

**A & A.K. BUTTERWORTH  
LIMITED**

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

31 MARCH 2003



**A & A.K. BUTTERWORTH LIMITED**

**FINANCIAL STATEMENTS**

For the period ended 31 March 2003

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Company registration number: 4027838

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

Directors: J A Woodward  
H J Clarke  
R J Butterworth

Secretary: H J Clarke

Bankers: Barclays Bank PLC  
54 High Street  
Worcester  
WR1 2QQ

Solicitors: Schofield Sweeney  
Number 1  
Valley Court  
Canal Road  
Bradford  
BD1 4SP

Auditors: Grant Thornton  
Registered Auditors  
Chartered Accountants  
St John's Centre  
110 Albion Street  
Leeds  
LS2 8LA

**A & A.K. BUTTERWORTH LIMITED**

**FINANCIAL STATEMENTS**

For the period ended 31 March 2003

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# A & A.K. BUTTERWORTH LIMITED

## REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the period from 1 January 2002 to 31 March 2003. The comparative period covers the period from 6 July 2000 to 31 December 2001.

### Principal activities

The company operates principally as a processor and merchant of hides, skins and wool.

### Business review

There was a profit for the period after taxation amounting to £124,941 (2001: profit £213,689). The directors do not recommend payment of a dividend (2001: £nil).

### Directors

The interests of the directors and their families in the shares of the company as at 31 March 2003 and 1 January 2002 were as follows:

|                 | Ordinary shares |                |
|-----------------|-----------------|----------------|
|                 | 31 March 2003   | 1 January 2002 |
| J A Woodward    | -               | -              |
| H J Clarke      | -               | -              |
| R J Butterworth | 250             | 250            |

The interests of J A Woodward, who is also a director of the parent company, is shown in that company's the parent company is shown in that company's financial statements.

### Directors' responsibilities for the financial statements

United Kingdom company law requires the directors to prepare financial statements for each financial year which 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:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- 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 maintaining proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**A & A.K. BUTTERWORTH LIMITED**

**REPORT OF THE DIRECTORS**

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**Auditors**

Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD



H J Clarke  
Secretary

*29 January 2004*

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF**

### **A & A.K. BUTTERWORTH LIMITED**

We have audited the financial statements of A & A.K. Butterworth Limited for the period ended 31 March 2003 which comprise the principal accounting policies, the profit and loss account, the balance sheet, the cash flow statement, and notes 1 to 22. These financial statements have been prepared under the accounting policies set out therein.

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 auditors' 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 auditors**

The directors' responsibilities for preparing the directors' report and the financial statements in accordance with United Kingdom law and accounting standards 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 United Kingdom auditing standards.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.*

We read other information contained in the directors' report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

#### **Basis of opinion**

We conducted our audit in accordance with United Kingdom auditing standards 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF

A & A.K. BUTTERWORTH LIMITED

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2003 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

*Grant Thornton*

GRANT THORNTON  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS

LEEDS

*30 January 2004*

# **A & A.K. BUTTERWORTH LIMITED**

## **PRINCIPAL ACCOUNTING POLICIES**

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### **BASIS OF PREPARATION**

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards and under the historical cost convention.

The principal accounting policies of the company are set out below. The policies have remained unchanged from the prior period.

### **TURNOVER**

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

### **TANGIBLE FIXED ASSETS AND DEPRECIATION**

Tangible fixed assets are shown at cost net of depreciation.

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets by equal annual instalments over their expected useful lives. The rates generally applicable are:

|   |                          |
|---|--------------------------|
| Leasehold buildings                     | 2% straight line         |
| Plant, machinery, fixtures and fittings | 20% to 25% straight line |
| Motor vehicles                          | 25% straight line        |

Depreciation is charged from the month following purchase up to and including the month of disposal.

### **STOCKS**

Stocks are stated at the lower of cost and net realisable value.

### **DEFERRED TAXATION**

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

### **CONTRIBUTIONS TO PENSION FUNDS**

#### **Defined contribution scheme**

The pension costs charged against operating profits represent the amount of the contributions payable to the scheme in respect of the accounting period.

