

# A & AK Butterworth Limited

## FINANCIAL STATEMENTS

for the year ended

31 March 2010



# A & AK Butterworth Limited

## OFFICERS AND PROFESSIONAL ADVISERS

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### DIRECTORS

J A Woodward  
H J Clarke  
R J Butterworth

### SECRETARY

H J Clarke

### REGISTERED OFFICE

Unit B  
Weir Lane  
Worcester  
Worcestershire  
WR2 4AY

### AUDITOR

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

### BANKERS

Barclays Bank plc  
54 High Street  
Worcester  
WR1 2QQ

# A & AK Butterworth Limited

## DIRECTORS' REPORT

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The directors submit their report and financial statements of A & AK Butterworth Limited for the year ended 31 March 2010

### 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 £780,795

### 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 provisions applicable to companies entitled to the small companies exemption.

By order of the board



H J Clarke

Company Secretary

22 December 2010

# A & AK Butterworth Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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The directors are responsible for preparing the Directors' 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).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and accounting 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

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 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**

As more fully explained in the Directors' Responsibilities Statement set out on page 3, the directors are 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 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 (APB's) Ethical Standards for Auditors.

## **Scope of the audit**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

## **Opinion on the financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2010 and its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **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, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report.

*Baker Tilly UK Audit LLP*

ROLAND CLARK (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

The Waterfront

Salts Mill Road

Saltaire

Shipley

West Yorkshire BD17 7EZ

*23/12/10*

# A & AK Butterworth Limited

## PROFIT AND LOSS ACCOUNT

for the year ended 31 March 2010

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		2010	2009
	<i>Notes</i>	£	£
TURNOVER		3,323,531	3,801,637
Cost of sales		2,362,291	2,901,036
Gross profit		<u>961,240</u>	<u>900,601</u>
Administrative expenses		751,247	860,383
OPERATING PROFIT	2	209,993	40,218
Interest receivable and similar income		6	—
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>209,999</u>	<u>40,218</u>
Taxation	4	55,906	7,672
PROFIT FOR THE FINANCIAL YEAR	13	<u>154,093</u>	<u>32,546</u>

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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 &amp; AK Butterworth Limited

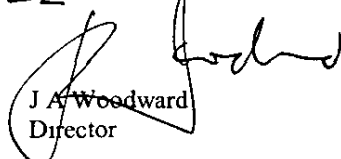
## BALANCE SHEET

31 March 2010

	Notes	2010 £	2009 £
<b>FIXED ASSETS</b>			
Tangible assets	6	<u>29,374</u>	<u>44,811</u>
<b>CURRENT ASSETS</b>			
Stocks		210,222	55,237
Debtors	7	867,615	793,610
Cash at bank and in hand		<u>65,557</u>	<u>2,601</u>
		1,143,394	851,448
<b>CREDITORS</b>			
Amounts falling due within one year	9	<u>391,973</u>	<u>169,557</u>
<b>NET CURRENT ASSETS</b>		<u>751,421</u>	<u>681,891</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>780,795</u>	<u>726,702</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	1,000	1,000
Profit and loss account	13	<u>779,795</u>	<u>725,702</u>
<b>SHAREHOLDERS' FUNDS</b>	14	<u>780,795</u>	<u>726,702</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime

The financial statements on pages 5 to 13 were approved by the board of directors and authorised for issue on 22 December 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 2010

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### 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 2010

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### 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 substantively 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)

	2010	2009
	£	£
Depreciation of owned fixed assets	17,547	17,396
Loss on disposal of fixed assets	1,500	877
Auditor's fees	4,800	4,600
Net (profit)/loss on foreign currency translation	<u>(1,525)</u>	<u>2,658</u>

### 3 DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	2010	2009
	£	£
Aggregate remuneration	93,138	66,693
Value of company pension contributions to money purchase schemes	4,779	4,555
	<u>97,917</u>	<u>71,248</u>

**A & AK Butterworth Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2010

**3 DIRECTORS' REMUNERATION** *(continued)*

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

	2010 No	2009 No
Money purchase schemes	<u>1</u>	<u>1</u>

**4 TAXATION ON ORDINARY ACTIVITIES**

**(a) Analysis of charge in the year**

	2010 £	2009 £
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 28% (2009 - 28%)	57,500	7,250
Over/under provision in prior year	(334)	(3,051)
Total current tax	<u>57,166</u>	<u>4,199</u>
Deferred tax		
Origination and reversal of timing differences (note 8)		
Capital allowances	(1,260)	3,473
Tax on profit on ordinary activities	<u>55,906</u>	<u>7,672</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% (2009 - 28%), as explained below

