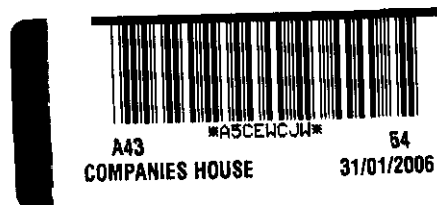


COMPANY REGISTRATION NUMBER 4027838

**A & AK BUTTERWORTH LIMITED**  
**FINANCIAL STATEMENTS**  
**31 MARCH 2005**



**HORWATH CLARK WHITEHILL (YORKSHIRE) LLP**

Chartered Accountants & Registered Auditors  
Pelican House  
10 Curren Street  
Bradford  
BD1 5BA

# **A & AK BUTTERWORTH LIMITED**

## **FINANCIAL STATEMENTS**

**Year ended 31 March 2005**

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**A & AK BUTTERWORTH LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**

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**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

**Auditors**

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  
Number 1  
Valley Court  
Canal Road  
Bradford  
BD1 4SP

# **A & AK BUTTERWORTH LIMITED**

## **DIRECTORS' REPORT**

**Year ended 31 March 2005**

---

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2005.

### **Principal activities and review of the business**

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

### **Results and dividends**

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

### **The directors and their interests in the shares of the company**

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

|                 | <b>Ordinary Shares of £1 each</b> |                     |
|-----------------|-----------------------------------|---------------------|
|                 | <b>At</b>                         | <b>At</b>           |
|                 | <b>31 March 2005</b>              | <b>1 April 2004</b> |
| J A Woodward    | —                                 | —                   |
| H J Clarke      | —                                 | —                   |
| R J Butterworth | <b><u>250</u></b>                 | <b><u>250</u></b>   |

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

# A & AK BUTTERWORTH LIMITED

## DIRECTORS' REPORT *(continued)*

Year ended 31 March 2005

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### Auditors

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

Signed by order of the directors



H J Clarke  
Company Secretary

27/1/06

**A & AK BUTTERWORTH LIMITED**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

**Year ended 31 March 2005**

---

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 year. In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on pages 11 to 12, and then apply them consistently;

make judgements and estimates that are reasonable and prudent; and

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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors 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.

# **A & AK BUTTERWORTH LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF A & AK BUTTERWORTH LIMITED**

**Year ended 31 March 2005**

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We have audited the financial statements of A & AK Butterworth Limited for the year ended 31 March 2005 on pages 7 to 18 which have been prepared under the historical cost convention and the accounting policies set out on pages 11 to 12.

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 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 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 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.

**A & AK BUTTERWORTH LIMITED**  
**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF A**  
**& AK BUTTERWORTH LIMITED** *(continued)*

**Year ended 31 March 2005**

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**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 2005 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

*Horwath Clark Whitehill (Yorkshire) LLP*

Bradford  
27/1/06

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



# A & AK BUTTERWORTH LIMITED

## PROFIT AND LOSS ACCOUNT

Year ended 31 March 2005

---

|  | Note     | 2005<br>£        | 2004<br>£ |
|--|----------|------------------|-----------|
| <b>Turnover</b>                                      | <b>2</b> | <b>3,837,413</b> | 6,006,654 |
| Cost of sales  |          | <b>2,871,328</b> | 5,090,008 |
| <b>Gross profit</b>                                  |          | <b>966,085</b>   | 916,646   |
| Administrative expenses                              |          | <b>809,542</b>   | 913,927   |
| <b>Operating profit</b>                              | <b>3</b> | <b>156,543</b>   | 2,719     |
| Interest payable and similar charges                 | <b>6</b> | —                | 1,563     |
| <b>Profit on ordinary activities before taxation</b> |          | <b>156,543</b>   | 1,156     |
| Tax on profit on ordinary activities                 | <b>7</b> | <b>39,911</b>    | (1,809)   |
| <b>Retained profit for the financial year</b>        |          | <b>116,632</b>   | 2,965     |

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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 11 to 18 form part of these financial statements.

