</u>
GROSS PROFIT		6,394,405	5,811,735
Administrative expenses		<u>4,804,999</u>	<u>3,319,571</u>
		1,589,406	2,492,164
Other operating income		<u>22,699</u>	<u>-</u>
OPERATING PROFIT	5	1,612,105	2,492,164
Revaluation of assets to fair value	6	<u>488,179</u>	<u>(386,334)</u>
		2,100,284	2,105,830
Interest receivable and similar income		<u>4,326</u>	<u>12,097</u>
		2,104,610	2,117,927
Interest payable and similar expenses	7	<u>48,000</u>	<u>48,000</u>
PROFIT BEFORE TAXATION		2,056,610	2,069,927
Tax on profit	8	<u>324,104</u>	<u>502,072</u>
PROFIT FOR THE FINANCIAL YEAR		1,732,506	1,567,855
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>1,732,506</u></u>	<u><u>1,567,855</u></u>
Profit attributable to:			
Owners of the parent		1,597,870	1,447,196
Non-controlling interests		<u>134,636</u>	<u>120,659</u>
		<u><u>1,732,506</u></u>	<u><u>1,567,855</u></u>

The notes form part of these financial statements

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2017**

Total comprehensive income attributable to:

	2017 £	2016 £
Owners of the parent	1,732,506	1,447,196
Non-controlling interests	<u>-</u>	<u>120,659</u>
	<u>1,732,506</u>	<u>1,567,855</u>

The notes form part of these financial statements

CONSOLIDATED BALANCE SHEET
31 MARCH 2017

	Notes	2017 £	2016 £
FIXED ASSETS			
Intangible assets	11	-	-
Tangible assets	12	1,455,516	1,470,524
Investments	13	<u>154,216</u>	<u>150,000</u>
		1,609,732	1,620,524
CURRENT ASSETS			
Stocks	14	1,305,463	1,838,425
Debtors	15	6,351,018	5,769,375
Investments	16	5,517,844	3,389,928
Cash at bank and in hand		<u>7,343,186</u>	<u>7,903,621</u>
		20,517,511	18,901,349
CREDITORS			
Amounts falling due within one year	17	<u>6,183,000</u>	<u>6,566,796</u>
NET CURRENT ASSETS		<u>14,334,511</u>	<u>12,334,553</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		15,944,243	13,955,077
PROVISIONS FOR LIABILITIES	20	<u>(258,910)</u>	<u>(2,250)</u>
NET ASSETS		<u>15,685,333</u>	<u>13,952,827</u>

The notes form part of these financial statements

CONSOLIDATED BALANCE SHEET - continued
31 MARCH 2017

	Notes	2017 £	2016 £
CAPITAL AND RESERVES			
Called up share capital	21	63,586	63,586
Share premium	22	29,524	29,524
Capital redemption reserve	22	126,414	126,414
Fair value reserve	22	1,311,378	823,199
Retained earnings	22	<u>12,604,590</u>	<u>11,494,899</u>
SHAREHOLDERS' FUNDS		14,135,492	12,537,622
NON-CONTROLLING INTERESTS	23	<u>1,549,841</u>	<u>1,415,205</u>
TOTAL EQUITY		<u>15,685,333</u>	<u>13,952,827</u>

The financial statements were approved and authorised for issue by the director on 27 September 2017 and were signed by:


