

REGISTERED NUMBER: 01615294 (England and Wales)

**GROUP STRATEGIC REPORT, REPORT OF THE DIRECTOR AND  
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019  
FOR  
BRADFORD HIDE COMPANY LIMITED**



**CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Group Strategic Report</b>	<b>2</b>
<b>Report of the Director</b>	<b>3</b>
<b>Report of the Independent Auditors</b>	<b>5</b>
<b>Consolidated Statement of Comprehensive Income</b>	<b>8</b>
<b>Consolidated Balance Sheet</b>	<b>10</b>
<b>Company Balance Sheet</b>	<b>12</b>
<b>Consolidated Statement of Changes in Equity</b>	<b>14</b>
<b>Company Statement of Changes in Equity</b>	<b>15</b>
<b>Consolidated Cash Flow Statement</b>	<b>16</b>
<b>Notes to the Consolidated Cash Flow Statement</b>	<b>17</b>
<b>Notes to the Consolidated Financial Statements</b>	<b>18</b>

**BRADFORD HIDE COMPANY LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 MARCH 2019**

**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 2019**

The director presents his strategic report of the company and the group for the year ended 31 March 2019.

**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 £20,366,209 (2018 - £32,509,331), this was a decrease of 37.3% on the previous year and pre tax profits have increased from £1,306,165 in 2018 to £1,740,400 for the year ended 31 March 2019. 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 81.

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

11 October 2019

**REPORT OF THE DIRECTOR  
FOR THE YEAR ENDED 31 MARCH 2019**

The director presents his report with the financial statements of the company and the group for the year ended 31 March 2019.

**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 2019.

**DIRECTOR**

J Woodward held office during the whole of the period from 1 April 2018 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**

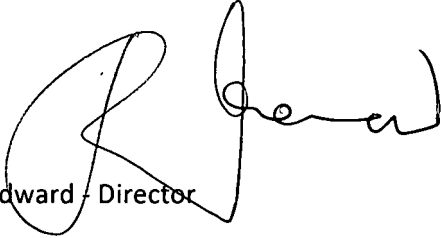
So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

**REPORT OF THE DIRECTOR  
FOR THE YEAR ENDED 31 MARCH 2019**

**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 read 'J Woodward', is written over the printed name.

J Woodward - Director

11 October 2019

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

**Opinion**

We have audited the financial statements of Bradford Hide Company Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2019 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, 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 group's and of the parent company affairs as at 31 March 2019 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.

**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 group 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

### **Other information**

The director is responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Director, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 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
- the Group Strategic Report and the Report of the Director have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

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

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.

### **Responsibilities of director**

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, and for such internal control as the director determines 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 director is responsible for assessing the group's and the parent 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 director either intends to liquidate the group or the parent company or to cease operations, or has no realistic alternative but to do so.



**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
BRADFORD HIDE 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.

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](http://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.



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

11 October 2019

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2019**

	Notes	2019 £	2018 £
<b>TURNOVER</b>	3	20,361,209	32,509,331
Cost of sales		(15,230,453)	(27,389,739)
<b>GROSS PROFIT</b>		5,130,756	5,119,592
Administrative expenses		(3,742,305)	(3,917,250)
		1,388,451	1,202,342
Other operating income		49,215	111,650
<b>OPERATING PROFIT</b>	5	1,437,666	1,313,992
Revaluation of assets to fair value	6	339,128	25,812
		1,776,794	1,339,804
Interest receivable and similar income		11,606	14,361
		1,788,400	1,354,165
Interest payable and similar expenses	7	(48,000)	(48,000)
<b>PROFIT BEFORE TAXATION</b>		1,740,400	1,306,165
Tax on profit	8	(328,394)	(283,017)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		1,412,006	1,023,148
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		1,412,006	1,023,148
Profit attributable to:			
Owners of the parent		1,309,715	932,021
Non-controlling interests		102,291	91,127
		1,412,006	1,023,148

Total comprehensive income attributable to:

The notes form part of these financial statements

**BRADFORD HIDE COMPANY LIMITED (REGISTERED NUMBER: 01615294)**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2019**

