

ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001
FOR
JOHN AIRD & COMPANY LIMITED



JOHN AIRD & COMPANY LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2001**

DIRECTORS: J A G Winter
G C Winter
Mrs J M Winter
Mrs V Lawrence
Mrs A J Winter
T J Hardy

SECRETARY: Mrs A J Winter

REGISTERED OFFICE: Greenbank Mills
East Main Street
Darvel
Ayrshire
KA17 OJE

REGISTERED NUMBER: 17813 (Scotland)

AUDITORS: Sinclair Wood & Co.
Chartered Accountants
& Registered Auditors
Gordon Chambers
90 Mitchell Street
Glasgow
G1 3NQ

BANKERS: Bank of Scotland
2 Brewland Street
Galston
Ayrshire
KA4 8AQ

SOLICITORS: Mair Matheson
124 Main Street
Newmilns
Ayrshire
KA16 9DL

JOHN AIRD & COMPANY LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2001

The directors present their report with the financial statements of the company for the year ended 31 December 2001.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the manufacture of window furnishings.

DIVIDENDS

Dividends of £900,000 were paid during the year (2000 : nil).

DIRECTORS

The directors during the year under review were:

J A G Winter
G C Winter
Mrs J M Winter
Mrs V Lawrence
Mrs A J Winter
T J Hardy

The directors holding office at 31 December 2001 did not hold any beneficial interest in the issued share capital of the company at 1 January 2001 or 31 December 2001.

J A G Winter and Mrs J M Winter were both directors of John Aird (Holdings) Limited at 31 December 2001. Accordingly, their interests are disclosed in the accounts of that company. The other directors' interests in the share capital of John Aird (Holdings) Limited are as follows:

	2001 Ordinary	2000 Ordinary
G C Winter	42,559	42,559
Mrs V Lawrence	21,280	21,280

STATEMENT OF 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 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,
- 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 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

The auditors, Sinclair Wood & Co., will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:


G C Winter - DIRECTOR

Dated: 29/01/2002

JOHN AIRD & COMPANY LIMITED

**REPORT OF THE INDEPENDENT AUDITORS TO
JOHN AIRD & COMPANY LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated financial statements on pages four to fourteen, together with the full financial statements of the company for the year ended 31 December 2001 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements 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 financial statements prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the financial statements to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

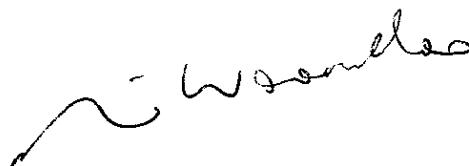
Basis of audit opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. 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 financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated financial statements on pages four to fourteen are properly prepared in accordance with that provision.

Sinclair Wood & Co.
Chartered Accountants
& Registered Auditors
Gordon Chambers
90 Mitchell Street
Glasgow
G1 3NQ



Dated:

30/10/02

JOHN AIRD & COMPANY LIMITED

**ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2001**

		<u>2001</u>	<u>2000</u>
	Notes	£	£
GROSS PROFIT		1,116,708	1,432,951
Administrative expenses		<u>1,259,680</u>	<u>1,556,945</u>
OPERATING LOSS	3	(142,972)	(123,994)
Redundancy costs	4	<u>8,354</u>	<u>473,429</u>
		(151,326)	(597,423)
Interest receivable and similar income		<u>52,294</u>	<u>55,760</u>
		(99,032)	(541,663)
Interest payable and similar charges	5	<u>5,236</u>	<u>2,615</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(104,268)	(544,278)
Tax on loss on ordinary activities	6	<u>-</u>	<u>(44,818)</u>
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION		(104,268)	(499,460)
Dividends	7	<u>900,000</u>	<u>-</u>
		(1,004,268)	(499,460)
Retained profit brought forward		<u>3,614,101</u>	<u>4,113,561</u>
RETAINED PROFIT CARRIED FORWARD		<u><u>£2,609,833</u></u>	<u><u>£3,614,101</u></u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the losses for the current and previous years.

