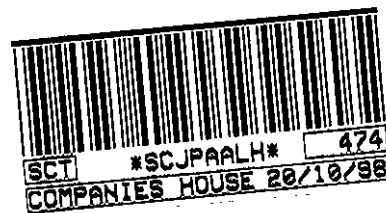


# John Aird & Company Limited

Abbreviated Accounts

31 December 1997

Company Registration Number 17813



*IAM -*

# John Aird & Company Limited

---

## **DIRECTORS**

J A G Winter  
G C Winter  
Mrs J M Winter  
Mrs V Lawrence  
Mrs A J Winter  
R McAvoy  
D Kelly

## **SECRETARY**

Mrs A J Winter

## **AUDITORS**

Ernst & Young  
George House  
50 George Square  
Glasgow  
G2 1RR

## **BANKERS**

Bank of Scotland  
2 Brewland Street  
Galston  
Ayrshire  
KA4 8AQ

## **SOLICITORS**

Mair Matheson  
124 Main Street  
Newmilns  
Ayrshire  
KA16 9DL

## **REGISTERED OFFICE**

Jamieson Road  
Darvel  
Ayrshire  
KA17 0BS

## **COMPANY REGISTRATION NUMBER**

17813

---

## DIRECTORS' REPORT

The directors submit their report and accounts for the year ended 31 December 1997.

### RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £91,845. The directors recommend that no dividend be paid which leaves a profit of £91,845 to be transferred to reserves.

### PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the company, which remained unchanged during the year, was the manufacture of window furnishings. Turnover decreased by 7% in 1997 to £6,990,339 and a profit of £91,845 was retained compared to a profit of £72,609 in 1996.

### FUTURE DEVELOPMENTS

It is anticipated that trading circumstances will continue to be difficult in terms of sales volume and margins.

### DIRECTORS

J A G Winter and Mrs J M Winter were directors of the ultimate holding company at 31 December 1997. Accordingly, their interests are disclosed in the accounts of that company. The other directors' interests in the share capital of the holding company are as follows:

	<i>31 December 1997 and 1 January 1997</i>		
	<i>Ordinary</i>	<i>Ordinary as Trustee</i>	<i>Preference</i>
G C Winter	42,559	18,422	-
Mrs V Lawrence	21,280	18,423	-
Mrs A J Winter	-	18,422	-
R McAvoy	501	-	-
D Kelly	-	-	-

Mrs J M Winter and Mrs V Lawrence retire by rotation and, being eligible, offer themselves for re-election.

DIRECTORS' REPORT (continued)

**DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS**

Company law requires the directors to prepare accounts 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 accounts, the directors are required to:


- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts 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 accounts 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.

**AUDITORS**

A resolution to re-appoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

On behalf of the board



A J Winter

Secretary

9 October 1998

**REPORT OF THE AUDITORS**

to the members of John Aird & Company Limited

We have examined the abbreviated accounts set out on pages 5 to 17, together with the annual accounts of the company for the year ended 31 December 1997 prepared under section 226 of the Companies Act 1985.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

**Basis of opinion**

We have carried out the procedures we considered necessary to confirm, by reference to the audited accounts, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts have been properly prepared from those annual accounts. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full accounts.

**Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 5 to 17 are properly prepared in accordance with those provisions.



Ernst & Young

Registered Auditor  
Glasgow

9 October 1998

# John Aird & Company Limited

## ABBREVIATED PROFIT AND LOSS ACCOUNT for the year ended 31 December 1997

	<i>Note</i>	<i>1997</i> £	<i>1996</i> £
<b>OPERATING PROFIT</b>	2	142,101	40,284
Net interest receivable	4	12,248	17,793
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>154,349</u>	<u>58,077</u>
Tax on profit on ordinary activities	5	62,504	(14,532)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u>91,845</u>	<u>72,609</u>
Dividends: ordinary dividends on equity shares	6	-	-
<b>PROFIT RETAINED FOR THE FINANCIAL YEAR</b>		<u>91,845</u>	<u>72,609</u>

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

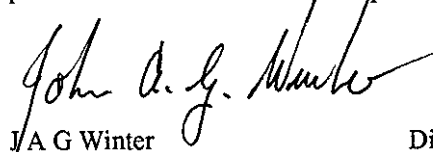
There are no recognised gains or losses other than the profit for the financial year of £91,845 in the year ended 31 December 1997 and the profit of £72,609 in the year ended 31 December 1996.