	2019	2018
	£	£
Owners of the parent	<u>1,412,006</u>	<u>1,023,148</u>

The notes form part of these financial statements

**CONSOLIDATED BALANCE SHEET**  
**31 MARCH 2019**

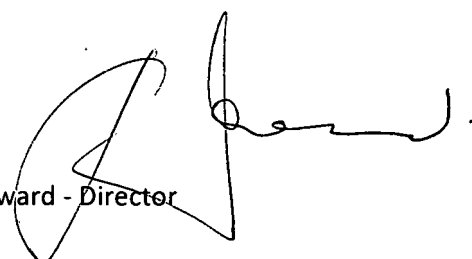
	Notes	2019 £	2018 £
<b>FIXED ASSETS</b>			
Intangible assets	10	-	-
Tangible assets	11	1,362,269	1,300,872
Investments	12	154,216	154,216
		<u>1,516,485</u>	<u>1,455,088</u>
<b>CURRENT ASSETS</b>			
Stocks	13	410,078	772,544
Debtors	14	8,440,762	9,630,652
Investments	15	6,082,784	5,743,656
Cash at bank and in hand		5,849,178	3,370,973
		<u>20,782,802</u>	<u>19,517,825</u>
<b>CREDITORS</b>			
Amounts falling due within one year	16	3,826,162	3,980,897
<b>NET CURRENT ASSETS</b>		<u>16,956,640</u>	<u>15,536,928</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>18,473,125</u>	<u>16,992,016</u>
<b>PROVISIONS FOR LIABILITIES</b>	19	(352,636)	(283,533)
<b>NET ASSETS</b>		<u><u>18,120,489</u></u>	<u><u>16,708,483</u></u>

The notes form part of these financial statements

**CONSOLIDATED BALANCE SHEET - continued**  
**31 MARCH 2019**

	Notes	2019 £	2018 £
<b>CAPITAL AND RESERVES</b>			
Called up share capital	20	63,586	63,586
Share premium	21	29,524	29,524
Capital redemption reserve	21	126,414	126,414
Fair value reserve	21	1,676,318	1,337,190
Retained earnings	21	14,481,388	13,510,801
<b>SHAREHOLDERS' FUNDS</b>		<b>16,377,230</b>	<b>15,067,515</b>
<b>NON-CONTROLLING INTERESTS</b>	22	<b>1,743,259</b>	<b>1,640,968</b>
<b>TOTAL EQUITY</b>		<b>18,120,489</b>	<b>16,708,483</b>

The financial statements were approved and authorised for issue by the director on 11 October 2019 and were signed by:

  
J Woodward - Director

**COMPANY BALANCE SHEET**  
**31 MARCH 2019**

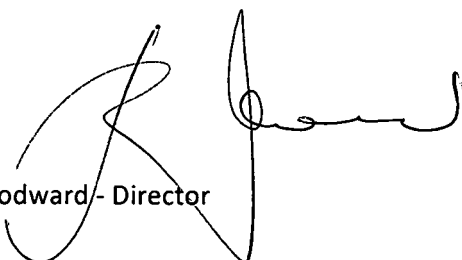
		2019		2018	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Intangible assets	10		-		-
Tangible assets	11		452,698		383,907
Investments	12		1,223,380		1,223,380
			<u>1,676,078</u>		<u>1,607,287</u>
<b>CURRENT ASSETS</b>					
Stocks	13	108,115		290,000	
Debtors	14	8,258,027		9,622,541	
Investments	15	6,082,784		5,743,656	
Cash at bank and in hand		5,022,581		2,886,750	
			<u>19,471,507</u>	<u>18,542,947</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	16	10,587,805		10,663,015	
			<u>8,883,702</u>	<u>7,879,932</u>	
<b>NET CURRENT ASSETS</b>					
			<u>10,559,780</u>	<u>9,487,219</u>	
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
<b>PROVISIONS FOR LIABILITIES</b>	19		344,561		279,674
			<u>10,215,219</u>	<u>9,207,545</u>	
<b>NET ASSETS</b>					
			<u><u>10,215,219</u></u>	<u><u>9,207,545</u></u>	