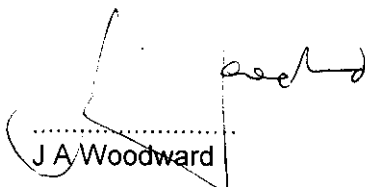
# A & AK BUTTERWORTH LIMITED

## BALANCE SHEET

31 March 2005

|   | Note | 2005<br>£      | £                     | 2004<br>£      | £                     |
|---|------|----------------|-----------------------|----------------|-----------------------|
| <b>Fixed assets</b>                                   |      |                |                       |                |                       |
| Tangible assets                                       | 8    |                | 64,096                |                | 97,783                |
| <b>Current assets</b>                                 |      |                |                       |                |                       |
| Stocks  | 9    | 82,000         |                       | 180,000        |                       |
| Debtors   | 10   | 705,131        |                       | 369,940        |                       |
| Cash in hand  |      | 87             |                       | 360            |                       |
|   |      | <u>787,218</u> |                       | <u>550,300</u> |                       |
| <b>Creditors: Amounts falling due within one year</b> | 12   | <u>392,087</u> |                       | <u>305,488</u> |                       |
| <b>Net current assets</b>                             |      |                | <b>395,131</b>        |                | <b>244,812</b>        |
| <b>Total assets less current liabilities</b>          |      |                | <u><b>459,227</b></u> |                | <u><b>342,595</b></u> |
| <b>Capital and reserves</b>                           |      |                |                       |                |                       |
| Called-up equity share capital                        | 15   |                | 1,000                 |                | 1,000                 |
| Profit and loss account                               | 16   |                | <u>458,227</u>        |                | <u>341,595</u>        |
| <b>Shareholders' funds</b>                            | 17   |                | <u><b>459,227</b></u> |                | <u><b>342,595</b></u> |

These financial statements were approved by the directors on the 27/1/06 and are signed on their behalf by:

  
J A Woodward

The notes on pages 11 to 18 form part of these financial statements.

# A & AK BUTTERWORTH LIMITED

## CASH FLOW STATEMENT

Year ended 31 March 2005

|  | 2005            |   | 2004     |
|--|-----------------|---|----------|
|  | £               | £ | £        |
| <b>Net cash (outflow)/inflow from operating activities</b>                                       | <b>(20,443)</b> |   | 191,955  |
| <b>Returns on investments and Servicing of finance</b>   |                 |   |          |
| Interest paid  | —               |   | (1,563)  |
| <b>Net cash outflow from returns on investments and servicing of finance</b>                     | <b>—</b>        |   | (1,563)  |
| <b>Taxation</b>  | <b>(4,143)</b>  |   | (39,873) |
| <b>Capital expenditure</b>   |                 |   |          |
| Payments to acquire tangible fixed assets  | (10,025)        |   | (34,940) |
| Receipts from sale of fixed assets   | 1,100           |   | 12,300   |
| <b>Net cash outflow from capital expenditure</b>   | <b>(8,925)</b>  |   | (22,640) |
| <b>Cash (outflow)/inflow before financing</b>  | <b>(33,511)</b> |   | 127,879  |
| <b>Financing</b>   |                 |   |          |
| Capital element of hire purchase and finance lease   | —               |   | (3,395)  |
| <b>Net cash outflow from financing</b>   | <b>—</b>        |   | (3,395)  |
| <b>(Decrease)/increase in cash</b>   | <b>(33,511)</b> |   | 124,484  |
| <b>Reconciliation of operating profit to net cash (outflow)/inflow from operating activities</b> |                 |   |          |
|  | 2005            |   | 2004     |
|  | £               |   | £        |
| Operating profit   | 156,543         |   | 2,719    |
| Depreciation   | 43,712          |   | 41,592   |
| Profit on disposal of fixed assets   | (1,100)         |   | (2,444)  |
| Decrease/(increase) in stocks  | 98,000          |   | (52,588) |
| (Increase)/decrease in debtors   | (329,857)       |   | 198,570  |
| Increase in creditors  | 12,259          |   | 4,106    |
| <b>Net cash (outflow)/inflow from operating activities</b>                                       | <b>(20,443)</b> |   | 191,955  |

The notes on pages 11 to 18 form part of these financial statements.

