

A & AK Butterworth Limited
Financial Statements
For the year ended
31 March 2007

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Company No. 4027838

A & AK Butterworth Limited

Financial Statements

Year ended 31 March 2007

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A & AK Butterworth Limited

Officers and Professional Advisers

The board of directors

J A Woodward
H J Clarke
R J Butterworth

Company secretary

H J Clarke

Registered office

Unit B
Wier Lane
Worcester
Worcestershire
WR2 4AY

Auditor

Horwath Clark Whitehill (Yorkshire) LLP
Chartered Accountants
& Registered Auditors
Pelican House
10 Currer Street
Bradford
BD1 5BA

Bankers

Barclays Bank plc
54 High Street
Worcester
WR1 2QQ

Solicitors

Schofield Sweeney
Church Bank House
Church Bank
Bradford
BD1 4DY

A & AK Butterworth Limited

Directors' Report

Year ended 31 March 2007

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2007

Principal activities and business review

The principal activity of the company during the year was that of processor and merchant of hides, skins, and wool

The company's balance sheet as detailed on page 6 shows a satisfactory position, shareholders' funds amounting to £724,165

Directors

The directors who served the company during the year were as follows

J A Woodward
H J Clarke
R J Butterworth

The interest of J A Woodward, a director of the parent company, in the parent company is shown in that company's financial statements

Auditor

A resolution to re-appoint Horwath Clark Whitehill (Yorkshire) LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

Signed by order of the directors



H J Clarke
Company Secretary

25 January 2008

A & AK Butterworth Limited

Statement of Directors' Responsibilities

Year ended 31 March 2007

The directors are responsible for preparing the Annual Report 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). The financial statements are required by law to 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 estimates that are reasonable and prudent,

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that 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 1985. 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.

In so far as the directors are aware

there is no relevant audit information of which the company's auditor is unaware, and

the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Independent Auditor's Report to the Shareholders of A & AK Butterworth Limited

We have audited the financial statements of A & AK Butterworth Limited for the year ended 31 March 2007 on pages 5 to 13, which have been prepared on the basis of the accounting policies set out on pages 7 to 8

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

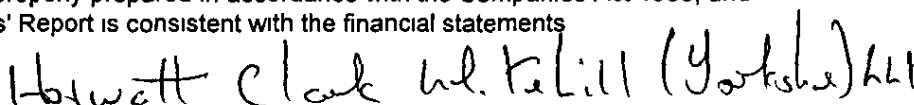
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion

the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2007 and of its profit for the year then ended,
the financial statements have been properly prepared in accordance with the Companies Act 1985, and
the information given in the Directors' Report is consistent with the financial statements.



Bradford
25 January 2008

**HORWATH CLARK WHITEHILL
(YORKSHIRE) LLP**
Chartered Accountants
& Registered Auditors

A & AK Butterworth Limited

Profit and Loss Account

Year ended 31 March 2007

	Note	2007 £	2006 £
Turnover		3,761,269	3,265,644
Cost of sales		2,866,047	2,198,967
Gross profit		895,222	1,066,677
Administrative expenses		778,594	819,112
Operating profit	2	116,628	247,565
Interest receivable		27	—
Profit on ordinary activities before taxation		116,655	247,565
Tax on profit on ordinary activities	4	28,172	71,110
Profit for the financial year		88,483	176,455

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

The notes on pages 7 to 13 form part of these financial statements.

A & AK Butterworth Limited

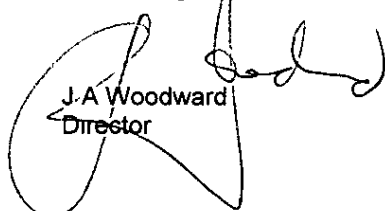
Balance Sheet

31 March 2007

	Note	2007 £	2006 £
Fixed assets			
Tangible assets	5	<u>24,081</u>	<u>34,399</u>
Current assets			
Stocks		245,000	79,928
Debtors	6	636,601	847,489
Cash at bank and in hand		<u>19,914</u>	<u>200</u>
		901,515	927,617
Creditors: Amounts falling due within one year	8	<u>201,431</u>	<u>326,334</u>
Net current assets		700,084	601,283
Total assets less current liabilities		<u>724,165</u>	<u>635,682</u>
Capital and reserves			
Called-up equity share capital	11	1,000	1,000
Profit and loss account	12	723,165	634,682
Shareholders' funds	13	<u>724,165</u>	<u>635,682</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

These financial statements were approved by the directors and authorised for issue on 25 January 2008, and are signed on their behalf by


J.A Woodward
Director

The notes on pages 7 to 13 form part of these financial statements.

