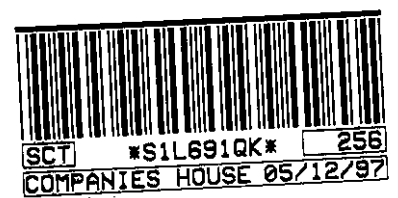


**LIDLAW & FAIRGRIEVE LIMITED**  
**Directors' Report and Financial Statements**  
**29 March 1997**

**Registered Number : 10942**

*g*



# LAIDLAW & FAIRGRIEVE LIMITED

## Directors' Report

The Directors have pleasure in submitting their report and financial statements for the financial year ended 29 March 1997.

### Principal activity

The principal activity of the company is the manufacture and sale of lambswool and shetland yarn as an agent for Todd & Duncan Limited.

### Results

The company had neither a profit nor a loss for the year.  
The directors do not recommend payment of a dividend for the year.

### Directors and directors' interests

The names of the persons who were directors during the financial year are shown below:

CM Plumbe  
GM Gill  
LG More  
KD Reilly  
G McCann  
EWP Mitchell  
EC Phipps

Directors' interests:

- (a) None of the directors had any interest in the shares of the Company.
- (b) In shares of Dawson International PLC:

	Ordinary shares of 25p each	
	29 March 1997	30 March 1996
CM Plumbe	4,759	4,679

No director exercised options to subscribe for shares during the financial year.  
The following options were granted under the Executive Share Option Scheme at prices of 66p and under the Savings Related Scheme at a price of 55p.

	Share Option Scheme	Savings Related Scheme
CM Plumbe	21,000	1,630
GM Gill	-	5,520
LG More	5,000	-
KD Reilly	7,500	3,136
G McCann	2,500	-
EWP Mitchell	-	-
EC Phipps	9,000	3,638

# **LAIDLAW & FAIRGRIEVE LIMITED**

## **Directors' report (continued)**

### **Employees**

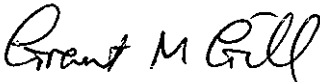
The Company's policy and practice is to encourage where possible the recruitment, training and career development of disabled people and any employees who may become disabled.

The directors recognise the importance of good communications and relations with the employees. The Company is organised on a departmental basis, and the management of each department is responsible for the development of employee participation practices which are appropriate to its own particular needs. Regular discussions and briefing meetings are held between management and employee representatives at all levels of the Company's operations. Joint consultation meetings and briefings are held on a regular basis, and use is made of notice boards. Overall the Company and its parent endeavour to keep employees well informed of developments affecting both an employee's workplace and the Dawson International PLC group as a whole. Team briefing is established at all locations and a news bulletin is circulated throughout the group.

### **Auditor**

KPMG resigned as auditors on 14 October 1996 . KPMG Audit Plc was appointed auditor of the company on 4 November 1996 . A resolution for the re-appointment of KPMG Audit Plc as auditor to the company will be proposed at the Annual General Meeting .

By order of the Board



GM Gill  
Secretary

Riverside Mills  
Selkirk  
19 May 1997

# **LAIDLAW & FAIRGRIEVE LIMITED**

## **Directors' Responsibilities for the Financial Statements**

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 for that period. In preparing those financial statements, the directors are required to select suitable accounting policies and apply them consistently, making judgements and estimates that are reasonable and prudent. They should 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 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. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

# LAIDLAW & FAIRGRIEVE LIMITED

## Report of the Auditors

### To the members of Laidlaw & Fairgrieve Limited

We have audited the financial statements on pages 5 to 10.

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

As described on page 3 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 that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### *Opinion*

In our opinion the financial statements give a true and fair view of the state of the Company's affairs as at 29 March 1997 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc  
Chartered Accountants  
Registered Auditor

Saltire Court  
20 Castle Terrace  
Edinburgh  
EH1 2EG

19 May 1997

# LIDLAW & FAIRGRIEVE LIMITED

## Profit and Loss Account

for the financial year ended 29th March 1997

	<i>Note</i>	<u>1996/97</u> <u>£000s</u>	<u>1995/96</u> <u>£000s</u>
<b>Turnover</b>	3	22,569	20,884
Cost of sales		(22,569)	(20,884)
<b>Retained profit for the year</b>		<u><u>-</u></u>	<u><u>-</u></u>

