

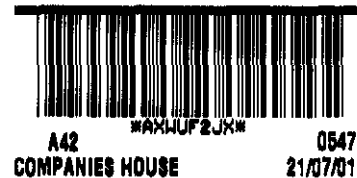
# **Leigh Spinners Limited**

## **Report and Financial statements**

**For the year ended**

**24 February 2001**

**Registered number: 529628**



# Leigh Spinners Limited

## Financial statements

For the year ended 24 February 2001

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# **Leigh Spinners Limited**

Company information  
As at 24 February 2001

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## **Directors**

J T Horrocks  
P D G Horrocks  
M W Horrocks  
Miss P A E Horrocks  
P G W Smith

## **Secretary**

J H Dunbobbin

## **Business address**

Park Lane  
Leigh  
Lancashire  
WN7 2LB

## **Auditors**

Beever and Struthers  
Chartered Accountants  
St. George's House  
215/219 Chester Road  
Manchester  
M15 4JE

## **Principal bankers**

National Westminster Bank plc  
Leigh  
Lancashire

# **Leigh Spinners Limited**

## **Directors' report**

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The directors present their 46th annual report with the financial statements of the company for the year ended 24 February 2001.

### **Principal activities**

The principal activity of the company in the year under review continues to be the manufacture of carpets.

No significant change in the nature of these activities occurred during the year.

### **Review of the business**

The net profit after providing for taxation amounted to £689,803.

The company has maintained its carpet manufacturing capabilities and production continues to be by either fibre bonding or conventional tufting processes. It is the directors view that the capital expenditure undertaken this year will contribute significantly to future profits.

### **Dividends and transfers to reserves**

The directors having paid an interim dividend of £69,300 , recommend a final dividend for the year ended 24 February 2001 of £376,200 (2000: £287,100 ). The total dividend for the year is 450p per share (2000: 350p per share).

It is proposed that the retained profit for the year of £244,303 be transferred to reserves.

### **Policy on payment of creditors**

All suppliers are paid when the invoice becomes due for payment in accordance with the individual terms of each supplier.

### **Fixed assets**

Full details of all movements in fixed assets during the year are set out in the notes to the financial statements.

### **Book value of interests in Land and Buildings**

With regard to fixed assets, it is not yet possible to ascertain the book value of land and buildings but the directors are of the opinion that the following amount may be reasonably allocated:

Freehold Land and Buildings £1,124,983 (2000: £990,132).

The directors are of the opinion that the market value of the freehold land and buildings exceeds these figures but that the amount of the excess is not significant as no sizeable disposals are envisaged.

# Leigh Spinners Limited

## Directors' report

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### Directors and their interests

The director to retire by rotation is Miss P A E Horrocks, who is eligible and offers herself for re-election

The directors of the company at 24 February 2001 were:

J T Horrocks	Joint Managing Director
P D G Horrocks	Joint Managing Director
M W Horrocks	
Miss P A E Horrocks	
P G W Smith	

The directors' interests in the shares of the company at the balance sheet date and the beginning of the year (or on appointment if later) were as follows:

		Number of Shares	
		2001	2000
J T Horrocks	Beneficial	10,413	10,413
	Non-beneficial	3,228	3,228
P D G Horrocks	Beneficial	10,107	10,107
	Non-beneficial	2,000	2,000
M W Horrocks		3,728	3,728
Miss P A E Horrocks	Beneficial	15,085	15,085
	Non-beneficial	7,676	7,676
P G W Smith		1,000	1,000

Directors retired during the year:

A J Horrocks 14 June 2000.

### Directors' responsibilities

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 as at the end of the financial year 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; 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 maintaining 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. 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.

### Exports

The value of goods exported from the United Kingdom during the year amounted to £37,327 (2000 : £45,438)

# Leigh Spinners Limited

## Directors' report

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### Political and charitable contributions

During the year the company made charitable contributions of £745.

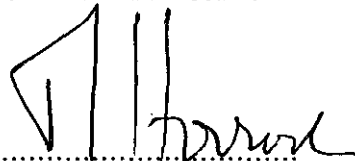
### Close company

The company is a close company, as defined by the Income and Corporation Taxes Act 1988.