The notes form part of these financial statements

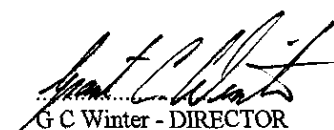
JOHN AIRD & COMPANY LIMITED

**ABBREVIATED BALANCE SHEET
31 DECEMBER 2001**

		<u>2001</u>		<u>2000</u>	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	8		626,020		731,048
CURRENT ASSETS:					
Stocks	9	1,697,024		1,311,866	
Debtors	10	813,238		1,329,940	
Cash at bank and in hand		179,171		1,095,781	
		2,689,433		3,737,587	
CREDITORS: Amounts falling due within one year	11	524,720		672,834	
NET CURRENT ASSETS:			2,164,713		3,064,753
TOTAL ASSETS LESS CURRENT LIABILITIES:			2,790,733		3,795,801
ACCRUALS AND DEFERRED INCOME:	14		27,900		28,700
			£2,762,833		£3,767,101
CAPITAL AND RESERVES:					
Called up share capital	15		143,000		143,000
Capital redemption reserve	16		10,000		10,000
Profit and loss account			2,609,833		3,614,101
SHAREHOLDERS' FUNDS:	20		£2,762,833		£3,767,101

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

ON BEHALF OF THE BOARD:


G C Winter - DIRECTOR

Approved by the Board on 29-10-2002

The notes form part of these financial statements

JOHN AIRD & COMPANY LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2001**

		<u>2001</u>	<u>2000</u>
	Notes	£	£
Net cash (outflow)/inflow from operating activities	1	(177,989)	384,234
Returns on investments and servicing of finance	2	47,058	53,145
Taxation		(5)	(13,869)
Capital expenditure	2	112,579	(53,505)
Equity dividends paid		<u>(900,000)</u>	-
(Decrease)/Increase in cash in the period		<u>£(918,357)</u>	<u>£370,005</u>
<hr/>			
Reconciliation of net cash flow to movement in net funds	3		
(Decrease)/Increase in cash in the period		<u>(918,357)</u>	<u>370,005</u>
Change in net funds resulting from cash flows		<u>(918,357)</u>	<u>370,005</u>
Movement in net funds in the period		(918,357)	370,005
Net funds at 1 January		<u>1,095,318</u>	<u>725,313</u>
Net funds at 31 December		<u>£176,961</u>	<u>£1,095,318</u>

The notes form part of these financial statements

JOHN AIRD & COMPANY LIMITED

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2001**

1. RECONCILIATION OF OPERATING LOSS TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	2001 £	2000 £
Operating loss	(142,972)	(123,994)
Depreciation charges	103,112	183,845
Profit on sale of fixed assets	(110,663)	(3,940)
Government grants	(800)	(810)
(Increase)/Decrease in stocks	(385,158)	130,890
Decrease in debtors	516,707	475,687
(Decrease)/Increase in creditors	(149,861)	195,985
Exceptional items	<u>(8,354)</u>	<u>(473,429)</u>
Net cash (outflow)/inflow from operating activities	<u>(177,989)</u>	<u>384,234</u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2001 £	2000 £
Returns on investments and servicing of finance		
Interest received	52,294	55,760
Interest paid	<u>(5,236)</u>	<u>(2,615)</u>
Net cash inflow for returns on investments and servicing of finance	<u>47,058</u>	<u>53,145</u>
Capital expenditure		
Purchase of tangible fixed assets	(65,719)	(60,255)
Sale of tangible fixed assets	<u>178,298</u>	<u>6,750</u>
Net cash inflow/(outflow) for capital expenditure	<u>112,579</u>	<u>(53,505)</u>