# John Aird & Company Limited

## BALANCE SHEET at 31 December 1997

	Note	1997 £	1996 £
<b>FIXED ASSETS</b>			
Tangible assets:	7		
Land and buildings		469,797	481,879
Plant and machinery		466,508	549,525
Motor vehicles		<u>108,225</u>	<u>109,861</u>
		<u>1,044,530</u>	<u>1,141,265</u>
<b>CURRENT ASSETS</b>			
Stocks	8	1,755,022	1,915,534
Debtors	9	2,213,845	2,052,965
Cash at bank and short term deposits	2(c)	<u>346,622</u>	<u>268,747</u>
		4,315,489	4,237,246
<b>CREDITORS - amounts falling due within one year</b>			
Bank overdraft	2(c)	74,462	91,474
Other current liabilities	10	<u>1,029,864</u>	<u>1,137,426</u>
		<u>1,104,326</u>	<u>1,228,900</u>
<b>NET CURRENT ASSETS</b>		<u>3,211,163</u>	<u>3,008,346</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>4,255,693</u>	<u>4,149,611</u>
<b>CREDITORS - amounts falling due after more than one year</b>			
Obligations under finance leases and hire purchase contracts	11	-	543
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			
Deferred taxation	12	68,933	53,341
<b>ACCRUALS AND DEFERRED INCOME</b>			
Government grants		<u>31,165</u>	<u>31,977</u>
		<u>100,098</u>	<u>85,861</u>
		<u>4,155,595</u>	<u>4,063,750</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13, 15	143,000	143,000
Capital redemption reserve	14, 15	10,000	10,000
Profit and loss account	15	<u>4,002,595</u>	<u>3,910,750</u>
		<u>4,155,595</u>	<u>4,063,750</u>
<b>Shareholders' funds:</b>			
Equity		4,150,075	4,058,335
Non-equity		<u>5,520</u>	<u>5,415</u>
		<u>4,155,595</u>	<u>4,063,750</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium sized companies.

  
J A G Winter

Director

9 October 1998

**STATEMENT OF CASH FLOWS**  
for the year ended 31 December 1997

	<i>Note</i>	<i>1997</i> £	<i>1996</i> £
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	2(b)	<u>176,734</u>	<u>284,620</u>
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>			
Interest received		15,946	22,130
Interest paid		<u>(4,253)</u>	<u>(4,694)</u>
		<u>11,693</u>	<u>17,436</u>
<b>TAXATION</b>			
Corporation tax received		64,880	-
Corporation tax paid		<u>(16,162)</u>	<u>(18,900)</u>
Income tax paid		<u>(146)</u>	<u>-</u>
		<u>48,572</u>	<u>(18,900)</u>
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>			
Payments to acquire tangible fixed assets		<u>(144,542)</u>	<u>(202,103)</u>
Receipts from sales of tangible fixed assets		<u>5,686</u>	<u>41,105</u>
		<u>(138,856)</u>	<u>(160,998)</u>
<b>FINANCING</b>			
Repayment of capital elements of finance lease rental payments	11	<u>(3,256)</u>	<u>(2,713)</u>
<b>INCREASE IN CASH</b>	2(c)	<u>94,887</u>	<u>119,445</u>
<b>RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS</b>			
		<i>1997</i> £	<i>1996</i> £
Increase in cash		94,887	119,445
Cash used to repay capital element of finance lease and hire purchase payments		<u>3,256</u>	<u>2,713</u>
Change in net funds resulting from cash flows	2(c)	98,143	122,158
New finance leases and hire purchase contracts		<u>-</u>	<u>(6,512)</u>
Movement in net debt		98,143	115,646
Net funds at 1 January	2(c)	<u>173,474</u>	<u>57,828</u>
Net funds at 31 December	2(c)	<u>271,617</u>	<u>173,474</u>