### Auditors

The auditors, Beever and Struthers, will be proposed for re-appointment in accordance with section 385 of the Companies Act 1985.

On behalf of the board:

A handwritten signature in black ink, appearing to read 'J T Horrocks', written over a dotted line.

J T Horrocks  
Director

Approved by the board: 25 April 2001

# Leigh Spinners Limited

## Auditors' report to the shareholders

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We have audited the financial statements on pages 6 to 18 which have been prepared under the historical cost convention and on the basis of accounting policies set out on page 9.

### Respective responsibilities of the directors and auditors

As described in the directors' report, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

### Basis of opinion

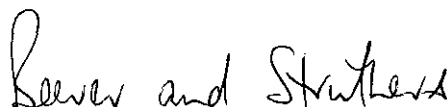
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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 as to whether 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 of the state of affairs of the company as at 24 February 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

.....  
St. George's House  
215/219 Chester Road  
Manchester  
M15 4JE

  
**Beever and Struthers**  
Chartered Accountants  
Registered Auditors

Date: 25 April 2001

# Leigh Spinners Limited

## Profit and loss account

For the year ended 24 February 2001

	Notes	2001 £	2000 £
<b>Turnover</b>		10,514,667	10,423,490
Cost of sales		8,826,294	8,220,867
<b>Gross profit</b>		1,688,373	2,202,623
Distribution costs		452,142	432,878
Administrative expenses		551,005	515,273
<b>Operating profit</b>	2	685,226	1,254,472
Investment income and interest receivable	3	180,066	117,985
<b>Profit on ordinary activities before taxation</b>		865,292	1,372,457
Tax on profit on ordinary activities	6	(175,489)	(378,022)
<b>Profit for the financial year</b>		689,803	994,435
Dividends	7	(445,500)	(346,500)
<b>Retained profit for the financial year</b>	17	244,303	647,935

## Continuing operations

None of the company's activities were acquired or discontinued during the above two financial years.

## Total recognised gains and losses

The company has no recognised gains or losses other than the profit for the above two financial years.

## Historical cost

The results on a historical cost basis do not differ from the results as shown in the profit and loss account.



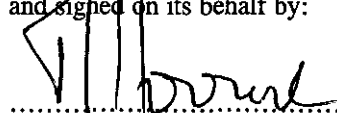
# Leigh Spinners Limited

Balance sheet  
At 24 February 2001

	Notes	£	2001 £	£	2000 £
<b>Fixed assets</b>					
Tangible assets	8		1,429,816		1,016,364
Investments	9		2		2
			<u>1,429,818</u>		<u>1,016,366</u>
<b>Current assets</b>					
Stocks	10	1,443,035		1,416,745	
Debtors	11	1,525,808		1,652,507	
Investments	12	914,539		913,941	
Cash at bank and in hand		2,506,135		2,644,922	
		<u>6,389,517</u>		<u>6,628,115</u>	
<b>Creditors: amounts falling due within one year</b>	13	(1,678,504)		(1,747,953)	
<b>Net current assets</b>			<u>4,711,013</u>		<u>4,880,162</u>
<b>Total assets less current liabilities</b>			<u>6,140,831</u>		<u>5,896,528</u>
<b>Capital and reserves</b>					
Called up share capital	14		99,000		99,000
Share premium account	15		410,963		410,963
Other reserves	16		122,240		122,240
Profit and loss account	17		5,508,628		5,264,325
<b>Total shareholders' funds</b>	18		<u>6,140,831</u>		<u>5,896,528</u>

The financial statements were approved by the board of directors on:  
and signed on its behalf by:

25 APR 2001



J T Horrocks  
Director



P D G Horrocks  
Director

The notes on pages 9 to 18 form part of these financial statements.