The notes form part of these financial statements

JOHN AIRD & COMPANY LIMITED

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2001**

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/1/01 £	Cash flow £	At 31/12/01 £
Net cash:			
Cash at bank and in hand	1,095,781	(916,610)	179,171
Bank overdrafts	<u>(463)</u>	<u>(1,747)</u>	<u>(2,210)</u>
	<u>1,095,318</u>	<u>(918,357)</u>	<u>176,961</u>
 Total	 <u>1,095,318</u>	 <u>(918,357)</u>	 <u>176,961</u>
 Analysed in Balance Sheet			
Cash at bank and in hand	1,095,781		179,171
Bank overdrafts	<u>(463)</u>		<u>(2,210)</u>
	<u>1,095,318</u>		<u>176,961</u>

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents the invoiced amount of goods sold and services provided and is stated net of Value Added Tax.

The turnover and pre-tax profit, which arises principally within the United Kingdom, is attributable to one continuing activity, the manufacture of net curtains.

Tangible fixed assets

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

Freehold land and property	- Reducing balance over 40 years
Plant and machinery	- over 5 to 20 years
Motor vehicles	- over 5 years

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, labour and 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

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

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.

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.

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 as tangible fixed assets in the balance sheet and are depreciated over their useful economic 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.

JOHN AIRD & COMPANY LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001**

2. STAFF COSTS

	2001 £	2000 £
Wages and salaries	935,965	1,525,586
Social security costs	72,908	124,619
Other pension costs	38,587	66,356
	<u>1,047,460</u>	<u>1,716,561</u>

The average monthly number of employees during the year was as follows:

	2001	2000
Administration	10	19
Sales and distribution	4	13
Manufacturing	<u>51</u>	<u>73</u>
	<u>65</u>	<u>105</u>

3. OPERATING LOSS

The operating loss is stated after charging/(crediting):

	2001 £	2000 £
Hire of plant and machinery	14,516	13,796
Depreciation - owned assets	103,112	183,845
Profit on disposal of fixed assets	(110,663)	(3,940)
Auditors' remuneration	<u>17,605</u>	<u>46,181</u>
Directors' emoluments	<u>116,800</u>	<u>118,911</u>

4. EXCEPTIONAL ITEMS

The exceptional items comprise of redundancy costs incurred.

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2001 £	2000 £
Bank interest and charges	<u>5,236</u>	<u>2,615</u>

6. TAXATION

Analysis of the tax credit

The tax credit on the loss on ordinary activities for the year was as follows:

	2001 £	2000 £
Current tax:		
UK corporation tax	-	(44,818)
Tax on loss on ordinary activities	<u>-</u>	<u>(44,818)</u>

JOHN AIRD & COMPANY LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001**

7. DIVIDENDS

	2001 £	2000 £
Equity shares: 140,000 Ordinary shares of £1 each		
Final - paid	<u>900,000</u>	<u>-</u>
	<u>900,000</u>	<u>-</u>

8. TANGIBLE FIXED ASSETS

	Freehold land and property	Plant and machinery	Motor vehicles	Totals
	£	£	£	£
COST:				
At 1 January 2001	606,446	3,501,519	258,322	4,366,287
Additions	40,362	14,297	11,060	65,719
Disposals	<u>-</u>	<u>(1,403,830)</u>	<u>(106,634)</u>	<u>(1,510,464)</u>
At 31 December 2001	<u>646,808</u>	<u>2,111,986</u>	<u>162,748</u>	<u>2,921,542</u>
DEPRECIATION:				
At 1 January 2001	164,735	3,287,542	182,962	3,635,239
Charge for year	11,124	66,355	25,633	103,112
Eliminated on disposals	<u>-</u>	<u>(1,342,323)</u>	<u>(100,506)</u>	<u>(1,442,829)</u>
At 31 December 2001	<u>175,859</u>	<u>2,011,574</u>	<u>108,089</u>	<u>2,295,522</u>
NET BOOK VALUE:				
At 31 December 2001	<u>470,949</u>	<u>100,412</u>	<u>54,659</u>	<u>626,020</u>
At 31 December 2000	<u>441,711</u>	<u>213,977</u>	<u>75,360</u>	<u>731,048</u>