### **LEASED ASSETS**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.



**A & A.K. BUTTERWORTH LIMITED****PROFIT AND LOSS ACCOUNT**

For the period ended 31 March 2003

|  | Note | 1 January 2002<br>to<br>31 March<br>2003<br>£ | 6 July 2000<br>to 31<br>December<br>2002<br>£ |
|--|------|---|---|
| <b>Turnover</b>                                      | 1    | <b>8,687,830</b>                              | 9,455,922                                     |
| Cost of sales  |      | <u>(7,332,583)</u>                            | <u>(7,754,090)</u>                            |
| Gross profit   |      | <b>1,355,247</b>                              | 1,701,832                                     |
| Administrative expenses                              |      | <u>(1,187,827)</u>                            | <u>(1,335,994)</u>                            |
| <b>Operating profit</b>                              |      | <b>167,420</b>                                | 365,838                                       |
| Net interest   | 2    | <u>(1,569)</u>                                | <u>(26,874)</u>                               |
| <b>Profit on ordinary activities before taxation</b> | 1    | <b>165,851</b>                                | 338,964                                       |
| Tax on profit on ordinary activities                 |      | <u>(40,910)</u>                               | <u>(125,275)</u>                              |
| <b>Profit transferred to reserves</b>                | 12   | <u><b>124,941</b></u>                         | <u>213,689</u>                                |

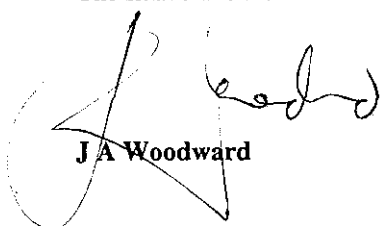
There were no recognised gains or losses other than the profit for the financial period.

# A & A.K. BUTTERWORTH LIMITED

## BALANCE SHEET AT 31 MARCH 2003

|  | Note | 2003<br>£        | 2001<br>£        |
|--|------|------------------|------------------|
| <b>Fixed assets</b>  |      |                  |                  |
| Tangible assets  | 5    | 114,291          | 64,004           |
| <b>Current assets</b>  |      |                  |                  |
| Stocks   | 6    | 127,412          | 137,624          |
| Debtors  | 7    | 562,682          | 613,419          |
| Cash at bank and in hand                                       |      | 487              | 4,448            |
|  |      | <u>690,581</u>   | <u>755,491</u>   |
| <b>Creditors: amounts falling due within one year</b>          | 8    | <u>(463,461)</u> | <u>(596,058)</u> |
| <b>Net current assets</b>                                      |      | <u>227,120</u>   | <u>159,433</u>   |
| <b>Total assets less current liabilities</b>                   |      | <u>341,411</u>   | <u>223,437</u>   |
| <b>Creditors: amounts falling due after more than one year</b> | 9    | -                | (7,748)          |
| <b>Provisions for liabilities and charges</b>                  | 10   | <u>(1,781)</u>   | <u>(1,000)</u>   |
|  |      | <u>339,630</u>   | <u>214,689</u>   |
| <b>Capital and reserves</b>                                    |      |                  |                  |
| Called up share capital  | 11   | 1,000            | 1,000            |
| Profit and loss account  | 12   | 338,630          | 213,689          |
| <b>Shareholders' funds</b>                                     | 13   | <u>339,630</u>   | <u>214,689</u>   |

The financial statements were approved by the Board of Directors on 29 January 2004



J A Woodward

Director

# A & A.K. BUTTERWORTH LIMITED

## CASH FLOW STATEMENT

For the period ended 31 March 2003

|  | Note | 1 January 2002<br>to<br>31 March<br>2003<br>£ | 6 July 2000<br>to 31<br>December<br>2002<br>£ |
|--|------|---|---|
| <b>Net cash inflow from operating activities</b>                             | 14   | 298,278                                       | 95,575  |
| <b>Returns on investments and servicing of finance</b>                       |      |   |   |
| Interest paid  |      | (1,569)                                       | (26,874)                                      |
| <b>Net cash outflow from returns on investments and servicing of finance</b> |      | (1,569)                                       | (26,874)                                      |
| <b>Taxation</b>  |      | (124,531)                                     | -   |
| <b>Capital expenditure and financial investment</b>                          |      |   |   |
| Purchase of net assets   |      | -   | (1)   |
| Purchase of tangible fixed assets  |      | (75,901)                                      | (16,724)                                      |
| <b>Net cash outflow from capital expenditure and financial investment</b>    |      | (75,901)                                      | (16,725)                                      |
| <b>Acquisitions</b>  |      |   |   |
| Net overdraft from purchase of net assets                                    |      | -   | (274,295)                                     |
| <b>Financing</b>   |      |   |   |
| Issue of shares  |      | -   | 1,000   |
| Capital element of finance lease rentals                                     |      | (11,104)                                      | (6,751)                                       |
| <b>Increase in cash</b>  | 15   | 85,173  | (228,070)                                     |

The accompanying accounting policies and notes form an integral part of these financial statements.

