

17813

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# John Aird & Company Limited

## Abbreviated Accounts

31 December 1994

Company Registration Number 17813



# John Aird & Company Limited

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## DIRECTORS

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

(appointed 1 January 1995)

## SECRETARY

Mrs A J Winter  
Isabel M McKerrigan

(appointed 6 April 1995)  
(resigned 6 April 1995)

## 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

# John Aird & Company Limited

## DIRECTORS' REPORT

The directors submit their report and accounts for the year ended 31 December 1994.

### RESULTS AND DIVIDENDS

The trading profit for the year, after taxation, amounted to £199,791. The directors recommend that no dividend be paid which leaves a profit of £199,791 to be transferred to reserves.

### REVIEW OF THE BUSINESS

The principal activity of the company, which remained unchanged during the year, was the manufacture of window furnishings. Profit after taxation decreased from £247,963 to £199,791.

### FUTURE DEVELOPMENTS

The directors anticipate that due to the ongoing recession both turnover and profit levels will be lower than 1994.

### DIRECTORS

The directors at 31 December 1994 and their interests in the share capital of the company were as follows:

	31 December 1994		1 January 1994	
	Ordinary	Preference	Ordinary	Preference
J A G Winter	25,000	1,500	25,000	1,500
Mrs J M Winter	3,625	1,500	3,625	1,500
Mrs V Lawrence	44,313	-	44,313	-
R McAvoy	500	-	500	-
G C Winter	66,062	-	66,062	-
D Kelly	-	-	-	-

Mrs A J Winter, appointed as a director on 1 January 1995, has no interest in the share capital of the company.

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

### POST BALANCE SHEET EVENT

On 7 August 1995, MM&S (2248) Limited (now John Aird (Holdings) Limited) made a formal offer to purchase the entire share capital of John Aird & Company Limited. This offer was unanimously accepted by the shareholders of the company.

The directors of John Aird (Holdings) Limited are J A G Winter and Mrs J M Winter.

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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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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.

By order of the board



Ann J Winter

Secretary

21 October 1995

**REPORT OF THE AUDITORS**

to the members of John Aird & Company Limited

We have examined the abbreviated accounts on pages 5 to 16 together with the annual accounts of John Aird & Company Limited for the year ended 31 December 1994. The scope of our work for the purposes of this report was limited to confirming that the company is entitled to the exemptions claimed in the directors' statement on page 3 and that the abbreviated accounts have been properly prepared from the annual accounts.

In our opinion the directors are entitled under Sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section B of Part III of Schedule 8 to that Act in respect of the year ended 31 December 1994 and the abbreviated accounts on pages 5 to 16 have been properly prepared in accordance with Schedule 8 to that Act.

As auditors of the company, we today reported to the members on the full accounts prepared under Section 226 of the Companies Act 1985 for the year ended 31 December 1994 and our audit report was as follows:

"We have audited the accounts on pages 5 to 15, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 8 and 9.

**Respective responsibilities of directors and auditors**

As described on page 2 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

**Basis of opinion**

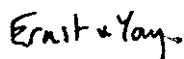
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts.

It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 December 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985."



Ernst & Young

Chartered Accountants  
Registered Auditor  
Glasgow

21 October 1995

# John Aird & Company Limited

## ABBREVIATED PROFIT AND LOSS ACCOUNT

for the year ended 31 December 1994

	<i>Note</i>	<i>1994</i> £	<i>1993</i> £
<b>OPERATING PROFIT</b>	2	263,344	313,624
Net interest receivable	4	40,770	34,565
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<hr/> 304,114	<hr/> 348,189
Tax on profit on ordinary activities	5	104,323	100,226
<b>PROFIT FOR THE FINANCIAL YEAR</b>	14	<hr/> 199,791	<hr/> 247,963

ERNST & YOUNG

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses other than the profit for the financial year of £199,791 in the year ended 31 December 1994 and of £247,963 in the year ended 31 December 1993.