9. STOCKS

	2001 £	2000 £
Work in progress	558,658	315,531
Finished goods and goods for resale	1,099,832	945,230
Consumable stores	<u>38,534</u>	<u>51,105</u>
	<u>1,697,024</u>	<u>1,311,866</u>

**10. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2001 £	2000 £
Trade debtors	777,414	1,307,878
Prepayments and accrued income	21,934	8,177
Corporation tax recoverable	<u>13,890</u>	<u>13,885</u>
	<u>813,238</u>	<u>1,329,940</u>

JOHN AIRD & COMPANY LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001**

**11. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2001 £	2000 £
Bank loans and overdrafts (see note 12)	2,210	463
Trade creditors	378,891	258,802
Social security and other taxes	111,743	111,567
Accruals	<u>31,876</u>	<u>302,002</u>
	<u>524,720</u>	<u>672,834</u>

12. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	2001 £	2000 £
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>2,210</u>	<u>463</u>

13. SECURED DEBTS

The following secured debts are included within creditors:

	2001 £	2000 £
Bank overdrafts	<u>2,210</u>	<u>463</u>

The bank overdraft facilities are secured by a bond and floating charge over all of the assets of the company.

14. ACCRUALS AND DEFERRED INCOME

	2001 £	2000 £
DEFERRED GOVERNMENT GRANTS		
Brought forward	28,700	29,510
Release to profit and loss	<u>(800)</u>	<u>(810)</u>
	<u>27,900</u>	<u>28,700</u>

JOHN AIRD & COMPANY LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001**

15. CALLED UP SHARE CAPITAL

Authorised: Number:	Class:	Nominal value:	2001 £	2000 £
5,000	3.5% Cumulative preference	£1	5,000	5,000
150,000	Ordinary	£1	<u>150,000</u>	<u>150,000</u>
			<u>155,000</u>	<u>155,000</u>

Allotted, issued and fully paid: Number:	Class:	Nominal value:	2001 £	2000 £
3,000	3.5% Cumulative preference	£1	3,000	3,000
140,000	Ordinary	£1	<u>140,000</u>	<u>140,000</u>
			<u>143,000</u>	<u>143,000</u>

16. CAPITAL REDEMPTION RESERVE

	2001 £	2000 £
Nominal value of ordinary shares acquired and cancelled	<u>10,000</u>	<u>10,000</u>

17. 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 £38,587 (2000 : £66,355) including the cost of death-in-service benefits.

No contributions were payable to the pension fund at the year end (2000 : nil).

18. ULTIMATE PARENT COMPANY

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

19. OTHER FINANCIAL COMMITMENTS

At 31 December 2001 the company had no financial commitments towards non-cancellable operating leases (2000 : £13,963).

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2001 £	2000 £
Loss for the financial year	(104,268)	(499,460)
Dividends	<u>(908,000)</u>	<u>-</u>
Net reduction of shareholders' funds	(1,004,268)	(499,460)
Opening shareholders' funds	<u>3,767,101</u>	<u>4,266,561</u>
Closing shareholders' funds	<u><u>2,762,833</u></u>	<u><u>3,767,101</u></u>
Equity interests	<u><u>2,762,833</u></u>	<u><u>3,767,101</u></u>

JOHN AIRD & COMPANY LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001**

21. CUMULATIVE PREFERENCE SHARES

The dividends on the 3.5% cumulative preference shares are twenty six years in arrears. The amount of arrears as at 31 December 2001 was £2,940 (2000 : £2,835). Contrary to the requirements of Financial Reporting Standard 4 "Capital Instruments", no accrual has been made for these dividend arrears. This amount is not considered material.