A & AK Butterworth Limited

Notes to the Financial Statements

Year ended 31 March 2007

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable UK accounting standards

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax

Fixed assets

All fixed assets are initially recorded at cost

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Leasehold Property	-	2% straight line
Plant & Machinery	-	20-25% reducing balance
Motor Vehicles	-	25% 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

Operating lease agreements

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

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions

A & AK Butterworth Limited

Notes to the Financial Statements

Year ended 31 March 2007

1. Accounting policies (continued)

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

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 the transaction. Exchange differences are taken into account in arriving at the operating profit.

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.

2. Operating profit

Operating profit is stated after charging/(crediting)

	2007 £	2006 £
Depreciation of owned fixed assets	26,973	29,697
Auditor's fees	5,000	5,000
Net profit on foreign currency translation	<u>(271)</u>	<u>—</u>

3. Directors' emoluments

The directors' aggregate emoluments in respect of qualifying services were

	2007 £	2006 £
Aggregate emoluments	63,885	70,609
Value of company pension contributions to money purchase schemes	3,760	4,575
	<u>67,645</u>	<u>75,184</u>

A & AK Butterworth Limited
Notes to the Financial Statements
Year ended 31 March 2007

3. Directors' emoluments (continued)

The number of directors who accrued benefits under company pension schemes was as follows

	2007	2006
	No	No
Money purchase schemes	<u>1</u>	<u>1</u>

4. Taxation on ordinary activities

(a) Analysis of charge in the year

	2007	2006
	£	£
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 30% (2006 - 30%)	30,614	74,260
Total current tax	30,614	74,260
Deferred tax		
Origination and reversal of timing differences (note 7)		
Capital allowances	(2,442)	(3,150)
Tax on profit on ordinary activities	28,172	71,110

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30% (2006 - 30%)

	2007	2006
	£	£
Profit on ordinary activities before taxation	116,655	247,565
Profit on ordinary activities by rate of tax	34,997	74,270
Capital allowances in excess of depreciation	2,493	3,201
Tax chargeable at lower rates	(6,876)	(3,211)
Total current tax (note 4(a))	30,614	74,260

A & AK Butterworth Limited
Notes to the Financial Statements
Year ended 31 March 2007

5. Tangible fixed assets

	Leasehold Property £	Plant & Machinery £	Motor Vehicles £	Total £
Cost				
At 1 April 2006	8,549	158,638	17,715	184,902
Additions	—	16,655	—	16,655
At 31 March 2007	<u>8,549</u>	<u>175,293</u>	<u>17,715</u>	<u>201,557</u>
Depreciation				
At 1 April 2006	898	136,318	13,287	150,503
Charge for the year	171	22,374	4,428	26,973
At 31 March 2007	<u>1,069</u>	<u>158,692</u>	<u>17,715</u>	<u>177,476</u>
Net book value				
At 31 March 2007	<u>7,480</u>	<u>16,601</u>	<u>—</u>	<u>24,081</u>
At 31 March 2006	<u>7,651</u>	<u>22,320</u>	<u>4,428</u>	<u>34,399</u>

6. Debtors

	2007 £	2006 £
Trade debtors	204	294
Amounts owed by group undertakings	544,173	765,474
VAT recoverable	8,201	—
Other debtors	67,269	67,409
Deferred taxation (note 7)	16,754	14,312
	<u>636,601</u>	<u>847,489</u>