# John Aird & Company Limited

## BALANCE SHEET

at 31 December 1994

	Note	1994 £	1993 £
<b>FIXED ASSETS</b>			
Tangible assets:	6		
Land and buildings		430,634	439,568
Plant and machinery		511,284	612,662
Motor vehicles		40,192	67,043
		<u>982,110</u>	<u>1,119,273</u>
<b>CURRENT ASSETS</b>			
Stocks	7	1,574,308	1,487,025
Debtors	8	1,885,360	1,880,138
Cash at bank and short term deposits	9	960,699	561,584
		<u>4,420,367</u>	<u>3,928,747</u>
<b>CREDITORS</b> - amounts falling due within one year			
Bank overdraft	9	119,511	24,370
Other current liabilities	10	1,087,866	1,017,311
		<u>1,207,377</u>	<u>1,041,681</u>
<b>NET CURRENT ASSETS</b>		<u>3,212,990</u>	<u>2,887,066</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>4,195,100</u>	<u>4,006,339</u>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			
Deferred taxation	11	59,275	69,397
<b>ACCRUALS AND DEFERRED INCOME</b>			
Government grants		33,703	34,611
		<u>92,978</u>	<u>104,008</u>
		<u>4,102,122</u>	<u>3,902,331</u>

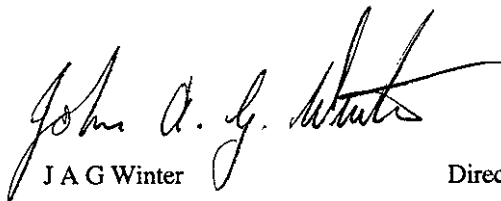
# John Aird & Company Limited

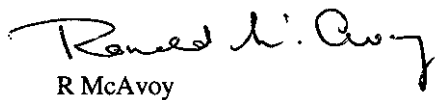
## BALANCE SHEET

at 31 December 1994 (continued)

	<i>Note</i>	<i>1994</i> £	<i>1993</i> £
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	143,000	143,000
Capital redemption reserve	13	10,000	10,000
Profit and loss account	14	3,949,122	3,749,331
		<hr/>	<hr/>
		4,102,122	3,902,331
		<hr/>	<hr/>

The directors have taken advantage of the exemptions conferred by Section B of Part III of Schedule 8 to the Companies Act 1985 on the grounds that the company is entitled to the benefit of those exemptions as a medium sized company.

  
J A G Winter Director

  
R McAvoy Director

21 October 1995



# John Aird & Company Limited

## STATEMENT OF CASH FLOWS

for the year ended 31 December 1994

	<i>Note</i>	<i>1994</i> £	<i>1993</i> £
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	2(b)		
Funds generated by operations		460,488	516,706
Increase in working capital		(63,017)	(55,553)
		<u>397,471</u>	<u>461,153</u>
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>			
Interest received		43,681	45,543
Interest paid		(2,839)	(7,910)
		<u>40,842</u>	<u>37,633</u>
<b>TAXATION</b>			
Corporation tax paid		(73,450)	(125,547)
<b>INVESTING ACTIVITIES</b>			
Payments to acquire tangible fixed assets		(64,189)	(501,164)
Receipts from sales of tangible fixed assets		3,300	21,950
Receipt of capital grant		-	12,550
		<u>(60,889)</u>	<u>(466,664)</u>
<b>NET CASH INFLOW/(OUTFLOW)</b>	9	<u>303,974</u>	<u>(93,425)</u>
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	9	<u>303,974</u>	<u>(93,425)</u>

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**NOTES ON THE ABBREVIATED ACCOUNTS**

at 31 December 1994

**1 ACCOUNTING POLICIES**

*Accounting convention*

The accounts are prepared under the historical cost convention.

The accounts are prepared in accordance with applicable accounting standards.