# Leigh Spinners Limited

## Cash flow statement

For the year ended 24 February 2001

	Notes	2001 £	2000 £
Net cash inflow from operating activities	2	1,059,466	1,306,629
Returns on investments and servicing of finance	19	177,385	109,698
Taxation	19	(392,421)	(103,898)
Capital expenditure	19	(737,165)	(364,542)
Equity dividends paid		(356,400)	(257,400)
Cash (outflow) / inflow before use of liquid resources and financing		(249,135)	690,487
Management of liquid resources	19	(598)	(2,030)
<b>(Decrease) / increase in cash in the year</b>		<b>(249,733)</b>	<b>688,457</b>

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

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<b>(Decrease) / increase in cash in the year</b>	(249,733)	688,457
Cash outflow from movement in liquid resources	(598)	(2,030)
Change in net funds resulting from cash flows	(249,135)	690,487
Movement in funds in the year	(249,135)	690,487
Net funds at 26 February 2000	3,438,160	2,747,673
Net funds at 24 February 2001	3,189,025	3,438,160

The notes on pages 9 to 18 form part of these financial statements.

# Leigh Spinners Limited

Notes to the financial statements  
For the year ended 24 February 2001

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## 1. Statement of accounting policies

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

### Consolidation

The subsidiary company has not been consolidated as it has not traded during the year.

### Turnover

Turnover represents the total invoice value, excluding value added tax, of goods sold and services rendered during the year.

### Depreciation of tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its useful life:

Buildings, plant and machinery etc	20% on cost
Motor vehicles	25% on cost

### Stocks

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

Net realisable value is based on estimated selling price less further costs to completion and disposal.

### Investments

Investments held as fixed assets are stated at cost less provision for permanent diminution in value. Those held as current assets are stated at the lower of cost and net realisable value.

Dividends are brought to account in the profit and loss account when received.

### Deferred taxation

Deferred taxation is provided using the liability method on all timing differences to the extent that they are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

### Pension costs

The company operates a defined contribution pension scheme. Contributions payable to this scheme are charged to the profit and loss account in the period to which they relate. These contributions are invested separately from the company's assets.

# Leigh Spinners Limited

Notes to the financial statements  
For the year ended 24 February 2001

## 2. Operating profit

<b>Operating profit is stated:</b>	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
<b>(a) After charging:</b>		
Depreciation of fixed assets	327,787	392,904
Auditors' remuneration	7,700	7,700
Loss on foreign currencies	12,219	1,999
	<u>          </u>	<u>          </u>
<b>After crediting:</b>		
Profit on disposal of tangible assets	4,076	1,215
	<u>          </u>	<u>          </u>
<b>(b) Reconciliation of operating profit to net cash inflow from operating activities</b>		
	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
Operating profit	685,226	1,254,472
Depreciation	327,787	392,904
Profit on disposal of fixed assets	(4,076)	(1,215)
Increase in stocks	(26,290)	(77,705)
Decrease/(increase) in debtors	123,214	(494,432)
(Decrease)/increase in creditors	(46,395)	232,605
	<u>          </u>	<u>          </u>
<b>Net cash inflow from operating activities</b>	<b>1,059,466</b>	<b>1,306,629</b>
	<u>          </u>	<u>          </u>

## 3. Investment income and interest receivable

	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
<b>Interest received and receivable</b>		
Bank interest	142,206	84,966
Other interest	5,502	-
	<u>          </u>	<u>          </u>
	<b>147,708</b>	<b>84,966</b>
	<u>          </u>	<u>          </u>
<b>Investment income</b>		
Income from listed investments	32,358	33,019
	<u>          </u>	<u>          </u>
<b>Total investment income</b>	<b>180,066</b>	<b>117,985</b>
	<u>          </u>	<u>          </u>

# Leigh Spinners Limited

Notes to the financial statements  
For the year ended 24 February 2001

## 4. Information on directors and employees

	2001 £	2000 £
<b>Staff costs</b>		
Wages and salaries	2,995,885	2,647,391
Social security costs	255,961	223,040
Other pension costs	78,540	63,221
	<u>3,330,386</u>	<u>2,933,652</u>

	2001 No.	2000 No.
The average number of employees during the year was made up as follows:		
Administration and production	<u>221</u>	<u>199</u>