J Woodward - Director

COMPANY BALANCE SHEET
31 MARCH 2017

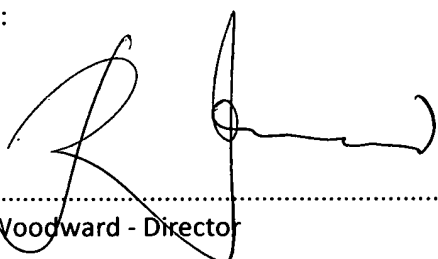
	Notes	2017 £	2016 £
FIXED ASSETS			
Intangible assets	11	-	-
Tangible assets	12	432,253	439,539
Investments	13	<u>1,223,380</u>	<u>1,219,164</u>
		1,655,633	1,658,703
CURRENT ASSETS			
Stocks	14	471,289	736,822
Debtors	15	5,862,726	5,709,801
Investments	16	5,517,844	3,389,928
Cash at bank and in hand		<u>4,977,631</u>	<u>5,225,593</u>
		16,829,490	15,062,144
CREDITORS			
Amounts falling due within one year	17	<u>9,626,949</u>	<u>9,244,709</u>
NET CURRENT ASSETS		<u>7,202,541</u>	<u>5,817,435</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		8,858,174	7,476,138
PROVISIONS FOR LIABILITIES	20	<u>253,621</u>	-
NET ASSETS		<u><u>8,604,553</u></u>	<u><u>7,476,138</u></u>

The notes form part of these financial statements

COMPANY BALANCE SHEET - continued
31 MARCH 2017

	Notes	2017	2016
		£	£
CAPITAL AND RESERVES			
Called up share capital	21	63,586	63,586
Share premium	22	29,524	29,524
Capital redemption reserve	22	126,414	126,414
Fair value reserve	22	1,311,378	823,199
Retained earnings	22	<u>7,073,651</u>	<u>6,433,415</u>
SHAREHOLDERS' FUNDS		<u>8,604,553</u>	<u>7,476,138</u>
 Company's profit for the financial year		 <u>1,128,415</u>	 <u>1,024,844</u>

The financial statements were approved by the director on 27th September 2017 and were signed by:



 J Woodward - Director

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017**

	Called up share capital £	Retained earnings £	Share premium £	Capital redemption reserve £
Balance at 1 April 2015	63,586	12,161,369	29,524	126,414
Changes in equity				
Dividends	-	(2,500,000)	-	-
Total comprehensive income	-	1,833,530	-	-
Balance at 31 March 2016	<u>63,586</u>	<u>11,494,899</u>	<u>29,524</u>	<u>126,414</u>
Changes in equity				
Total comprehensive income	-	1,109,691	-	-
Balance at 31 March 2017	<u>63,586</u>	<u>12,604,590</u>	<u>29,524</u>	<u>126,414</u>
	Fair value reserve £	Total £	Non-controlling interests £	Total equity £
Balance at 1 April 2015	1,209,533	13,590,426	1,294,546	14,884,972
Changes in equity				
Dividends	-	(2,500,000)	-	(2,500,000)
Total comprehensive income	(386,334)	1,447,196	120,659	1,567,855
Balance at 31 March 2016	<u>823,199</u>	<u>12,537,622</u>	<u>1,415,205</u>	<u>13,952,827</u>
Changes in equity				
Total comprehensive income	488,179	1,597,870	-	1,597,870
Balance at 31 March 2017	<u>1,311,378</u>	<u>14,135,492</u>	<u>1,415,205</u>	<u>15,550,697</u>

The notes form part of these financial statements

BRADFORD HIDE COMPANY LIMITED (REGISTERED NUMBER: 01615294)

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017**

	Called up share capital £	Retained earnings £	Share premium £
Balance at 1 April 2015	63,586	7,522,237	29,524
Changes in equity			
Dividends	-	(2,500,000)	-
Total comprehensive income	-	<u>1,411,178</u>	-
Balance at 31 March 2016	<u>63,586</u>	<u>6,433,415</u>	<u>29,524</u>
Changes in equity			
Total comprehensive income	-	<u>640,236</u>	-
Balance at 31 March 2017	<u>63,586</u>	<u>7,073,651</u>	<u>29,524</u>
	Capital redemption reserve £	Fair value reserve £	Total equity £
Balance at 1 April 2015	126,414	1,209,533	8,951,294
Changes in equity			
Dividends	-	-	(2,500,000)
Total comprehensive income	-	<u>(386,334)</u>	<u>1,024,844</u>
Balance at 31 March 2016	<u>126,414</u>	<u>823,199</u>	<u>7,476,138</u>
Changes in equity			
Total comprehensive income	-	<u>488,179</u>	<u>1,128,415</u>
Balance at 31 March 2017	<u>126,414</u>	<u>1,311,378</u>	<u>8,604,553</u>