	2010 £	2009 £
Profit on ordinary activities before taxation	<u>209,999</u>	<u>40,218</u>
Profit on ordinary activities by rate of tax	58,800	11,261
Effects of		
Capital allowances in excess of depreciation	1,461	(1,623)
Marginal relief	(2,796)	(2,410)
Adjustments to tax charge in respect of previous periods	(334)	(3,051)
Rounding on tax charge	35	22
Total current tax (note 4(a))	<u>57,166</u>	<u>4,199</u>

**5 DIVIDENDS**

Equity dividends

	2010 £	2009 £
Paid during the year		
Equity dividends on ordinary shares £100 00 (2009 £-)	<u>100,000</u>	<u>-</u>

**A & AK Butterworth Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2010

**6 TANGIBLE FIXED ASSETS**

	Leasehold Property £	Plant & Machinery £	Motor Vehicles £	Total £
Cost				
At 1 April 2009	8,549	153,802	19,680	182,031
Additions	—	3,610	—	3,610
Disposals	—	(7,323)	—	(7,323)
At 31 March 2010	<u>8,549</u>	<u>150,089</u>	<u>19,680</u>	<u>178,318</u>
Depreciation				
At 1 April 2009	1,411	126,093	9,716	137,220
Charge for the year	171	12,268	5,108	17,547
On disposals	—	(5,823)	—	(5,823)
At 31 March 2010	<u>1,582</u>	<u>132,538</u>	<u>14,824</u>	<u>148,944</u>
Net book value				
At 31 March 2010	<u>6,967</u>	<u>17,551</u>	<u>4,856</u>	<u>29,374</u>
At 31 March 2009	<u>7,138</u>	<u>27,709</u>	<u>9,964</u>	<u>44,811</u>

**7 DEBTORS**

	2010 £	2009 £
Trade debtors	1,960	3,478
Amounts owed by group undertakings	845,553	783,172
Other debtors	12,502	620
Deferred taxation (note 8)	7,600	6,340
	<u>867,615</u>	<u>793,610</u>

**8 DEFERRED TAXATION**

The deferred taxation included in the balance sheet is as follows

	2010 £	2009 £
Included in debtors (note 7)	<u>7,600</u>	<u>6,340</u>

The movement in the deferred taxation account during the year was

	2010 £	2009 £
Balance brought forward	6,340	9,813
Profit and loss account movement arising during the year	1,260	(3,473)
Balance carried forward	<u>7,600</u>	<u>6,340</u>

**A & AK Butterworth Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2010

**8 DEFERRED TAXATION** *(continued)*

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

	2010	2009
	£	£
Excess of depreciation over taxation allowances	7,600	6,340
	<u>7,600</u>	<u>6,340</u>

**9 CREDITORS** Amounts falling due within one year

	2010	2009
	£	£
Bank overdrafts	-	471
Trade creditors	220,578	77,575
Amounts owed to group undertakings	-	611
Corporation tax	58,005	7,250
Other taxation and social security costs	65,121	60,920
Other creditors	48,269	22,730
	<u>391,973</u>	<u>169,557</u>

**10 COMMITMENTS UNDER OPERATING LEASES**

At 31 March 2010 the company had annual commitments under non-cancellable operating leases as set out below

	2010		2009	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire				
Within 2 to 5 years	-	9,000	-	11,547
After more than 5 years	25,000	-	25,000	-
	<u>25,000</u>	<u>9,000</u>	<u>25,000</u>	<u>11,547</u>

# A & AK Butterworth Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2010

### 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 £836,860 (2009 £979,800) and made sales to Bradford Hide Company Limited of £1,451,696 (2009 £1,504,133). A management fee of £16,256 (2009 £12,000) 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 2010 was £691,224 (2009 £737,514).

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 £127,430 (2009 £125,213). The balance due to A & A K Butterworth Limited at 31 March 2009 was £nil (2009 £611).

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 £43,149 (2009 £26,546) and made sales to Dee Baylis Limited of £1,715,430 (2009 £1,993,484). The balance outstanding due from Dee Baylis Limited at 31 March 2010 was £154,329 (2009 £45,658).

Of the total dividends of £100,000 paid by the company in the year, £75,000 was paid to Bradford Hide Company Limited by virtue of its majority shareholding. The remaining £25,000 was paid to Mr R J Butterworth.

### 12 SHARE CAPITAL

	2010 £	2009 £
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

	2010 £	2009 £
At 1 April 2009	725,702	693,156
Profit for the financial year	154,093	32,546
Dividends	(100,000)	—
At 31 March 2010	<u>779,795</u>	<u>725,702</u>

### 14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2010 £	2009 £
Profit for the financial year	154,093	32,546
Dividends	(100,000)	—
Net addition to shareholders' funds	<u>54,093</u>	<u>32,546</u>
Opening shareholders' funds	726,702	694,156
Closing shareholders' funds	<u>780,795</u>	<u>726,702</u>

**A & AK Butterworth Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2010**

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**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