The notes form part of these financial statements

**COMPANY BALANCE SHEET - continued**  
**31 MARCH 2019**

		2019		2018	
	Notes	£	£	£	£
<b>CAPITAL AND RESERVES</b>					
Called up share capital	20		63,586		63,586
Share premium	21		29,524		29,524
Capital redemption reserve	21		126,414		126,414
Fair value reserve	21		1,676,318		1,337,190
Retained earnings	21		8,319,377		7,650,831
<b>SHAREHOLDERS' FUNDS</b>			<u>10,215,219</u>		<u>9,207,545</u>
Company's profit for the financial year			<u>1,007,674</u>		<u>602,992</u>

The financial statements were approved by the director on 11 October 2019 and were signed by:

  
 J Woodward - Director

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2019**

	Called up share capital £	Retained earnings £	Share premium £	Capital redemption reserve £
<b>Balance at 1 April 2017</b>	63,586	12,604,592	29,524	126,414
<b>Changes in equity</b>				
Total comprehensive income	-	906,209	-	-
<b>Balance at 31 March 2018</b>	63,586	13,510,801	29,524	126,414
<b>Changes in equity</b>				
Total comprehensive income	-	970,587	-	-
<b>Balance at 31 March 2019</b>	63,586	14,481,388	29,524	126,414
	Fair value reserve £	Total £	Non-controlling interests £	Total equity £
<b>Balance at 1 April 2017</b>	1,311,378	14,135,494	1,640,968	15,776,462
<b>Changes in equity</b>				
Total comprehensive income	25,812	932,021	-	932,021
<b>Balance at 31 March 2018</b>	1,337,190	15,067,515	1,640,968	16,708,483
<b>Changes in equity</b>				
Total comprehensive income	339,128	1,309,715	-	1,309,715
<b>Balance at 31 March 2019</b>	1,676,318	16,377,230	1,640,968	18,018,198

The notes form part of these financial statements



**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2019**

	Called up share capital £	Retained earnings £	Share premium £
<b>Balance at 1 April 2017</b>	63,586	7,073,651	29,524
<b>Changes in equity</b>			
Total comprehensive income	-	577,180	-
<b>Balance at 31 March 2018</b>	63,586	7,650,831	29,524
<b>Changes in equity</b>			
Total comprehensive income	-	668,546	-
<b>Balance at 31 March 2019</b>	63,586	8,319,377	29,524
	Capital redemption reserve £	Fair value reserve £	Total equity £
<b>Balance at 1 April 2017</b>	126,414	1,311,378	8,604,553
<b>Changes in equity</b>			
Total comprehensive income	-	25,812	602,992
<b>Balance at 31 March 2018</b>	126,414	1,337,190	9,207,545
<b>Changes in equity</b>			
Total comprehensive income	-	339,128	1,007,674
<b>Balance at 31 March 2019</b>	126,414	1,676,318	10,215,219

The notes form part of these financial statements

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2019**

	Notes	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	2,876,214	(2,164,622)
Interest paid		(48,000)	(48,000)
Tax paid		(216,340)	(445,846)
		<hr/>	<hr/>
Net cash from operating activities		2,611,874	(2,658,468)
		<hr/>	<hr/>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(175,275)	(19,857)
Sale of tangible fixed assets		30,000	67,661
Purchase of current asset investments		-	(200,000)
Interest received		11,606	14,361
		<hr/>	<hr/>
Net cash from investing activities		(133,669)	(137,835)
		<hr/>	<hr/>
<b>Increase/(decrease) in cash and cash equivalents</b>		2,478,205	(2,796,303)
<b>Cash and cash equivalents at beginning of year</b>	2	3,370,973	6,167,276
		<hr/>	<hr/>
<b>Cash and cash equivalents at end of year</b>	2	5,849,178	3,370,973
		<hr/>	<hr/>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2019**