The notes form part of these financial statements

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2017**

	Notes	2017 £	2016 £
Cash flows from operating activities			
Cash generated from operations	1	1,569,984	3,343,413
Interest paid		(48,000)	(48,000)
Tax paid		<u>(372,278)</u>	<u>(343,108)</u>
Net cash from operating activities		<u>1,149,706</u>	<u>2,952,305</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(104,288)	(73,437)
Purchase of fixed asset investments		(4,216)	-
Sale of tangible fixed assets		16,929	3,834
Sale of investments		-	2,188,349
Purchase of current asset investments		(1,384,085)	-
Interest received		<u>4,326</u>	<u>12,097</u>
Net cash from investing activities		<u>(1,471,334)</u>	<u>2,130,843</u>
Cash flows from financing activities			
Equity dividends paid		<u>-</u>	<u>(2,500,000)</u>
Net cash from financing activities		<u>-</u>	<u>(2,500,000)</u>
(Decrease)/increase in cash and cash equivalents			
Cash and cash equivalents at beginning of year	2	6,488,904	3,905,756
Cash and cash equivalents at end of year	2	<u>6,167,276</u>	<u>6,488,904</u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2017**

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

	2017	2016
	£	£
Profit before taxation	2,056,610	2,069,927
Depreciation charges	114,076	112,546
Profit on disposal of fixed assets	(11,709)	(417)
Revaluation of current asset investments	(488,178)	386,334
Profit on disposal of investments	-	(255,561)
Finance costs	48,000	48,000
Finance income	<u>(4,326)</u>	<u>(12,097)</u>
	1,714,473	2,348,732
Decrease/(increase) in stocks	532,962	(278,343)
(Increase)/decrease in trade and other debtors	(581,643)	1,459,718
Decrease in trade and other creditors	<u>(95,808)</u>	<u>(186,694)</u>
Cash generated from operations	<u><u>1,569,984</u></u>	<u><u>3,343,413</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Consolidated Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 March 2017

	31.3.17	1.4.16
	£	£
Cash and cash equivalents	7,343,186	7,903,621
Bank overdrafts	<u>(1,175,910)</u>	<u>(1,414,717)</u>
	<u><u>6,167,276</u></u>	<u><u>6,488,904</u></u>

Year ended 31 March 2016

	31.3.16	1.4.15
	£	£
Cash and cash equivalents	7,903,621	5,737,222
Bank overdrafts	<u>(1,414,717)</u>	<u>(1,831,466)</u>
	<u><u>6,488,904</u></u>	<u><u>3,905,756</u></u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

1. STATUTORY INFORMATION

Bradford Hide 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 General Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2. ACCOUNTING POLICIES

BASIS OF PREPARING THE FINANCIAL STATEMENTS

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. The financial statements have been prepared under the historical cost convention.

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of Bradford Hide Company Limited and its subsidiaries. These are adjusted, where appropriate, to conform to group accounting policies.

In accordance with Section 408 of the Companies Act 2006, a separate profit and loss account dealing with the results of the company is not presented.

TURNOVER

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

GOODWILL

Goodwill arising on consolidation, representing the excess of fair value of the consideration given over the fair values of the identifiable net assets acquired, is capitalised and is amortised on a straight line basis over its estimated useful life of three years. Negative goodwill is written back to the profit and loss account to match the recovery of the non-monetary assets acquired.