---

NOTES ON THE ABBREVIATED ACCOUNTS  
at 31 December 1997

**1 ACCOUNTING POLICIES**

*Accounting convention*

The accounts are prepared under the historical cost convention.

*Depreciation*

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, as follows:

Freehold buildings	- over 40 years reducing balance
Plant and machinery	- over 5 to 20 years
Motor vehicles	- over 5 years

*Government grants*

Government grants in respect of capital expenditure are credited to a deferral account and are released to revenue over the expected useful lives of the relevant asset.

*Stocks*

Stocks are stated at the lower of cost and net realisable value as follows:

Cost incurred in bringing each product to its present location and condition:

Raw materials	- purchase cost on a first-in, first-out basis
Work in progress and finished goods	- cost of direct materials and labour plus attributable overheads based on a normal level of activity

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

*Deferred taxation*

Deferred taxation is provided on the liability method on all timing differences to the extent that they are expected to reverse in the future, calculated at the rate at which it is estimated that tax will be payable.

*Foreign currencies*

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

All differences are taken to the profit and loss account.

---

**NOTES ON THE ABBREVIATED ACCOUNTS**  
at 31 December 1997

**1 ACCOUNTING POLICIES (continued)**

*Leasing and hire purchase commitments*

Assets held under finance leases, which are leases where substantially all the risk and rewards of ownership of the asset have passed to the company, and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet.

The interest element of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

*Pensions*

The company operates money purchase pension schemes for its employees. Contributions to these schemes are charged to the profit and loss account as they become payable in accordance with the rules of the schemes.

**2 OPERATING PROFIT**

(a) This is stated after charging or crediting:

	1997 £	1996 £
Depreciation of owned fixed assets	231,071	232,411
Depreciation of assets held under finance leases and hire purchase contracts	2,590	2,590
	<hr/>	<hr/>
	233,661	235,001
Loss/(gain) on disposal of tangible fixed assets	1,930	(27,289)
Auditors' remuneration	15,300	14,900
	<hr/>	<hr/>

NOTES ON THE ABBREVIATED ACCOUNTS  
at 31 December 1997

2 OPERATING PROFIT (continued)

(b) Reconciliation of operating profit to net cash inflow from operating activities:

	1997 £	1996 £
Operating profit	142,101	40,284
Depreciation	233,661	235,001
Deferred government grants released	(812)	(824)
Loss/(gain) on disposal of tangible fixed assets	1,930	(27,289)
(Increase)/decrease in debtors	(224,721)	28,126
Decrease/(increase) in stocks	160,512	(215,953)
(Decrease)/increase in creditors	(135,937)	225,275
Net cash inflow from operating activities	176,734	284,620

(c) Analysis of changes in net funds:

	At 1 January 1997 £	Cash flow £	At 31 December 1997 £
Cash at bank and in hand	268,747	77,875	346,622
Bank overdrafts	(91,474)	17,012	(74,462)
Finance leases and hire purchase contracts	177,273 (3,799)	94,887 3,256	272,160 (543)
	173,474	98,143	271,617

(d) Directors' remuneration:

	1997 £	1996 £
Emoluments	160,169	160,065
Company contributions paid to money purchase pension schemes	22,508	22,348
Members of money purchase pension schemes	2	2

NOTES ON THE ABBREVIATED ACCOUNTS  
at 31 December 1997

3 STAFF COSTS

	1997 £	1996 £
Wages and salaries	1,807,024	2,098,802
Social security costs	155,464	188,906
Other pension costs	98,211	80,774
	<u>2,060,699</u>	<u>2,368,482</u>