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

	2019 £	2018 £
Profit before taxation	1,740,400	1,306,165
Depreciation charges	110,514	106,837
Profit on disposal of fixed assets	(26,635)	-
Revaluation of current asset investments	(339,128)	(25,812)
Finance costs	48,000	48,000
Finance income	(11,606)	(14,361)
	<u>1,521,545</u>	<u>1,420,829</u>
Decrease in stocks	362,466	532,919
Decrease/(increase) in trade and other debtors	1,189,889	(3,279,632)
Decrease in trade and other creditors	(197,686)	(838,738)
	<u>2,876,214</u>	<u>(2,164,622)</u>
<b>Cash generated from operations</b>	<u><u>2,876,214</u></u>	<u><u>(2,164,622)</u></u>

**2. CASH AND CASH EQUIVALENTS**

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

**Year ended 31 March 2019**

	31.3.19 £	1.4.18 £
Cash and cash equivalents	<u>5,849,178</u>	<u>3,370,973</u>

**Year ended 31 March 2018**

	31.3.18 £	1.4.17 £
Cash and cash equivalents	3,370,973	7,343,186
Bank overdrafts	-	(1,175,910)
	<u>3,370,973</u>	<u>6,167,276</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

**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 2019

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 2019**

**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:

	2019 £	2018 £
United Kingdom	1,778,406	2,352,942
Europe	12,218,629	20,059,207
Rest of World	6,364,174	10,097,182
	<u>20,361,209</u>	<u>32,509,331</u>

**4. EMPLOYEES AND DIRECTORS**

	2019 £	2018 £
Wages and salaries	2,264,423	2,407,858
Social security costs	223,773	246,919
Other pension costs	33,534	22,185
	<u>2,521,730</u>	<u>2,676,962</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**4. EMPLOYEES AND DIRECTORS - continued**

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

	2019	2018
Yard and transport	70	67
Management and administration	11	11
	<u>81</u>	<u>78</u>

	2019 £	2018 £
Director's remuneration	<u>575,633</u>	<u>629,057</u>

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

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

Information regarding the highest paid director is as follows:

	2019 £	2018 £
Emoluments etc	<u>379,975</u>	<u>432,129</u>

**5. OPERATING PROFIT**

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

	2019 £	2018 £
Depreciation - owned assets	110,513	106,838
Profit on disposal of fixed assets	(26,635)	-
Auditors' remuneration	21,744	16,125
Foreign exchange differences	<u>22,173</u>	<u>(6,750)</u>

**6. EXCEPTIONAL ITEMS**

	2019 £	2018 £
Revaluation of assets to fair value	<u>339,128</u>	<u>25,812</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**7. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2019	2018
	£	£
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:

	2019	2018
	£	£
Current tax:		
UK corporation tax	259,291	258,394
Deferred tax	<u>69,103</u>	<u>24,623</u>
Tax on profit	<u>328,394</u>	<u>283,017</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:

	2019	2018
	£	£
Profit before tax	<u>1,740,400</u>	<u>1,306,165</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	330,676	248,171
Effects of:		
Expenses not deductible for tax purposes	794	3,023
Capital allowances in excess of depreciation	(7,745)	-
Depreciation in excess of capital allowances	-	12,104
Revaluation of assets to fair value	(64,434)	(4,904)
Movement in deferred taxation	<u>69,103</u>	<u>24,623</u>
Total tax charge	<u>328,394</u>	<u>283,017</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 2019**

**10. INTANGIBLE FIXED ASSETS****Group**

Goodwill  
£

**COST**

At 1 April 2018  
and 31 March 2019

60,297

---

**AMORTISATION**

At 1 April 2018  
and 31 March 2019

60,297

---

**NET BOOK VALUE**

At 31 March 2019

-

---

At 31 March 2018

-

---

**Company**

Goodwill  
£

**COST**

At 1 April 2018  
and 31 March 2019

60,297

---

**AMORTISATION**

At 1 April 2018  
and 31 March 2019

60,297

---

**NET BOOK VALUE**

At 31 March 2019

-

---

At 31 March 2018

-

---

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**11. TANGIBLE FIXED ASSETS****Group**