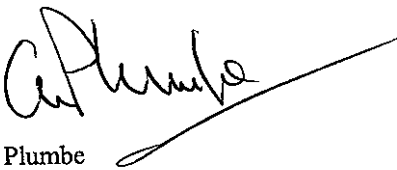
# LAIDLAW & FAIRGRIEVE LIMITED

## Balance Sheet

at 29th March 1997

	<i>Note</i>	<b>1996/97</b> <b>£000</b>	1995/96 £000
<b>Current Assets</b>			
Debtors	6	4,220	4,291
Creditors - amounts due within one year	7	(4,220)	(4,291)
<b>Net assets</b>		<u>-</u>	<u>-</u>
<b>Share capital and reserves</b>			
Called up share capital	8	700	700
Profit and loss reserve		(700)	(700)
<b>Equity shareholder's funds</b>		<u>-</u>	<u>-</u>

These financial statements were approved by the Board of Directors on 19 May 1997 and were signed on its behalf by:

  
C M Plumbe  
Director

# **LAIDLAW & FAIRGRIEVE LIMITED**

## **Notes to the Financial Statements**

### **1. Accounting policies**

#### **1.1 Basis of preparation**

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

The Company does not operate to a calendar month end accounting timetable. These financial statements are drawn up for the 52 weeks ended 29 March 1997 and the comparative figures are in respect of the 52 weeks ended 30 March 1996 .

Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking.

Seperate disclosures relating to transactions and balances with companies in the Dawson International Plc group in terms of Financial Reporting Standard 8 are not made since the Company has taken advantage of the exemption contained in paragraph 3(c) of the Standard .

#### **1.2 Turnover**

Turnover represents the net invoice value of goods and services supplied to customers, excluding value added tax and other sales taxes.

#### **1.3 Payments**

It is group policy to agree terms of payment with suppliers when orders for goods and services are placed and to adhere to those arrangements when making payments .

### **2. Basis of trading**

The Company acts as a manufacturing and selling agent for its fellow subsidiary undertaking , Todd & Duncan Limited , under an agreement which provides that all costs incurred by the Company are reimbursed by Todd & Duncan Limited .



# LIDLAW & FAIRGRIEVE LIMITED

## Notes to the Financial Statements

	1996/97	1995/96
	£000	£000

### 3 Turnover

Turnover all derives from the activities of spinning, weaving and dyeing and is analysed by geographical area as follows:

United Kingdom	9,714	8,801
Other European countries	4,008	9,552
United States of America	234	41
Middle East and Asia	8,330	2,347
Rest of the World	283	143
	<u>22,569</u>	<u>20,884</u>

	1996/97	1995/96
	Number	Number

### 4 Employees

#### Average number of persons employed

Cost of sales	585	572
Distribution	29	27
Administration	18	17
	<u>632</u>	<u>616</u>

	1996/97	1995/96
	£000	£000

#### Aggregate employment costs

Wages & salaries	7,210	6,798
Social security costs	547	494
Other pension costs	122	122
	<u>7,879</u>	<u>7,414</u>

# LAIDLAW & FAIRGRIEVE LIMITED

## Notes to the Financial Statements

### 5 Directors

	1996/97 £000	1995/96 £000
<b>Remuneration</b>		
Fees	-	-
Other emoluments	306	361
Pension contributions	35	33
	<u>341</u>	<u>394</u>

Emoluments of directors, excluding pension contributions, were paid as follows:

	1996/97 £	1995/96 £
Highest paid director	<u>57,670</u>	<u>68,937</u>

No director served as chairman during the period.

	<b>Number of Directors</b>	
	1996/97	1995/96
£ 0 - £ 5,000	-	1
£30,001 - £35,000	-	1
£35,001 - £40,000	2	-
£40,001 - £45,000	3	-
£45,001 - £50,000	1	1
£50,001 - £55,000	-	4
£55,001 - £60,000	1	-
£65,001 - £70,000	-	1

### 6 Debtors

	1996/97 £000	1995/96 £000
<b>Due within one year</b>		
Trade debtors	<u>4,220</u>	<u>4,291</u>

### 7 Creditors

	1996/97 £000	1995/96 £000
<b>Due within one year</b>		
Trade creditors	3,017	3,146
Bills of exchange payable	719	364
Owed to group undertakings	484	781
	<u>4,220</u>	<u>4,291</u>

# LAIDLAW & FAIRGRIEVE LIMITED

## Notes to the Financial Statements

	1996/97	1995/96
	£000	£000
<b>8 Share Capital</b>		
Authorised:-		
700,000 ordinary shares of £1 each	<u>700</u>	<u>700</u>
<b>Issued equity share capital</b>		
Alloted, called up and fully paid:		
700,000 ordinary shares of £1 each	<u>700</u>	<u>700</u>

### 9 Contingent liabilities

The company has granted a guarantee in favour of H M Customs & Excise amounting to £ 75,000.

### 10 Ultimate parent undertaking

The company is a wholly owned subsidiary of Dawson International PLC, a company incorporated in Great Britain and registered in Scotland. The statutory accounts of Dawson International PLC are available from Lochleven Mills , Kinross , KY13 7GL .