	2001 £	2000 £
<b>Directors' emoluments</b>		
Emoluments	167,264	173,196
Pension contributions to money purchase (defined contribution) schemes	50,728	32,825
	<u>217,992</u>	<u>206,021</u>

	2001 No.	2000 No.
During the year the following number of directors:		
Accrued benefits under money purchase (defined contribution) pension schemes	<u>2</u>	<u>2</u>

	2001 £	2000 £
<b>Details of highest paid director's emoluments</b>		
Emoluments	<u>65,622</u>	<u>60,389</u>

# Leigh Spinners Limited

Notes to the financial statements  
For the year ended 24 February 2001

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## 5. Pension costs

### Defined contribution scheme

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £78,540 (2000 £63,221).

## 6. Tax on profit on ordinary activities

	2001 £	2000 £
The taxation charge comprises:		
UK corporation tax at 30% (2000 - 31/30%)	178,000	400,000
Adjustment in respect of prior years	(2,511)	(21,978)
	<u>175,489</u>	<u>378,022</u>

## 7. Dividends paid or proposed

	2001 £	2000 £
On ordinary shares:		
Interim at 70p (2000 60p) per share	69,300	59,400
Proposed final at 380p (2000 290p)per share	376,200	287,100
	<u>445,500</u>	<u>346,500</u>

# Leigh Spinners Limited

Notes to the financial statements  
For the year ended 24 February 2001

## 8. Tangible fixed assets

	Land and buildings Plant and machinery £	Motor vehicles £	Total £
<b>Cost:</b>			
At 26 February 2000	7,863,517	169,563	8,033,080
Additions	654,205	87,036	741,241
Disposals	(156,265)	(74,962)	(231,227)
At 24 February 2001	8,361,457	181,637	8,543,094
<b>Depreciation:</b>			
At 26 February 2000	6,918,886	97,832	7,016,718
Charge for year	296,241	31,546	327,787
On disposals	(156,265)	(74,962)	(231,227)
At 24 February 2001	7,058,862	54,416	7,113,278
<b>Net book value:</b>			
At 24 February 2001	1,302,595	127,221	1,429,816
At 25 February 2000	944,632	71,732	1,016,364

## 9. Investments

<b>Cost:</b>	<b>Beginning and end of year £</b>
Shares in subsidiary	2

The directors consider the value of the company's investment in its subsidiary undertaking is not less than the amounts stated in the company's balance sheet

Thornecroft Estates Limited is a wholly owned subsidiary of Leigh Spinners Limited engaged in the business of property development. The company has not traded for the last nineteen years.

# Leigh Spinners Limited

Notes to the financial statements  
For the year ended 24 February 2001

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## 10. Stocks

	2001	2000
	£	£
Raw materials and consumables	655,870	781,252
Short term work in progress	487,380	330,060
Finished goods and goods for resale	293,441	294,197
Fuel	6,344	11,236
	<u>1,443,035</u>	<u>1,416,745</u>

In the directors' opinion, there is no material difference between the replacement cost of stocks and their balance sheet amounts.

## 11. Debtors

	2001	2000
	£	£
Trade debtors	1,420,029	1,585,177
Amounts owed by subsidiary undertakings	20,576	20,561
Prepayments and accrued income	85,203	46,769
	<u>1,525,808</u>	<u>1,652,507</u>

## 12. Current assets investments

	2001	2000
	£	£
UK listed shares at cost	116,987	116,389
UK Government securities at cost	797,552	797,552
	<u>914,539</u>	<u>913,941</u>
Market value of investments at balance sheet date	<u>1,682,694</u>	<u>1,838,173</u>



# Leigh Spinners Limited

Notes to the financial statements  
For the year ended 24 February 2001

## 13. Creditors: amounts falling due within one year

	2001 £	2000 £
Bank loans and overdrafts	231,649	120,703
Trade creditors	492,571	631,641
Corporation tax	171,834	394,932
Other taxes and social security costs	43,505	45,457
Other creditors	137,042	136,550
Accruals and deferred income	225,703	131,570
Proposed dividend	376,200	287,100
	<u>1,678,504</u>	<u>1,747,953</u>