	Freehold property £	Improvements to property £	Plant and machinery £
<b>COST</b>			
At 1 April 2018	1,756,220	10,530	635,249
Additions	-	-	52,931
At 31 March 2019	1,756,220	10,530	688,180
<b>DEPRECIATION</b>			
At 1 April 2018	578,140	3,125	605,732
Charge for year	35,127	210	23,886
Eliminated on disposal	-	-	-
At 31 March 2019	613,267	3,335	629,618
<b>NET BOOK VALUE</b>			
At 31 March 2019	1,142,953	7,195	58,562
At 31 March 2018	1,178,080	7,405	29,517

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>				
At 1 April 2018	95,217	265,663	5,279	2,768,158
Additions	3,849	117,741	754	175,275
Disposals	-	(86,062)	-	(86,062)
At 31 March 2019	99,066	297,342	6,033	2,857,371
<b>DEPRECIATION</b>				
At 1 April 2018	90,980	184,735	4,574	1,467,286
Charge for year	2,286	48,672	332	110,513
Eliminated on disposal	-	(82,697)	-	(82,697)
At 31 March 2019	93,266	150,710	4,906	1,495,102
<b>NET BOOK VALUE</b>				
At 31 March 2019	5,800	146,632	1,127	1,362,269
At 31 March 2018	4,237	80,928	705	1,300,872

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>					
At 1 April 2018	624,148	221,218	95,218	111,664	1,052,248
Additions	-	52,930	3,849	69,990	126,769
Disposals	-	-	-	(71,062)	(71,062)
At 31 March 2019	624,148	274,148	99,067	110,592	1,107,955
<b>DEPRECIATION</b>					
At 1 April 2018	299,470	187,514	90,980	90,377	668,341
Charge for year	12,483	22,851	2,286	20,358	57,978
Eliminated on disposal	-	-	-	(71,062)	(71,062)
At 31 March 2019	311,953	210,365	93,266	39,673	655,257
<b>NET BOOK VALUE</b>					
At 31 March 2019	312,195	63,783	5,801	70,919	452,698
At 31 March 2018	324,678	33,704	4,238	21,287	383,907

**12. FIXED ASSET INVESTMENTS****Group**

	Unlisted investments £
<b>COST</b>	
At 1 April 2018 and 31 March 2019	193,261
<b>PROVISIONS</b>	
At 1 April 2018 and 31 March 2019	39,045
<b>NET BOOK VALUE</b>	
At 31 March 2019	154,216
At 31 March 2018	154,216

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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

	Shares in group undertakings £	Unlisted investments £	Totals £
<b>COST</b>			
At 1 April 2018 and 31 March 2019	1,069,164	193,261	1,262,425
<b>PROVISIONS</b>			
At 1 April 2018 and 31 March 2019	-	39,045	39,045
<b>NET BOOK VALUE</b>			
At 31 March 2019	1,069,164	154,216	1,223,380
At 31 March 2018	1,069,164	154,216	1,223,380

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.

**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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**12. FIXED ASSET INVESTMENTS - continued****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		
		25.10.18	25.10.17
		£	£
Aggregate capital and reserves		1,670,508	1,244,110
Profit for the year		<u>462,398</u>	<u>183,013</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		
		31.12.18	31.12.17
		£	£
Aggregate capital and reserves		323,631	20,262
Profit for the year/period		<u>308,519</u>	<u>11,389</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.

**13. STOCKS**

	<b>Group</b>		<b>Company</b>	
	2019	2018	2019	2018
	£	£	£	£
Finished goods	<u>410,078</u>	<u>772,544</u>	<u>108,115</u>	<u>290,000</u>

Stock recognised as cost of sales in the year amounted to £13,535,603 (2018 - £25,590,432).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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

	<b>Group</b>		<b>Company</b>	
	2019	2018	2019	2018
	£	£	£	£
Trade debtors	2,487,340	4,434,788	2,409,304	4,421,785
Amounts owed by group undertakings	-	-	-	84
Other debtors	4,248,504	4,228,504	4,248,504	4,228,504
VAT	1,487,193	554,264	1,412,485	585,095
Prepayments	217,725	413,096	187,734	387,073
	<u>8,440,762</u>	<u>9,630,652</u>	<u>8,258,027</u>	<u>9,622,541</u>