*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 1994

### 1 ACCOUNTING POLICIES (continued)

#### *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:

	1994 £	1993 £
Directors' remuneration (see below)	199,774	209,732
Auditors' remuneration	14,000	14,000
Gain on disposal of tangible fixed assets	(3,300)	(19,354)

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

	£	£
Operating profit	263,344	313,624
Depreciation	201,352	228,979
Deferred government grants released	(908)	(6,543)
Profit on disposal of tangible fixed assets	(3,300)	(19,354)
Funds generated by operations	460,488	516,706
Increase in debtors	(5,222)	(91,473)
(Increase)/decrease in stocks	(87,283)	62,832
Increase/(decrease) in creditors	29,488	(26,912)
Increase in working capital	(63,017)	(55,553)
Net cash inflow from operating activities	397,471	461,153

(c) Directors' remuneration:

	1994 £	1993 £
Fees	-	-
Other emoluments (including pension contributions)	199,774	209,732
	199,774	209,732

NOTES ON THE ABBREVIATED ACCOUNTS  
at 31 December 1994

2 OPERATING PROFIT (continued)

(c) Directors' remuneration (continued):

	1994 £	1993 £
Fees	-	-
Other emoluments (including pension contributions)	199,774	209,732
	<u>199,774</u>	<u>209,732</u>
Emoluments (excluding pension contributions) of the chairman	32,440	31,961
Emoluments (excluding pension contributions) of the highest paid director	65,161	66,973

The emoluments (excluding pension contributions) of the directors fall within the following ranges:

	1994 No	1993 No
£0 - £5,000	1	1
£5,001 - £10,000	1	-
£10,001 - £15,000	-	1
£15,001 - £20,000	1	1
£30,001 - £35,000	1	1
£50,001 - £55,000	1	1
£65,001 - £70,000	1	1

3 STAFF COSTS

	1994 £	1993 £
Wages and salaries	1,880,588	1,910,920
Social security costs	168,831	182,427
Other pension costs	97,484	79,517
	<u>2,146,903</u>	<u>2,172,864</u>

**NOTES ON THE ABBREVIATED ACCOUNTS**  
at 31 December 1994

**3 STAFF COSTS (continued)**

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

	<i>1994</i> <i>No</i>	<i>1993</i> <i>No</i>
Administration	26	25
Sales and distribution	18	18
Manufacturing	117	122
	<hr/>	<hr/>
	161	165
	<hr/>	<hr/>

**4 NET INTEREST RECEIVABLE**

	<i>1994</i> <i>£</i>	<i>1993</i> <i>£</i>
Bank and other short term deposit:		
Interest receivable	43,605	42,307
Bank interest payable	(2,835)	(7,742)
	<hr/>	<hr/>
	40,770	34,565
	<hr/>	<hr/>

**5 TAX ON PROFIT ON ORDINARY ACTIVITIES**

	<i>1994</i> <i>£</i>	<i>1993</i> <i>£</i>
Based on the profit for the year:		
Corporation tax at 33% (1993 - 33%)	112,427	70,972
Deferred taxation	(5,063)	32,177
	<hr/>	<hr/>
	107,364	103,149
Taxation under/(over) provided in previous years:		
Corporation tax	2,018	(1,032)
Deferred taxation	(5,059)	(1,891)
	<hr/>	<hr/>
	104,323	100,226
	<hr/>	<hr/>

**NOTES ON THE ABBREVIATED ACCOUNTS**  
at 31 December 1994

**6 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 1994	534,525	3,174,778	245,289	3,954,592
Additions	1,830	54,694	7,665	64,189
Disposals	-	(2,430)	(6,364)	(8,794)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1994	536,355	3,227,042	246,590	4,009,987
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation:				
At 1 January 1994	94,957	2,562,116	178,246	2,835,319
Provided during the year	10,764	156,072	34,516	201,352
Disposals	-	(2,430)	(6,364)	(8,794)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1994	105,721	2,715,758	206,398	3,027,877
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value:				
At 31 December 1994	430,634	511,284	40,192	982,110
	<hr/>	<hr/>	<hr/>	<hr/>
At 1 January 1994	439,568	612,662	67,043	1,119,273
	<hr/>	<hr/>	<hr/>	<hr/>