As a matter of accounting policy, purchased goodwill first accounted for in accounting periods ending before 23 December 1998, the implementation of Financial Reporting Standard No 10, was eliminated from the financial statements by immediate write-off on acquisition against reserves. Such goodwill will be charged or credited to the profit and loss account on the subsequent disposal of the business to which it relates.

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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017**

2. ACCOUNTING POLICIES - continued

TANGIBLE FIXED ASSETS

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Freehold property	- 2% on cost
Improvements to property	- 2% on cost
Plant and machinery	- 25% on cost and 20% on cost
Fixtures and fittings	- 25% on cost and 20% on cost
Motor vehicles	- 25% on cost
Computer equipment	- 20% on cost

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

STOCKS

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

TAXATION

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, 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 balance sheet date.

DEFERRED TAX

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet 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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017

2. ACCOUNTING POLICIES - continued**PENSION COSTS AND OTHER POST-RETIREMENT BENEFITS**

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

INVESTMENTS

Fixed asset investments are included at cost less amounts written off. Current asset investments are measured at fair value. Changes in fair value are recognised in the profit and loss.

OPERATING LEASE COMMITMENTS

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

FINANCIAL INSTRUMENTS

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

3. TURNOVER

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

An analysis of turnover by geographical market is given below:

	2017	2016
	£	£
United Kingdom	2,385,481	3,333,980
Europe	22,394,511	22,350,360
Rest of World	<u>13,808,437</u>	<u>15,187,181</u>
	<u><u>38,588,429</u></u>	<u><u>40,871,521</u></u>

4. EMPLOYEES AND DIRECTORS

	2017	2016
	£	£
Wages and salaries	2,773,999	2,075,516
Social security costs	237,161	131,100
Other pension costs	<u>17,671</u>	<u>11,734</u>
	<u><u>3,028,831</u></u>	<u><u>2,218,350</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017

4. EMPLOYEES AND DIRECTORS - continued

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

	2017	2016
Yard and transport	67	70
Management and administration	<u>12</u>	<u>12</u>
	<u>79</u>	<u>82</u>

The average number of employees by undertakings that are proportionately consolidated during the year was 79.

	2017 £	2016 £
Director's remuneration	<u>969,164</u>	<u>339,797</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>3</u>	<u>3</u>
------------------------	----------	----------

Information regarding the highest paid director is as follows:

	2017 £	2016 £
Emoluments etc	<u>758,309</u>	<u>137,467</u>

5. OPERATING PROFIT

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

	2017 £	2016 £
Depreciation - owned assets	114,076	112,545
Profit on disposal of fixed assets	(11,709)	(417)
Auditors' remuneration	18,139	15,495
Foreign exchange differences	<u>(8,279)</u>	<u>(185,748)</u>

6. EXCEPTIONAL ITEMS

	2017 £	2016 £
Revaluation of assets to fair value	<u>488,179</u>	<u>(386,334)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2017	2016
	£	£
Other loan interest	<u>48,000</u>	<u>48,000</u>

8. TAXATION**Analysis of the tax charge**

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

	2017	2016
	£	£
Current tax:		
UK corporation tax	323,097	501,575
Deferred tax	<u>1,007</u>	<u>497</u>
Tax on profit	<u>324,104</u>	<u>502,072</u>

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:

	2017	2016
	£	£
Profit before tax	<u>2,056,610</u>	<u>2,069,927</u>
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2016 - 20%)	411,322	413,985
Effects of:		
Expenses not deductible for tax purposes	3,093	3,650
Depreciation in excess of capital allowances	6,320	6,673
Revaluation of assets to fair value	(97,638)	77,267
Movement in deferred taxation	<u>1,007</u>	<u>497</u>
Total tax charge	<u>324,104</u>	<u>502,072</u>

9. INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017

10. DIVIDENDS

	2017 £	2016 £
Ordinary shares of £1 each		
Final	<u>-</u>	<u>2,500,000</u>

11. INTANGIBLE FIXED ASSETS**Group**

	Goodwill £
COST	
At 1 April 2016 and 31 March 2017	<u>60,297</u>
AMORTISATION	
At 1 April 2016 and 31 March 2017	<u>60,297</u>
NET BOOK VALUE	
At 31 March 2017	<u>-</u>
At 31 March 2016	<u>-</u>

Company

	Goodwill £
COST	
At 1 April 2016 and 31 March 2017	<u>60,297</u>
AMORTISATION	
At 1 April 2016 and 31 March 2017	<u>60,297</u>
NET BOOK VALUE	
At 31 March 2017	<u>-</u>
At 31 March 2016	<u>-</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017

12. TANGIBLE FIXED ASSETS
Group

	Freehold property £	Improvements to property £	Plant and machinery £
COST			
At 1 April 2016	1,856,220	10,530	697,008
Additions	-	-	43,450
Disposals	-	-	(27,800)
At 31 March 2017	<u>1,856,220</u>	<u>10,530</u>	<u>712,658</u>
DEPRECIATION			
At 1 April 2016	537,632	2,703	619,766
Charge for year	36,423	211	38,411
Eliminated on disposal	-	-	(23,467)
At 31 March 2017	<u>574,055</u>	<u>2,914</u>	<u>634,710</u>
NET BOOK VALUE			
At 31 March 2017	<u>1,282,165</u>	<u>7,616</u>	<u>77,948</u>
At 31 March 2016	<u>1,318,588</u>	<u>7,827</u>	<u>77,242</u>

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 April 2016	104,156	157,567	23,884	2,849,365
Additions	4,179	56,659	-	104,288
Disposals	-	(39,718)	-	(67,518)
At 31 March 2017	<u>108,335</u>	<u>174,508</u>	<u>23,884</u>	<u>2,886,135</u>
DEPRECIATION				
At 1 April 2016	100,967	93,889	23,884	1,378,841
Charge for year	1,837	37,194	-	114,076
Eliminated on disposal	-	(38,831)	-	(62,298)
At 31 March 2017	<u>102,804</u>	<u>92,252</u>	<u>23,884</u>	<u>1,430,619</u>
NET BOOK VALUE				
At 31 March 2017	<u>5,531</u>	<u>82,256</u>	<u>-</u>	<u>1,455,516</u>
At 31 March 2016	<u>3,189</u>	<u>63,678</u>	<u>-</u>	<u>1,470,524</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017

12. TANGIBLE FIXED ASSETS - continued**Company**

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 April 2016	624,148	206,193	90,207	96,367	1,016,915
Additions	-	29,000	4,179	23,814	56,993
Disposals	-	(19,800)	-	(8,517)	(28,317)
At 31 March 2017	<u>624,148</u>	<u>215,393</u>	<u>94,386</u>	<u>111,664</u>	<u>1,045,591</u>
DEPRECIATION					
At 1 April 2016	274,504	166,482	87,018	49,372	577,376
Charge for year	12,483	20,292	1,837	27,113	61,725
Eliminated on disposal	-	(18,133)	-	(7,630)	(25,763)
At 31 March 2017	<u>286,987</u>	<u>168,641</u>	<u>88,855</u>	<u>68,855</u>	<u>613,338</u>
NET BOOK VALUE					
At 31 March 2017	<u>337,161</u>	<u>46,752</u>	<u>5,531</u>	<u>42,809</u>	<u>432,253</u>
At 31 March 2016	<u>349,644</u>	<u>39,711</u>	<u>3,189</u>	<u>46,995</u>	<u>439,539</u>

13. FIXED ASSET INVESTMENTS**Group**

	Unlisted investments £
COST	
At 1 April 2016	189,045
Additions	<u>4,216</u>
At 31 March 2017	<u>193,261</u>
PROVISIONS	
At 1 April 2016 and 31 March 2017	<u>39,045</u>
NET BOOK VALUE	
At 31 March 2017	<u>154,216</u>
At 31 March 2016	<u>150,000</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017