# A & A.K. BUTTERWORTH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2003

### 1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Turnover is attributable to the company's principal activity.

An analysis of turnover by geographical market is given below:

|                | 2003<br>£        | 2001<br>£        |
|----------------|------------------|------------------|
| United Kingdom | 8,552,810        | 8,848,597        |
| Rest of Europe | 135,020          | 607,325          |
|                | <u>8,687,830</u> | <u>9,455,922</u> |

The profit on ordinary activities is stated after:

|  | 2003<br>£    | 2001<br>£    |
|--|--------------|--------------|
| Auditors' remuneration   | 5,500        | 5,000        |
| Depreciation and amortisation:   |              |              |
| Goodwill   | -            | 80,396       |
| Tangible fixed assets, owned   | 23,411       | 16,091       |
| Tangible fixed assets, held under finance leases and hire purchase contracts | <u>2,203</u> | <u>2,754</u> |

### 2 INTEREST PAYABLE AND SIMILAR CHARGES

|  | 2003<br>£    | 2001<br>£     |
|--|--------------|---------------|
| Interest payable to group undertakings     | -            | 25,000        |
| Other interest payable and similar charges | <u>1,569</u> | <u>1,874</u>  |
|  | <u>1,569</u> | <u>26,874</u> |

### 3 DIRECTORS AND EMPLOYEES

Staff costs during the period were as follows:

|                       | 2003<br>£      | 2001<br>£      |
|-----------------------|----------------|----------------|
| Wages and salaries    | 554,601        | 582,215        |
| Social security costs | 47,251         | 52,308         |
| Other pension costs   | <u>5,649</u>   | <u>3,782</u>   |
|                       | <u>607,501</u> | <u>638,305</u> |

# A & A.K. BUTTERWORTH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2003

The average number of employees of the company during the period were as follows:

|   | 2003<br>Number | 2001<br>Number |
|---|----------------|----------------|
| Management and administrative personnel | 3              | 3              |
| Yard and transport personnel            | 21             | 21             |
|   | <u>24</u>      | <u>24</u>      |

Remuneration in respect of directors was as follows:

|   | 2003<br>£     | 2001<br>£     |
|---|---------------|---------------|
| Emoluments  | 73,851        | 91,681        |
| Pension contributions to money purchase pension schemes | 4,620         | 3,782         |
|   | <u>78,471</u> | <u>95,463</u> |

During the period 1 director (2001: 1) participated in a money purchase pension scheme.

### 4 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge represents:

|  | 2003<br>£     | 2001<br>£      |
|--|---------------|----------------|
| United Kingdom corporation tax charge at 30% (2001: 30%) | 39,860        | 124,275        |
| Adjustment in respect of prior periods                   | 269           | -              |
|  | <u>40,129</u> | <u>124,275</u> |
| Current tax  | 781           | 1,000          |
| Deferred tax charge for the period                       | <u>40,910</u> | <u>125,275</u> |

Factors affecting tax charge for period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK of 30% (2001: 30%). The differences are explained as follows.

# A & A.K. BUTTERWORTH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2003

|   | 2003<br>£ | 2001<br>£ |
|---|-----------|-----------|
| Profit on ordinary activities before tax  | 165,851   | 336,985   |
| Profit on ordinary activities multiplied by the standard rate of tax in the UK of 30% (2001: 30%) | 49,756    | 101,096   |
| Effects of:   |           |           |
| Expenses not deductible for tax purposes  | (801)     | 25,129    |
| Capital allowances for the period in excess of depreciation                                       | (881)     | (888)     |
| Other timing differences  | 100       | -         |
| Adjustments to tax charge in respect of previous periods  | 269       | -         |
| Adjustments in respect of lower rate of corporation tax applying                                  | (8,314)   | (1,062)   |
| Current tax charge  | 40,129    | 124,275   |

### 5 TANGIBLE FIXED ASSETS

|                                     | Leasehold<br>land and<br>buildings<br>£ | Plant and<br>machinery,<br>fixtures and<br>fittings<br>£ | Motor<br>vehicles<br>£ | Total<br>£ |
|-------------------------------------|---|--|------------------------|------------|
| Cost                                |   |  |                        |            |
| At 1 January 2002                   | 8,549                                   | 65,487   | 8,813                  | 82,849     |
| Additions                           | -                                       | 75,901   | -                      | 75,901     |
| At 31 March 2003                    | 8,549                                   | 141,388  | 8,813                  | 158,750    |
| Depreciation                        |   |  |                        |            |
| At 1 January 2002                   | 214                                     | 15,877   | 2,754                  | 18,845     |
| Provided in the period              | 171                                     | 23,240   | 2,203                  | 25,614     |
| At 31 March 2003                    | 385                                     | 39,117   | 4,957                  | 44,459     |
| Net book amount at 31 March 2003    | 8,164                                   | 102,271  | 3,856                  | 114,291    |
| Net book amount at 31 December 2001 | 8,335                                   | 49,610   | 6,059                  | 64,004     |