**7 STOCKS**

	<i>1994 £</i>	<i>1993 £</i>
Raw materials	296,965	325,448
Work in progress	521,869	380,411
Finished goods and goods for resale	664,151	726,297
Consumable stores	91,323	54,869
	<hr/>	<hr/>
	1,574,308	1,487,025
	<hr/>	<hr/>

**8 DEBTORS**

	<i>1994 £</i>	<i>1993 £</i>
Trade debtors	1,835,372	1,843,348
Prepayments and accrued income	49,988	36,790
	<hr/>	<hr/>
	1,885,360	1,880,138
	<hr/>	<hr/>

# NOTES ON THE ABBREVIATED ACCOUNTS

at 31 December 1994

## 9 CASH AND CASH EQUIVALENTS

	1994 £	1993 £
Cash at bank	960,699	561,584
Bank overdraft	(119,511)	(24,370)
	<hr/>	<hr/>
	841,188	537,214
	<hr/>	<hr/>
At 1 January	537,214	630,639
Net cash inflow/(outflow)	303,974	(93,425)
	<hr/>	<hr/>
At 31 December	841,188	537,214
	<hr/>	<hr/>

The bank overdraft is secured by a floating charge over all the assets of the company.

## 10 OTHER CURRENT LIABILITIES

	1994 £	1993 £
Trade creditors	615,619	569,644
Other taxes and social security costs	208,904	221,257
Corporation tax	112,427	71,432
Other creditors	73,850	73,850
Accruals	77,066	81,128
	<hr/>	<hr/>
	1,087,866	1,017,311
	<hr/>	<hr/>

## 11 DEFERRED TAXATION

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

	1994 £	1993 £
Accelerated capital allowances	60,526	70,660
Other timing differences	(1,251)	(1,263)
	<hr/>	<hr/>
	59,275	69,397
	<hr/>	<hr/>

NOTES ON THE ABBREVIATED ACCOUNTS

at 31 December 1994

12 SHARE CAPITAL

	1994 No	Authorised 1993 No	1994 £	Allotted, called up and fully paid 1993 £
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>

13 CAPITAL REDEMPTION RESERVE

	1994 £	1993 £
Nominal value of ordinary shares acquired and cancelled	<u>10,000</u>	<u>10,000</u>

14 RESERVES - PROFIT AND LOSS ACCOUNT

	£
At 1 January 1994	3,749,331
Profit for the financial year	<u>199,791</u>
At 31 December 1994	<u>3,949,122</u>

15 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	1994 £	1993 £
Retained profit for the year	<u>199,791</u>	<u>247,963</u>
Net addition to shareholders' funds	199,791	247,963
Opening shareholders' funds	<u>3,902,331</u>	<u>3,654,368</u>
Closing shareholders' funds	<u>4,102,122</u>	<u>3,902,331</u>

16 CUMULATIVE PREFERENCE SHARES

The dividends on the 3.5% cumulative preference shares are nineteen years in arrears. The amount of arrears as at 31 December 1994 was £2,205 (1993 - £2,100). Contrary to the requirements of FRS4, no accrual has been made for these dividend arrears. The amount is not material.



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NOTES ON THE ABBREVIATED ACCOUNTS

at 31 December 1994

**17 CAPITAL COMMITMENTS**

	1994 £	1993 £
Authorised by the directors but not contracted	-	-
	<hr/>	<hr/>

**18 DIRECTORS' INTEREST**

During the year the company purchased goods to the value of £1,710,170 (1993 - £1,803,296 ) on normal trade terms from Eildon Fabrics Limited, a company in which the directors, except for Mr Kelly, at 31 December 1994 have a shareholding.

**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 £97,484 (1993 - £79,517), including the cost of death-in-service benefits.

At the year end, a contribution of £4,145 (1993 - £4,257) was payable to the funds.