## 14. Share capital

	2001 £	2000 £
<b>Authorised:</b>		
<b>Equity interests:</b>		
145,612 Ordinary shares of £1 each	145,612	145,612
<b>Non-equity interests:</b>		
25,388 5% Non cumulative redeemable first preference shares	25,388	25,388
99,000 5% Non cumulative redeemable second preference shares	99,000	99,000
	<u>270,000</u>	<u>270,000</u>
<b>Allotted, called up and fully paid:</b>		
<b>Equity interests:</b>		
99,000 Ordinary shares of £1 each	99,000	99,000

## 15. Share premium account

	2001 £	2000 £
<b>Equity interests:</b>		
Balance at beginning of year	410,963	410,963
Movements during the year	-	-
Balance at year end	<u>410,963</u>	<u>410,963</u>

# Leigh Spinners Limited

Notes to the financial statements  
For the year ended 24 February 2001

## 16. Other reserves

### Capital redemption reserve

	2001 £	2000 £
Balance at beginning of year	122,240	122,240
Movements during the year	-	-
Balance at year end	<u>122,240</u>	<u>122,240</u>

## 17. Profit and loss account

	2001 £	2000 £
Retained profit as at 26 February 2000	5,264,325	4,616,390
Profit for the year	244,303	647,935
Retained profit as at 24 February 2001	<u>5,508,628</u>	<u>5,264,325</u>

## 18. Reconciliation of movements in shareholders' funds

	2001 £	2000 £
Profit for the year	689,804	994,435
Dividends	(445,500)	(346,500)
Net addition to shareholders' funds	<u>244,304</u>	<u>647,935</u>
Opening shareholders' funds	5,896,528	5,248,593
Closing shareholders' funds	<u>6,140,832</u>	<u>5,896,528</u>
Represented by:-		
Equity interests	<u>6,140,832</u>	<u>5,896,528</u>

# Leigh Spinners Limited

Notes to the financial statements  
For the year ended 24 February 2001

## 19. Analysis of cash flows for headings netted in the cash flow statement

	2001 £	2000 £
<b>Returns on investments and servicing of finance</b>		
Interest received	170,418	102,091
Dividends received	6,967	7,607
	<u>177,385</u>	<u>109,698</u>
<b>Net cash inflow from returns on investments and servicing of finance</b>		
	<u>177,385</u>	<u>109,698</u>
<b>Taxation</b>		
Corporation tax paid	(392,421)	(103,898)
	<u>(392,421)</u>	<u>(103,898)</u>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	(741,241)	(365,757)
Receipts from sale of tangible fixed assets	4,076	1,215
	<u>(737,165)</u>	<u>(364,542)</u>
<b>Net cash outflow from capital expenditure</b>		
	<u>(737,165)</u>	<u>(364,542)</u>
<b>Management of liquid resources</b>		
Current asset investments	(598)	(2,030)
	<u>(598)</u>	<u>(2,030)</u>
<b>Net cash outflow from management of liquid resources</b>		
	<u>(598)</u>	<u>(2,030)</u>

## 20. Analysis of net funds

	2000 £	Cash flow £	2001 £
Cash at bank and in hand	2,644,922	(138,787)	2,506,135
Bank overdraft	(120,703)	(110,946)	(231,649)
Current asset investments	913,941	598	914,539
	<u>3,438,160</u>	<u>(249,135)</u>	<u>3,189,025</u>
	<b>1999</b>	<b>Cash flow</b>	<b>2000</b>
	£	£	£
Cash at bank and in hand	1,838,016	806,906	2,644,922
Bank overdraft	(2,254)	(118,449)	(120,703)
Current asset investments	911,911	2,030	913,941
	<u>2,747,673</u>	<u>690,487</u>	<u>3,438,160</u>

# Leigh Spinners Limited

Notes to the financial statements  
For the year ended 24 February 2001

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## 21. Capital commitments

	2001 £	2000 £
Details of capital commitments at the accounting date are as follows:		
Contracted but not provided for in the financial statements	<u>302,351</u>	<u>22,000</u>
Authorised but not yet contracted for	<u>1,200,000</u>	<u>-</u>