**A & A.K. BUTTERWORTH LIMITED****NOTES TO THE FINANCIAL STATEMENTS**For the period ended 31 March 2003

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The figures stated above include assets held under finance leases and similar hire purchase contracts, as follows:

|                                     | Motor<br>vehicles<br>£ |
|-------------------------------------|------------------------|
| Net book amount at 31 March 2003    | <u>3,856</u>           |
| Net book amount at 31 December 2001 | <u>6,059</u>           |
| Depreciation provided during period | <u>2,203</u>           |

**6 STOCKS**

|                                     | 2003<br>£      | 2001<br>£      |
|-------------------------------------|----------------|----------------|
| Finished goods and goods for resale | <u>127,412</u> | <u>137,624</u> |

**7 DEBTORS**

|                                    | 2003<br>£      | 2001<br>£      |
|------------------------------------|----------------|----------------|
| Trade debtors                      | 5,934          | 1,807          |
| Amounts owed by group undertakings | 556,748        | 607,724        |
| Prepayments and accrued income     | -              | 3,888          |
|                                    | <u>562,682</u> | <u>613,419</u> |

# A & A.K. BUTTERWORTH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2003

### 8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

|                                    | 2003<br>£      | 2001<br>£      |
|------------------------------------|----------------|----------------|
| Bank overdrafts                    | 143,384        | 232,518        |
| Trade creditors                    | 159,780        | 54,737         |
| Amounts owed to group undertakings | -              | 42,466         |
| Corporation tax                    | 39,873         | 124,275        |
| Social security and other taxes    | 28,498         | 40,870         |
| Other creditors                    | 15,122         | 19,239         |
| Accruals                           | 73,409         | 75,202         |
| Amounts due under finance leases   | 3,395          | 6,751          |
|                                    | <u>463,461</u> | <u>596,058</u> |

Amounts due under finance leases and hire purchase contracts are secured on the assets to which they relate. The bank overdraft is secured by a guarantee from the parent company.

### 9 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

|                                      | 2003<br>£      | 2001<br>£      |
|--------------------------------------|----------------|----------------|
| Amounts due under finance leases     | -              | 7,748          |
|                                      | <u>-</u>       | <u>7,748</u>   |
| Borrowings are repayable as follows: | 2003<br>£      | 2001<br>£      |
| Within one year                      |                |                |
| Bank overdraft                       | 143,384        | 232,518        |
| Finance leases                       | 3,395          | 6,751          |
| After one and within two years       |                |                |
| Finance leases                       | -              | 7,748          |
|                                      | <u>146,779</u> | <u>247,017</u> |

### 10 PROVISIONS FOR LIABILITIES AND CHARGES

|                            | Deferred<br>taxation<br>£ |
|----------------------------|---------------------------|
| At 1 January 2002          | 1,000                     |
| Provided during the period | 781                       |
| At 31 March 2003           | <u>1,781</u>              |



**A & A.K. BUTTERWORTH LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

For the period ended 31 March 2003

There is no unprovided deferred taxation. The entire deferred tax provision relates to accelerated capital allowances.

**11 SHARE CAPITAL**

|  | 2003<br>£    | 2001<br>£    |
|--|--------------|--------------|
| Authorised<br>1,000 Ordinary shares of £1 each                     | <u>1,000</u> | <u>1,000</u> |
| Allotted, called up and unpaid<br>1,000 Ordinary shares of £1 each | <u>1,000</u> | <u>1,000</u> |

**12 RESERVES**

|                                | Profit and<br>loss account<br>£ |
|--------------------------------|---------------------------------|
| At 1 January 2002              | 213,689                         |
| Retained profit for the period | <u>124,941</u>                  |
| At 31 March 2003               | <u>338,630</u>                  |

**13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

|                                       | 2003<br>£      | 2001<br>£      |
|---------------------------------------|----------------|----------------|
| Profit for the financial period       | 124,941        | 213,689        |
| Issue of shares                       | -              | 1,000          |
| Net increase in shareholders' funds   | <u>124,941</u> | <u>214,689</u> |
| Shareholders' funds at 1 January 2002 | <u>214,689</u> | -              |
| Shareholders' funds at 31 March 2003  | <u>339,630</u> | <u>214,689</u> |