13. FIXED ASSET INVESTMENTS - continued**Company**

	Shares in group undertakings £	Unlisted investments £	Totals £
COST			
At 1 April 2016	1,069,164	189,045	1,258,209
Additions	<u>-</u>	<u>4,216</u>	<u>4,216</u>
At 31 March 2017	<u>1,069,164</u>	<u>193,261</u>	<u>1,262,425</u>
PROVISIONS			
At 1 April 2016 and 31 March 2017	<u>-</u>	<u>39,045</u>	<u>39,045</u>
NET BOOK VALUE			
At 31 March 2017	<u>1,069,164</u>	<u>154,216</u>	<u>1,223,380</u>
At 31 March 2016	<u>1,069,164</u>	<u>150,000</u>	<u>1,219,164</u>

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

SUBSIDIARIES**A & A K Butterworth Limited**

Registered office: Unit B, Weir Lane, Worcester, WR2 4AY

Nature of business: Hide and skins merchant and broker

	%
Class of shares:	holding
Ordinary	75.00

Dee Baylis Limited

Registered office: Stephens Way, Goose Green, Wigan, WN3 6PH

Nature of business: Hide and skins merchant and broker

	%
Class of shares:	holding
Ordinary	76.50

The company is subject to a put option to purchase the remaining shares of Dee Baylis Limited in accordance with an option agreement with the holder of the minority shareholding.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017

13. FIXED ASSET INVESTMENTS - continued**McConomy & Co. Limited**

Registered office: Stephens Way, Goose Green, Wigan, WN3 6PH

Nature of business: Hide and skins merchant and broker

	%
Class of shares:	holding
Ordinary	100.00

Holmes Hall (Processors) Limited

Registered office: Sculcoates Tannery, Sculcoates, Hull, HU5 1RL

Nature of business: Hide and skin processors

	%
Class of shares:	holding
Ordinary	30.00

	25.10.16	25.10.15
	£	£
Aggregate capital and reserves	841,697	652,550
Profit/(loss) for the year	<u>189,147</u>	<u>(14,933)</u>

Holmes Hall (Processors) Limited is excluded from the consolidation on the grounds that the director does not consider that they exert influence or control over the company.

Bradford Italia SRL

Registered office: via Ferraretta, 14 - 36071 (VI) Italy

Nature of business: Hide and skin processors

	%
Class of shares:	holding
Shares	50.00

	30.6.17
	£
Aggregate capital and reserves	242,137
Profit for the period/year	<u>233,544</u>

Bradford Italia SRL is excluded from the consolidation on the grounds that the director does not consider that they exert influence or control over the company.

14. STOCKS

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Finished goods	<u>1,305,463</u>	<u>1,838,425</u>	<u>471,289</u>	<u>736,822</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Trade debtors	4,997,203	4,210,316	4,358,283	4,062,513
Amounts owed by group undertakings	-	-	241,596	176,253
Other debtors	210,000	416,000	210,000	411,000
VAT	743,944	813,121	675,065	750,891
Deferred tax asset	-	-	-	2,923
Prepayments	<u>399,871</u>	<u>329,938</u>	<u>377,782</u>	<u>306,221</u>
	<u><u>6,351,018</u></u>	<u><u>5,769,375</u></u>	<u><u>5,862,726</u></u>	<u><u>5,709,801</u></u>

16. CURRENT ASSET INVESTMENTS

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Listed investments	<u>5,517,844</u>	<u>3,389,928</u>	<u>5,517,844</u>	<u>3,389,928</u>

Market value of listed investments at 31 March 2017 held by the group and the company - £5,517,844