**15. CURRENT ASSET INVESTMENTS**

	<b>Group</b>		<b>Company</b>	
	2019	2018	2019	2018
	£	£	£	£
Listed investments	<u>6,082,784</u>	<u>5,743,656</u>	<u>6,082,784</u>	<u>5,743,656</u>

Market value of listed investments at 31 March 2019 held by the group and the company - £6,082,784

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

	<b>Group</b>		<b>Company</b>	
	2019	2018	2019	2018
	£	£	£	£
Other loans (see note 17)	800,000	800,000	800,000	800,000
Trade creditors	1,572,759	1,756,190	1,034,067	1,203,355
No description	22,078	-	-	-
Amounts owed to group undertakings	-	-	8,138,087	7,875,295
Tax	178,599	135,648	82,422	72,692
Social security and other taxes	48,248	43,489	22,663	22,553
VAT creditor	9,724	-	-	-
No description	2,357	735	-	-
Other creditors	244,227	336,217	94,134	249,248
Accrued expenses	948,170	908,618	416,432	439,872
	<u>3,826,162</u>	<u>3,980,897</u>	<u>10,587,805</u>	<u>10,663,015</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**17. LOANS**

An analysis of the maturity of loans is given below:

	<b>Group</b>		<b>Company</b>	
	2019	2018	2019	2018
	£	£	£	£
Amounts falling due within one year or on demand:				
Other loans	<u>800,000</u>	<u>800,000</u>	<u>800,000</u>	<u>800,000</u>

**18. SECURED DEBTS**

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

**19. PROVISIONS FOR LIABILITIES**

	<b>Group</b>		<b>Company</b>	
	2019	2018	2019	2018
	£	£	£	£
Deferred tax	<u>352,636</u>	<u>283,533</u>	<u>344,561</u>	<u>279,674</u>

**Group**

	Deferred tax £
Balance at 1 April 2018	283,533
Accelerated capital allowances	14,803
Anticipated capital gain	54,300
Change in rate of tax	
Balance at 31 March 2019	<u>352,636</u>

**Company**

	Deferred tax £
Balance at 1 April 2018	279,674
Accelerated capital allowances	10,087
Anticipated Capital Gain	54,800
Change in rate of tax	
Balance at 31 March 2019	<u>344,561</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**20. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2019 £	2018 £
63,586	Ordinary	£1	<u>63,586</u>	<u>63,586</u>

**21. RESERVES****Group**

	Retained earnings £	Share premium £	Capital redemption reserve £	Fair value reserve £	Totals £
At 1 April 2018	13,510,801	29,524	126,414	1,337,190	15,003,929
Profit for the year	1,309,715				1,309,715
Adjustment to fair value	(339,128)	-	-	339,128	-
At 31 March 2019	<u>14,481,388</u>	<u>29,524</u>	<u>126,414</u>	<u>1,676,318</u>	<u>16,313,644</u>

**Company**

	Retained earnings £	Share premium £	Capital redemption reserve £	Fair value reserve £	Totals £
At 1 April 2018	7,650,831	29,524	126,414	1,337,190	9,143,959
Profit for the year	1,007,674				1,007,674
Adjustment to fair value	(339,128)	-	-	339,128	-
At 31 March 2019	<u>8,319,377</u>	<u>29,524</u>	<u>126,414</u>	<u>1,676,318</u>	<u>10,151,633</u>

**22. NON-CONTROLLING INTERESTS**

	2019 £	2018 £
At 1 April 2018	1,640,968	1,549,841
Profit during year	<u>123,504</u>	<u>91,127</u>
At 31 March 2019	<u>1,764,472</u>	<u>1,640,968</u>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2019**

**23. PENSION COMMITMENTS**

The group 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 £33,534 (2018 - £22,185) were paid by the company to the fund. One director is accruing benefits under the scheme.

**24. 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 (2018 - £48,000) was paid in relation to the loan during the year.

During the year a loan of £4,038,504 (2018 - £4,018,504) was provided to Verbeia Properties Limited a company of which Mr J A Woodward is a director.

**25. ULTIMATE CONTROLLING PARTY**

The controlling party is J Woodward.