The average weekly number of employees during the year was made up as follows:

	1997 No	1996 No
Administration	26	25
Sales and distribution	19	17
Manufacturing	104	119
	<u>149</u>	<u>161</u>

4 NET INTEREST RECEIVABLE

	1997 £	1996 £
Interest receivable on bank and other short term deposit	16,255	20,268
Interest on late tax repayment	-	2,219
Bank interest payable	(4,737)	(4,694)
Miscellaneous interest	730	-
	<u>12,248</u>	<u>17,793</u>

# NOTES ON THE ABBREVIATED ACCOUNTS

at 31 December 1997

## 5 TAX ON PROFIT ON ORDINARY ACTIVITIES

	1997 £	1996 £
Based on the profit for the year:		
Corporation tax at 31% (1996 - 24%)	46,912	16,162
Deferred taxation	(9,808)	397
	<hr/>	<hr/>
	37,104	16,559
Taxation under/(over) provided in previous years:		
Corporation tax	-	(15,228)
Deferred taxation	25,400	(15,863)
	<hr/>	<hr/>
	62,504	(14,532)
	<hr/>	<hr/>

## 6 DIVIDENDS

	1997 £	1996 £
Equity dividends on ordinary shares:		
Interim paid	-	-
	<hr/>	<hr/>

## 7 TANGIBLE FIXED ASSETS

	<i>Freehold land and buildings</i> £	<i>Plant and machinery</i> £	<i>Motor vehicles</i> £	<i>Total</i> £
Cost:				
At 1 January 1997	611,951	3,335,642	258,908	4,206,501
Additions	-	98,834	45,708	144,542
Disposals	-	(41,059)	(20,290)	(61,349)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1997	611,951	3,393,417	284,326	4,289,694
Depreciation:				
At 1 January 1997	130,072	2,786,117	149,047	3,065,236
Provided during the year	12,082	177,301	44,278	233,661
Disposals	-	(36,509)	(17,224)	(53,733)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1997	142,154	2,926,909	176,101	3,245,164
Net book value:				
At 31 December 1997	469,797	466,508	108,225	1,044,530
	<hr/>	<hr/>	<hr/>	<hr/>
At 1 January 1997	481,879	549,525	109,861	1,141,265
	<hr/>	<hr/>	<hr/>	<hr/>

**NOTES ON THE ABBREVIATED ACCOUNTS**  
at 31 December 1997

**7 TANGIBLE FIXED ASSETS (continued)**

The net book value of motor vehicles above includes an amount of £7,768 (1996 - £10,358) in respect of assets held under finance leases and hire purchase contracts.

**8 STOCKS**

	1997 £	1996 £
Raw materials	193,363	285,823
Work in progress	456,986	508,623
Finished goods and goods for resale	1,035,980	1,033,546
Consumable stores	68,693	87,542
	<u>1,755,022</u>	<u>1,915,534</u>

**9 DEBTORS**

	1997 £	1996 £
Trade debtors	2,128,116	1,853,139
Prepayments and accrued income	85,729	134,946
Corporation tax recoverable	-	64,880
	<u>2,213,845</u>	<u>2,052,965</u>

**10 OTHER CURRENT LIABILITIES**

	1997 £	1996 £
Trade creditors	650,129	797,275
Other taxes and social security costs	157,606	171,193
Corporation tax	46,766	16,162
Other creditors	68,783	68,783
Accruals	106,037	80,757
Obligations under hire purchase contracts (note 11)	543	3,256
	<u>1,029,864</u>	<u>1,137,426</u>

The bank overdraft, as disclosed separately on the face of the balance sheet, is secured by a bond and floating charge over all the assets of the company.

