

A & AK Butterworth Limited

FINANCIAL STATEMENTS

for the year ended

31 March 2009

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COMPANIES HOUSE

A & AK Butterworth Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J A Woodward
H J Clarke
R J Butterworth

SECRETARY

H J Clarke

REGISTERED OFFICE

Unit B
Wier Lane
Worcester
Worcestershire
WR2 4AY

AUDITOR

Baker Tilly UK Audit LLP
Chartered Accountants
The Waterfront
Salts Mill Road
Saltaire
West Yorkshire
BD17 7EZ

BANKERS

Barclays Bank plc
54 High Street
Worcester
WR1 2QQ

A & AK Butterworth Limited

DIRECTORS' REPORT

The directors submit their report and financial statements of A & AK Butterworth Limited for the year ended 31 March 2009.

PRINCIPAL ACTIVITIES

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

REVIEW OF THE BUSINESS

The company's balance sheet as detailed on page 6 shows a satisfactory position, shareholders' funds amounting to £726,702.

DIRECTORS

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

J A Woodward
H J Clarke
R J Butterworth

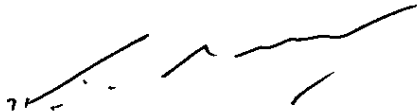
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions relating to small companies under section 246(4) of the Companies Act 1985.

By order of the board



H J Clarke

Company Secretary

26 January 2010

A & AK Butterworth Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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 those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. 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 are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF A & AK BUTTERWORTH LIMITED

We have audited the financial statements on pages 5 to 13.

This report is made solely to the company's members, 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 members 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 members 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 Annual Report and 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 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 2009 and of its profit for the year then ended and 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.

Baker Tilly UK Audit LLP

BAKER TILLY UK AUDIT LLP

Registered Auditor

Chartered Accountants

The Waterfront

Salts Mill Road

Saltaire

West Yorkshire BD17 7EZ

28 January 2010

A & AK Butterworth Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 March 2009

	<i>Notes</i>	2009 £	2008 £
TURNOVER		3,801,637	4,175,324
Cost of sales		2,901,036	3,219,945
Gross profit		900,601	955,379
Administrative expenses		860,383	859,548
OPERATING PROFIT	2	40,218	95,831
Interest payable and similar charges		–	108
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		40,218	95,723
Taxation	4	7,672	25,732
PROFIT FOR THE FINANCIAL YEAR	13	32,546	69,991

The profit for the year arises from the company's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

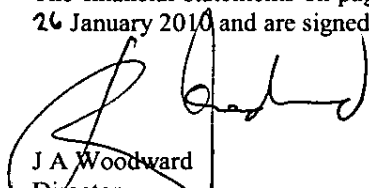
A & AK Butterworth Limited**BALANCE SHEET**

31 March 2009

	<i>Notes</i>	2009 £	2008 £
FIXED ASSETS			
Tangible assets	6	<u>44,811</u>	<u>53,085</u>
CURRENT ASSETS			
Stocks		55,237	255,456
Debtors	7	793,610	750,437
Cash at bank and in hand		<u>2,601</u>	<u>886</u>
		851,448	1,006,779
CREDITORS			
Amounts falling due within one year	9	<u>169,557</u>	<u>365,708</u>
NET CURRENT ASSETS		<u>681,891</u>	<u>641,071</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>726,702</u>	<u>694,156</u>
CAPITAL AND RESERVES			
Called up share capital	12	1,000	1,000
Profit and loss account	13	<u>725,702</u>	<u>693,156</u>
SHAREHOLDERS' FUNDS	14	<u>726,702</u>	<u>694,156</u>

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985.

The financial statements on pages 5 to 13 were approved by the board of directors and authorised for issue on 26 January 2010 and are signed on their behalf by:



J A Woodward
Director

A & AK Butterworth Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2009

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.

GOING CONCERN

The accounts have been prepared on a going concern basis. Having carried out a detailed review of the company's resources and the challenges presented by the current economic climate, the directors are confident that the company has sufficient cash flows to meet its liabilities as they fall due for at least one year from the date of approval of the accounts.

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.

A & AK Butterworth Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2009

1 ACCOUNTING POLICIES *(continued)*

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

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):

	2009	2008
	£	£
Depreciation of owned fixed assets	17,396	13,258
Loss on disposal of fixed assets	877	—
Auditor's fees	5,250	5,250
Net loss/(profit) on foreign currency translation	<u>2,658</u>	<u>(264)</u>

3 DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2009	2008
	£	£
Aggregate emoluments	66,693	73,854
Value of company pension contributions to money purchase schemes	<u>4,555</u>	<u>4,520</u>
	<u>71,248</u>	<u>78,374</u>

A & AK Butterworth Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2009

3 DIRECTORS' EMOLUMENTS *(continued)*

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

	2009	2008
	No	No
Money purchase schemes	<u>1</u>	<u>1</u>

4 TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2009	2008
	£	£
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 28% (2008 - 30%)	7,250	18,591
Over/under provision in prior year	(3,051)	200
Total current tax	<u>4,199</u>	<u>18,791</u>
Deferred tax:		
Origination and reversal of timing differences (note 8)		
Capital allowances	3,473	6,941
Tax on profit on ordinary activities	<u>7,672</u>	<u>25,732</u>