# A & AK BUTTERWORTH LIMITED

## CASH FLOW STATEMENT *(continued)*

**Year ended 31 March 2005**

### Reconciliation of net cash flow to movement in net debt

|  | 2005                   |   | 2004                   |
|--|------------------------|---|------------------------|
|  | £                      | £ | £                      |
| (Decrease)/increase in cash in the period                  | <b>(33,511)</b>        |   | 124,484                |
| Cash outflow in respect of hire purchase and finance lease | <u>—</u>               |   | <u>3,395</u>           |
|  | <b>(33,511)</b>        |   | 127,879                |
| <b>Change in net debt</b>                                  | <b>(33,511)</b>        |   | 127,879                |
| <b>Net debt at 1 April 2004</b>                            | <b>(18,413)</b>        |   | (146,292)              |
| <b>Net debt at 31 March 2005</b>                           | <b><u>(51,924)</u></b> |   | <b><u>(18,413)</u></b> |

### Analysis of changes in net debt

|                          | At<br>1 Apr 2004<br>£  | Cash flows<br>£        | At<br>31 Mar 2005<br>£ |
|--------------------------|------------------------|------------------------|------------------------|
| Net cash:                |                        |                        |                        |
| Cash in hand and at bank | 360                    | (273)                  | 87                     |
| Overdrafts               | <b>(18,773)</b>        | <b>(33,238)</b>        | <b>(52,011)</b>        |
|                          | <b>(18,413)</b>        | <b>(33,511)</b>        | <b>(51,924)</b>        |
| <b>Net debt</b>          | <b><u>(18,413)</u></b> | <b><u>(33,511)</u></b> | <b><u>(51,924)</u></b> |

The notes on pages 11 to 18 form part of these financial statements.

**A & AK BUTTERWORTH LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2005**

---

**1. Accounting policies**

**Basis of accounting**

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

**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**  
**Year ended 31 March 2005**

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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 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:

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.

**2. Turnover**

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

|                | <b>2005</b><br><b>£</b> | <b>2004</b><br><b>£</b> |
|----------------|-------------------------|-------------------------|
| United Kingdom | <b><u>3,837,413</u></b> | <b><u>6,006,654</u></b> |

**3. Operating profit**

Operating profit is stated after charging/(crediting):

|                                    | <b>2005</b><br><b>£</b> | <b>2004</b><br><b>£</b> |
|------------------------------------|-------------------------|-------------------------|
| Depreciation of owned fixed assets | <b>43,712</b>           | 41,592                  |
| Profit on disposal of fixed assets | <b>(1,100)</b>          | (2,444)                 |
| Auditors' remuneration             |                         |                         |
| - as auditors                      | <b><u>4,000</u></b>     | <b><u>5,500</u></b>     |

**A & AK BUTTERWORTH LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2005**

**4. Particulars of employees**

The average number of staff employed by the company during the financial year amounted to:

|   | <b>2005</b>      | 2004      |
|---|------------------|-----------|
|   | <b>No</b>        | No        |
| Yard and Transport Personnel            | <b>19</b>        | 21        |
| Management and administrative personnel | <b>4</b>         | 4         |
|   | <u><b>23</b></u> | <u>25</u> |

The aggregate payroll costs of the above were:

|                       | <b>2005</b>           | 2004           |
|-----------------------|-----------------------|----------------|
|                       | <b>£</b>              | £              |
| Wages and salaries    | <b>369,255</b>        | 407,406        |
| Social security costs | <b>32,608</b>         | 37,754         |
| Pension costs         | <b>4,145</b>          | 4,520          |
|                       | <u><b>406,008</b></u> | <u>449,680</u> |

**5. Directors' emoluments**

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

|  | <b>2005</b>          | 2004          |
|--|----------------------|---------------|
|  | <b>£</b>             | £             |
| Emoluments receivable  | <b>62,000</b>        | 46,000        |
| Value of company pension contributions to money purchase schemes | <b>4,145</b>         | 4,520         |
|  | <u><b>66,145</b></u> | <u>50,520</u> |

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

|                        | <b>2005</b>     | 2004     |
|------------------------|-----------------|----------|
|                        | <b>No</b>       | No       |
| Money purchase schemes | <u><b>1</b></u> | <u>1</u> |

**6. Interest payable and similar charges**

|                                    | <b>2005</b>     | 2004         |
|------------------------------------|-----------------|--------------|
|                                    | <b>£</b>        | £            |
| Interest payable on bank borrowing | <u><b>—</b></u> | <u>1,563</u> |