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Bank loans and overdrafts (see note 18)	1,175,910	1,414,717	-	-
Other loans (see note 18)	800,000	800,000	800,000	800,000
Trade creditors	2,182,205	2,668,616	1,246,722	1,160,183
Amounts owed to group undertakings	-	-	6,320,233	6,400,956
Tax	323,100	372,281	165,007	230,505
Social security and other taxes	441,869	41,526	420,056	20,186
Other creditors	314,642	332,023	223,459	225,309
Accrued expenses	<u>945,274</u>	<u>937,633</u>	<u>451,472</u>	<u>407,570</u>
	<u><u>6,183,000</u></u>	<u><u>6,566,796</u></u>	<u><u>9,626,949</u></u>	<u><u>9,244,709</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017

18. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	1,175,910	1,414,717	-	-
Other loans	<u>800,000</u>	<u>800,000</u>	<u>800,000</u>	<u>800,000</u>
	<u><u>1,975,910</u></u>	<u><u>2,214,717</u></u>	<u><u>800,000</u></u>	<u><u>800,000</u></u>

19. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	2017	2016
	£	£
Bank overdrafts	<u><u>1,175,910</u></u>	<u><u>1,414,717</u></u>

The bank overdraft is secured by a cross guarantee amongst the group companies held by the bank.

20. PROVISIONS FOR LIABILITIES

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Deferred tax	<u><u>258,910</u></u>	<u><u>2,250</u></u>	<u><u>253,621</u></u>	<u><u>-</u></u>

Group

	Deferred tax £
Balance at 1 April 2016	2,250
Accelerated capital allowances	1,007
Anticipated capital gain	<u>255,653</u>
Balance at 31 March 2017	<u><u>258,910</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017

20. PROVISIONS FOR LIABILITIES - continued
Company

	Deferred tax £
Balance at 1 April 2016	(2,923)
Accelerated capital allowances	891
Anticipated Capital Gain	<u>255,653</u>
Balance at 31 March 2017	<u>253,621</u>

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2017 £	2016 £
63,586	Ordinary	£1	<u>63,586</u>	<u>63,586</u>

22. RESERVES

Group

	Retained earnings £	Share premium £	Capital redemption reserve £	Fair value reserve £	Totals £
At 1 April 2016	11,494,899	29,524	126,414	823,199	12,474,036
Profit for the year	1,597,870				1,597,870
Adjustment to fair value	(488,179)	-	-	488,179	-
At 31 March 2017	<u>12,604,590</u>	<u>29,524</u>	<u>126,414</u>	<u>1,311,378</u>	<u>14,071,906</u>

Company

	Retained earnings £	Share premium £	Capital redemption reserve £	Fair value reserve £	Totals £
At 1 April 2016	6,433,415	29,524	126,414	823,199	7,412,552
Profit for the year	1,128,415				1,128,415
Adjustment to fair value	(488,179)	-	-	488,179	-
At 31 March 2017	<u>7,073,651</u>	<u>29,524</u>	<u>126,414</u>	<u>1,311,378</u>	<u>8,540,967</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017

23. NON-CONTROLLING INTERESTS

	2017 £	2016 £
At 1 April 2015	1,415,205	1,294,546
Profit during year	<u>134,636</u>	<u>120,659</u>
At 31 March 2016	<u><u>1,549,841</u></u>	<u><u>1,415,205</u></u>

24. PENSION COMMITMENTS

The company operates a defined contribution scheme for directors and employees. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions for the period of £17,671 (2016 - £10,624) were paid by the company to the fund. One director is accruing benefits under the scheme.

25. RELATED PARTY DISCLOSURES

The company was under the control of Mr J A Woodward throughout the current and previous year. Mr J A Woodward is the managing director and sole shareholder.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

Included in creditors is a loan of £800,000 from Mrs R Woodward, wife of J A Woodward. The loan was fully outstanding at the year end and interest of £48,000 (2016 - £48,002) was paid in relation to the loan during the year.

26. ULTIMATE CONTROLLING PARTY

The controlling party is J Woodward.