**A & A.K. BUTTERWORTH LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

For the period ended 31 March 2003

**14 NET CASH OUTFLOW FROM OPERATING ACTIVITIES**

|  | 2003<br>£      | 2001<br>£     |
|--|----------------|---------------|
| Operating profit                                     | 167,420        | 365,838       |
| Depreciation and amortisation                        | 25,614         | 99,241        |
| Decrease in stocks                                   | 10,212         | (15,409)      |
| Decrease in debtors                                  | 50,737         | (167,286)     |
| Increase in creditors                                | 44,295         | (186,809)     |
| Net cash inflow from continuing operating activities | <u>298,278</u> | <u>95,575</u> |

**15 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT**

|  | 2003<br>£        | 2001<br>£        |
|--|------------------|------------------|
| Increase in cash in the period                         | 85,173           | (228,070)        |
| Cash outflow from finance leases in the period         | 11,104           | 6,751            |
| Change in net debt resulting from cashflows            | 96,277           | (221,319)        |
| Finance leases acquired with acquisition of net assets | -                | (21,250)         |
| Net debt at 1 January 2002                             | <u>(242,569)</u> | -                |
| Net debt at 31 March 2003                              | <u>(146,292)</u> | <u>(242,569)</u> |

**16 ANALYSIS OF CHANGES IN NET DEBT**

|                          | At<br>1 January<br>2002<br>£ | Cash flow<br>£ | At<br>31 March<br>2003<br>£ |
|--------------------------|------------------------------|----------------|-----------------------------|
| Cash in hand and at bank | 4,448                        | (3,961)        | 487                         |
| Overdrafts               | (232,518)                    | 89,134         | (143,384)                   |
| Finance leases           | (14,499)                     | 11,104         | (3,395)                     |
|                          | <u>(242,569)</u>             | <u>96,277</u>  | <u>(146,292)</u>            |

**17 CAPITAL COMMITMENTS**

The company had no capital commitments at 31 March 2003 or 31 December 2001.

**18 CONTINGENT LIABILITIES**

There were no contingent liabilities at 31 March 2003 or 31 December 2001.

# A & A.K. BUTTERWORTH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2003

### 19 RETIREMENT BENEFIT

#### Defined Contribution Pension Scheme

The company operates a defined contribution pension scheme for the benefit of the employees and directors. The assets of the scheme are administered by trustees in a fund independent from those of the company.

### 20 LEASING COMMITMENTS

Operating lease payments amounting to £25,000 (2001: £25,000) are due within one year. The leases to which these amounts relate expire as follows:

|                       | 2003<br>Land and<br>buildings<br>£ | 2001<br>Land and<br>buildings<br>£ |
|-----------------------|------------------------------------|------------------------------------|
| In five years or more | <u>25,000</u>                      | <u>25,000</u>                      |

### 21 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. The company purchased goods from Bradford Hide Company Limited with a value of £393,492 (2001: £314,773) and made sales to Bradford Hide Company Limited of £2,071,532 (2001: £1,920,937). Interest of £nil (2001: £25,000) is accrued, which was payable in 2001 to Bradford Hide Company Limited for short term borrowings. A management fee of £20,000 (2001: £20,000) 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 2003 was £393,577 (31 December 2001: £389,970).

A & A.K. Butterworth Limited also trades with McConomy & Co Limited, a fellow subsidiary of Bradford Hide Company Limited. The company sold goods to McConomy & Co Limited with a value of £1,315,583 (2001: £1,846,935). The company bought goods from McConomy & Co with a value of £98 (2001: £nil). The balance due from McConomy & Co Limited at 31 March 2003 was £15,758 (31 December 2001: £51,646).

A & A.K. Butterworth Limited also trades with Dee Baylis Limited, a fellow subsidiary of Bradford Hide Company Limited. The company purchased goods from Dee Baylis Limited with a value of £4,991 (2001: £41,363) and made sales to Dee Baylis Limited of £3,426,623 (2001: £4,674,975). The balance outstanding due from Dee Baylis Limited at 31 March 2003 was £147,412 (31 December 2001: £123,642).

### 22 ULTIMATE PARENT UNDERTAKING AND CONTROLLING RELATED PARTY

The directors consider that the immediate ultimate 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, Maindy, Cardiff, CF4 3UZ.