NOTES ON THE ABBREVIATED ACCOUNTS  
at 31 December 1997

11 OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

The maturity of these amounts is as follows:

	1997 £	1996 £
Amounts payable:		
Within one year	543	3,256
In two to five years	-	543
	<hr/>	<hr/>
	543	3,799
Less: Finance charges allocated to future periods	-	-
	<hr/>	<hr/>
	543	3,799
	<hr/>	<hr/>

Finance leases and hire purchase contracts are analysed as follows:

Current obligations	543	3,256
Non-current obligations	-	543
	<hr/>	<hr/>
	543	3,799
	<hr/>	<hr/>

Analysis of changes in finance leases and hire purchase contracts during the current and previous years:

	1997 £	1996 £
At 1 January	3,799	-
Inception of finance lease contracts	-	6,512
Capital element of finance lease rental payments	(3,256)	(2,713)
	<hr/>	<hr/>
At 31 December	543	3,799
	<hr/>	<hr/>

# NOTES ON THE ABBREVIATED ACCOUNTS

at 31 December 1997

## 12 DEFERRED TAXATION

The movements in deferred taxation during the current and previous years are as follows:

	1997 £	1996 £
At 1 January	53,341	68,807
(Credit)/charge for the year (note 5)	(9,808)	397
Under/(over) provided in previous year (note 5)	25,400	(15,863)
	<u>68,933</u>	<u>53,341</u>
At 31 December	68,933	53,341

The full potential liability is provided in the accounts as follows:

	1997 £	1996 £
Accelerated capital allowances	70,312	54,024
Other timing differences	(1,379)	(683)
	<u>68,933</u>	<u>53,341</u>

## 13 SHARE CAPITAL

	1997 No	Authorised 1996 No	Allotted, called up and fully paid 1997 £	1996 £
3.5% cumulative preference shares of £1 each	5,000	5,000	3,000	3,000
Ordinary shares of £1 each	150,000	150,000	140,000	140,000
	<u>155,000</u>	<u>155,000</u>	<u>143,000</u>	<u>143,000</u>

## 14 CAPITAL REDEMPTION RESERVE

	1997 £	1996 £
Nominal value of ordinary shares acquired and cancelled	10,000	10,000



## NOTES ON THE ABBREVIATED ACCOUNTS

at 31 December 1997

### 15 RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	<i>Share capital £</i>	<i>Capital redemption reserve £</i>	<i>Profit and loss account £</i>
At 31 December 1995	143,000	10,000	3,838,141
Profit for the year	-	-	72,609
At 31 December 1996	143,000	10,000	3,910,750
Profit for the year	-	-	91,845
At 31 December 1997	143,000	10,000	4,002,595

### 16 CUMULATIVE PREFERENCE SHARES

The dividends on the 3.5% cumulative preference shares are twenty-four years in arrears. The amount of arrears as at 31 December 1997 was £2,520 (1996 - £2,415). Contrary to the requirements of FRS4, no accrual has been made for these dividend arrears. The amount is not material.

### 17 CAPITAL COMMITMENTS

	<i>1997 £</i>	<i>1996 £</i>
Authorised by the directors and contracted	11,850	23,066
Authorised by the directors but not contracted	-	25,050

### 18 RELATED PARTIES

During the year the company purchased goods to the value of £1,786,539 (1996 - £1,831,426) on normal trade terms from Eildon Fabrics Limited, a company in which the directors, except for Mrs A J Winter and Mr D Kelly, at 31 December 1997 have a shareholding. The amount due to Eildon Fabrics Limited at the year end which is included in trade creditors and accruals is £419,403.

### 19 PENSION COMMITMENTS

The company operates money purchase pension schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost charge of these schemes represents contributions payable by the company to the funds and amounted to £98,211 (1996 - £80,774), including the cost of death-in-service benefits.

At the year end, a contribution of £4,449 (1996 - £3,251) was payable to the funds.

---

NOTES ON THE ABBREVIATED ACCOUNTS  
at 31 December 1997

**20 ULTIMATE HOLDING COMPANY**

The company's ultimate holding company is John Aird (Holdings) Limited, a company registered in Scotland. Copies of the company's accounts are available from the registered office.