**A & AK BUTTERWORTH LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2005**

**7. Taxation on ordinary activities**

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

|  | <b>2005</b><br><b>£</b> | 2004<br><b>£</b> |
|--|-------------------------|------------------|
| Current tax:   |                         |                  |
| In respect of the year:  |                         |                  |
| UK Corporation tax based on the results for the year at 30% (2004 - 30%) | <b>46,902</b>           | 5,800            |
| Over/under provision in prior year                                       | <b>(1,657)</b>          | —                |
| Total current tax  | <b>45,245</b>           | 5,800            |
| Deferred tax:  |                         |                  |
| Origination and reversal of timing differences                           | <b>(5,334)</b>          | (7,609)          |
| Tax on profit on ordinary activities                                     | <b>39,911</b>           | (1,809)          |

**(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% (2004 - 30%).

|   | <b>2005</b><br><b>£</b> | 2004<br><b>£</b> |
|---|-------------------------|------------------|
| Profit on ordinary activities before taxation       | <b>156,543</b>          | 1,156            |
| Profit/(loss) on ordinary activities by rate of tax | <b>46,963</b>           | 347              |
| Expenses not deductible for tax purposes            | <b>(38)</b>             | 120              |
| Capital allowances in excess of depreciation        | <b>5,485</b>            | 7,928            |
| Tax chargeable at lower rates                       | <b>(5,508)</b>          | (2,595)          |
| Adjustment to tax in respect of previous period     | <b>(1,657)</b>          | —                |
| Total current tax (note 7(a))                       | <b>45,245</b>           | 5,800            |



**A & AK BUTTERWORTH LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 March 2005**

**8. Tangible fixed assets**

|                         | Leasehold<br>Property<br>£ | Plant &<br>Machinery<br>£ | Motor<br>Vehicles<br>£ | Total<br>£     |
|-------------------------|----------------------------|---------------------------|------------------------|----------------|
| <b>Cost</b>             |                            |                           |                        |                |
| At 1 April 2004         | 8,549                      | 148,613                   | 17,715                 | 174,877        |
| Additions               | —                          | 10,025                    | —                      | 10,025         |
| <b>At 31 March 2005</b> | <u>8,549</u>               | <u>158,638</u>            | <u>17,715</u>          | <u>184,902</u> |
| <b>Depreciation</b>     |                            |                           |                        |                |
| At 1 April 2004         | 556                        | 72,109                    | 4,429                  | 77,094         |
| Charge for the year     | 171                        | 39,112                    | 4,429                  | 43,712         |
| <b>At 31 March 2005</b> | <u>727</u>                 | <u>111,221</u>            | <u>8,858</u>           | <u>120,806</u> |
| <b>Net book value</b>   |                            |                           |                        |                |
| <b>At 31 March 2005</b> | <u>7,822</u>               | <u>47,417</u>             | <u>8,857</u>           | <u>64,096</u>  |
| At 31 March 2004        | <u>7,993</u>               | <u>76,504</u>             | <u>13,286</u>          | <u>97,783</u>  |

**9. Stocks**

|                | 2005<br>£     | 2004<br>£      |
|----------------|---------------|----------------|
| Stock          | —             | 180,000        |
| Finished goods | <u>82,000</u> | —              |
|                | <u>82,000</u> | <u>180,000</u> |

**10. Debtors**

|                                    | 2005<br>£      | 2004<br>£      |
|------------------------------------|----------------|----------------|
| Trade debtors                      | 4,146          | 3,192          |
| Amounts owed by group undertakings | 679,624        | 360,920        |
| Other debtors                      | 3,699          | —              |
| Prepayments and accrued income     | 6,500          | —              |
| Deferred taxation (note 11)        | 11,162         | 5,828          |
|                                    | <u>705,131</u> | <u>369,940</u> |

**A & AK BUTTERWORTH LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2005**

**11. Deferred taxation**

The deferred tax included in the Balance sheet is as follows:

|                               | <b>2005</b>          | 2004         |
|-------------------------------|----------------------|--------------|
|                               | <b>£</b>             | £            |
| Included in debtors (note 10) | <b><u>11,162</u></b> | <u>5,828</u> |