7. Deferred taxation

The deferred tax included in the Balance sheet is as follows

	2007 £	2006 £
Included in debtors (note 6)	<u>16,754</u>	<u>14,312</u>

The movement in the deferred taxation account during the year was

	2007 £	2006 £
Balance brought forward	14,312	11,162
Profit and loss account movement arising during the year	2,442	3,150
Balance carried forward	<u>16,754</u>	<u>14,312</u>

A & AK Butterworth Limited
Notes to the Financial Statements
Year ended 31 March 2007

7. Deferred taxation (continued)

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of

	2007 £	2006 £
Excess of depreciation over taxation allowances	16,754	14,312
	<u>16,754</u>	<u>14,312</u>

8. Creditors: Amounts falling due within one year

	2007 £	2006 £
Overdrafts	–	46,492
Trade creditors	126,385	83,770
Corporation tax	30,614	73,662
PAYE and social security	7,970	5,373
VAT	–	23,398
Other creditors	4,947	31,371
Accruals and deferred income	31,515	62,268
	<u>201,431</u>	<u>326,334</u>

9. Commitments under operating leases

At 31 March 2007 the company had annual commitments under non-cancellable operating leases as set out below

	2007		2006	
	Land & Buildings £	Other Items £	Land & Buildings £	Other Items £
Operating leases which expire				
Within 2 to 5 years	-	11,547	-	7,976
After more than 5 years	25,000	-	25,000	-
	<u>25,000</u>	<u>11,547</u>	<u>25,000</u>	<u>7,976</u>

A & AK Butterworth Limited

Notes to the Financial Statements

Year ended 31 March 2007

10. Related party transactions

During the year J A Woodward was also a director and shareholder of Bradford Hide Company Limited, the company's ultimate parent undertaking. The company purchased goods from Bradford Hide Company Limited with a value of £1,204,026 (2006 £732,622) and made sales to Bradford Hide Company Limited of £1,317,603 (2006 £963,267). A management fee of £16,000 (2006 £16,000) was also charged to A & A K Butterworth Limited from Bradford Hide Company Limited. The balance due from Bradford Hide Company Limited at 31 March 2007 was £451,984 (2006 £686,712).

A & A K Butterworth Limited also trade with McConomy & Co Limited, a fellow subsidiary of Bradford Hide Company Limited. The company sold goods to McConomy & Co Limited with a value of £327,487 (2006 £331,523). The company bought goods from McConomy & Co Limited with a value of £25 (2006 £268). The balance due from McConomy & Co Limited at 31 March 2007 was £5,253 (2006 £5,671).

A & A K Butterworth Limited also trade with Dee Baylis Limited, a fellow subsidiary of Bradford Hide Company Limited. The company purchased goods from Dee Baylis Limited with a value of £22,531 (2006 £16,971) and made sales to Dee Baylis Limited of £1,918,030 (2006 £1,970,854). The balance outstanding due from Dee Baylis Limited at 31 March 2007 was £86,936 (2006 £73,092).

11. Share capital

Authorised share capital:

	2007 £	2006 £
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2007 No	£	2006 No	£
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

12. Profit and loss account

	2007 £	2006 £
Balance brought forward	634,682	458,227
Profit for the financial year	<u>88,483</u>	<u>176,455</u>
Balance carried forward	<u>723,165</u>	<u>634,682</u>

13. Reconciliation of movements in shareholders' funds

	2007 £	2006 £
Profit for the financial year	88,483	176,455
Opening shareholders' funds	<u>635,682</u>	<u>459,227</u>
Closing shareholders' funds	<u>724,165</u>	<u>635,682</u>

A & AK Butterworth Limited

Notes to the Financial Statements

Year ended 31 March 2007

14. Ultimate parent company

The directors consider the immediate parent undertaking of this company is its parent company Bradford Hide Company Limited by virtue of its 75% ownership

The ultimate controlling related party is J A Woodward as a result of his majority share holding in Bradford Hide Company Limited

The largest group of undertakings for which group accounts have been drawn up is that headed by Bradford Hide Company Limited which is registered in England and Wales

The consolidated accounts of that group are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