(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 28% (2008 - 30%), as explained below

	2009	2008
	£	£
Profit on ordinary activities before taxation	<u>40,218</u>	<u>95,723</u>
Profit on ordinary activities by rate of tax	11,261	28,717
Effects of:		
Capital allowances in excess of depreciation	(1,623)	(2,902)
Marginal relief	(2,410)	(7,224)
Adjustments to tax charge in respect of previous periods	(3,051)	200
Rounding on tax charge	22	-
Total current tax (note 4(a))	<u>4,199</u>	<u>18,791</u>

5 DIVIDENDS

Equity dividends

	2009	2008
	£	£
Paid during the year:		
Equity dividends on ordinary shares £-- (2008: £100.00)	<u>—</u>	<u>100,000</u>

A & AK Butterworth Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2009

6 TANGIBLE FIXED ASSETS

	Leasehold Property £	Plant & Machinery £	Motor Vehicles £	Total £
Cost				
At 1 April 2008	8,549	183,375	19,680	211,604
Additions	–	9,999	–	9,999
Disposals	–	(39,572)	–	(39,572)
At 31 March 2009	<u>8,549</u>	<u>153,802</u>	<u>19,680</u>	<u>182,031</u>
Depreciation				
At 1 April 2008	1,240	152,421	4,858	158,519
Charge for the year	171	12,367	4,858	17,396
On disposals	–	(38,695)	–	(38,695)
At 31 March 2009	<u>1,411</u>	<u>126,093</u>	<u>9,716</u>	<u>137,220</u>
Net book value				
At 31 March 2009	<u>7,138</u>	<u>27,709</u>	<u>9,964</u>	<u>44,811</u>
At 31 March 2008	<u>7,309</u>	<u>30,954</u>	<u>14,822</u>	<u>53,085</u>

7 DEBTORS

	2009 £	2008 £
Trade debtors	3,478	1,469
Amounts owed by group undertakings	783,172	714,253
Other debtors	620	24,902
Deferred taxation (note 8)	6,340	9,813
	<u>793,610</u>	<u>750,437</u>

8 DEFERRED TAXATION

The deferred taxation included in the balance sheet is as follows:

	2009 £	2008 £
Included in debtors (note 7)	<u>6,340</u>	<u>9,813</u>

The movement in the deferred taxation account during the year was:

	2009 £	2008 £
Balance brought forward	9,813	16,754
Profit and loss account movement arising during the year	(3,473)	(6,941)
Balance carried forward	<u>6,340</u>	<u>9,813</u>

A & AK Butterworth Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2009

8 DEFERRED TAXATION *(continued)*

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

	2009	2008
	£	£
Excess of depreciation over taxation allowances	6,340	9,813
	<u>6,340</u>	<u>9,813</u>

9 CREDITORS: Amounts falling due within one year

	2009	2008
	£	£
Bank overdrafts	471	7,407
Trade creditors	77,575	198,441
Amounts owed to group undertakings	611	-
Corporation tax	7,250	18,591
Other taxation and social security costs	60,920	77,079
Other creditors	22,730	64,190
	<u>169,557</u>	<u>365,708</u>

10 COMMITMENTS UNDER OPERATING LEASES

At 31 March 2009 the company had annual commitments under non-cancellable operating leases as set out below.

	2009		2008	
	Land and buildings	Other	Land and buildings	Other
	£	£	£	£
Operating leases which expire:				
Within 2 to 5 years	-	11,547	-	11,547
After more than 5 years	25,000	-	25,000	-
	<u>25,000</u>	<u>11,547</u>	<u>25,000</u>	<u>11,547</u>

A & AK Butterworth Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2009

11 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 £979,800 (2008: £1,298,685) and made sales to Bradford Hide Company Limited of £1,504,133 (2008: £1,510,206). A management fee of £12,200 (2008: £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 2009 was £737,514 (2008: £512,841).

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 £125,213 (2008: £403,254). The company bought goods from McConomy & Co Limited with a value of £nil (2008: £nil). The balance due to A & A K Butterworth Limited at 31 March 2009 was £611 (2008: £57,588 owed from A & A K Butterworth Limited).

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 £26,546 (2008: £54,067) and made sales to Dee Baylis Limited of £1,993,484 (2008: £2,147,707). The balance outstanding due from Dee Baylis Limited at 31 March 2009 was £45,658 (2008: £143,825).

12 SHARE CAPITAL

	2009 £	2008 £
Authorised:		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	2009 £	2008 £
Allotted, called up and fully paid:		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

13 PROFIT AND LOSS ACCOUNT

	2009 £	2008 £
At 1 April 2008	693,156	723,165
Profit for the financial year	32,546	69,991
Dividends	—	(100,000)
At 31 March 2009	<u>725,702</u>	<u>693,156</u>

14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2009 £	2008 £
Profit for the financial year	32,546	69,991
Dividends	—	(100,000)
Net addition/(reduction) to shareholders' funds	32,546	(30,009)
Opening shareholders' funds	694,156	724,165
Closing shareholders' funds	<u>726,702</u>	<u>694,156</u>

A & AK Butterworth Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2009

15 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 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.