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

|  | <b>2005</b>          | 2004         |
|--|----------------------|--------------|
|  | <b>£</b>             | £            |
| Balance brought forward                                  | <b>5,828</b>         | (1,781)      |
| Profit and loss account movement arising during the year | <b><u>5,334</u></b>  | <u>7,609</u> |
| Balance carried forward                                  | <b><u>11,162</u></b> | <u>5,828</u> |

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

|   | <b>2005</b>          | 2004         |
|---|----------------------|--------------|
|   | <b>£</b>             | £            |
| Excess of taxation allowances over depreciation on fixed assets | <b><u>11,162</u></b> | <u>5,828</u> |
|   | <b><u>11,162</u></b> | <u>5,828</u> |

**12. Creditors: Amounts falling due within one year**

|                                    | <b>2005</b>           | 2004           |
|------------------------------------|-----------------------|----------------|
|                                    | <b>£</b>              | £              |
| Bank loans and overdrafts          | <b>52,011</b>         | 18,773         |
| Trade creditors                    | <b>92,533</b>         | 107,294        |
| Amounts owed to group undertakings | <b>—</b>              | 43,993         |
| Corporation tax                    | <b>46,902</b>         | 5,800          |
| Other taxation and social security | <b>39,836</b>         | 27,769         |
| Other creditors                    | <b>35,295</b>         | 28,859         |
| Accruals and deferred income       | <b><u>125,510</u></b> | <u>73,000</u>  |
|                                    | <b><u>392,087</u></b> | <u>305,488</u> |

The bank overdraft is secured by a guarantee from the parent company.

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**13. Commitments under operating leases**

At 31 March 2005 the company had annual commitments under non-cancellable operating leases as set out below.

|                                | 2005                     |                     | 2004                     |                     |
|--------------------------------|--------------------------|---------------------|--------------------------|---------------------|
|                                | Land &<br>Buildings<br>£ | Other<br>Items<br>£ | Land &<br>Buildings<br>£ | Other<br>Items<br>£ |
| Operating leases which expire: |                          |                     |                          |                     |
| Within 2 to 5 years            | —                        | 9,796               | —                        | —                   |
| After more than 5 years        | 25,000                   | —                   | 25,000                   | —                   |
|                                | <u>25,000</u>            | <u>9,796</u>        | <u>25,000</u>            | <u>—</u>            |

**14. 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 £659,986 (2004: £547,989) and made sales to Bradford Hide Company Limited of £656,227 (2004: £2,464,231). A management fee of £16,000 (2004: £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 2005 was £522,024 (2004: £393,577).

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 £619,390 (2004: £638,096). The company bought goods from McConomy & Co Limited with a value of £157 (2004: £49,413). The balance due from McConomy & Co Limited at 31 March 2005 was £75,123 (2004: £43,993 owing to McConomy & Co 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 £42,209 (2004: £15,317) and made sales to Dee Baylis Limited of £2,037,360 (2004: £2,834,329). The balance outstanding due from Dee Baylis Limited at 31 March 2005 was £82,477 (2004: £31,110).

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**15. Share capital**

**Authorised share capital:**

|                                  | 2005<br>£    | 2004<br>£    |
|----------------------------------|--------------|--------------|
| 1,000 Ordinary shares of £1 each | <u>1,000</u> | <u>1,000</u> |

**Allotted, called up and fully paid:**

|                            | 2005<br>No   | £            | 2004<br>No   | £            |
|----------------------------|--------------|--------------|--------------|--------------|
| Ordinary shares of £1 each | <u>1,000</u> | <u>1,000</u> | <u>1,000</u> | <u>1,000</u> |

**16. Profit and loss account**

|  | 2005<br>£             | 2004<br>£      |
|--|-----------------------|----------------|
| Balance brought forward                | <b>341,595</b>        | 338,630        |
| Retained profit for the financial year | <b>116,632</b>        | 2,965          |
| Balance carried forward                | <u><b>458,227</b></u> | <u>341,595</u> |

**17. Reconciliation of movements in shareholders' funds**

|                                    | 2005<br>£             | 2004<br>£      |
|------------------------------------|-----------------------|----------------|
| Profit for the financial year      | <b>116,632</b>        | 2,965          |
| Opening shareholders' equity funds | <b>342,595</b>        | 339,630        |
| Closing shareholders' equity funds | <u><b>459,227</b></u> | <u>342,595</u> |

**18. 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.