

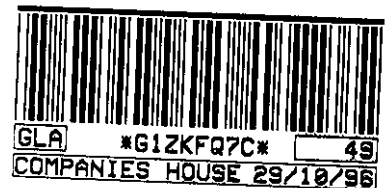
# John Aird & Company Limited

## Abbreviated Accounts

31 December 1995

Company Registration Number 17813

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**DIRECTORS**

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

(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  
Glasgow  
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 1995.

### RESULTS AND DIVIDENDS

The trading loss for the year, after taxation, amounted to £35,381. The directors recommend that no final dividend be paid, making the total of ordinary dividends £75,600 paid in the year which leaves a loss of £110,981 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. Profit after taxation decreased from £199,791 to a loss of £35,381.

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.

### FUTURE DEVELOPMENTS

The directors anticipate that due to the ongoing recession both turnover and profit levels will be lower than 1995.

### FIXED ASSETS

The significant additions to tangible fixed assets this year include the purchase of make up equipment and property improvements at Greenbank Mills. Details of the company's fixed assets are in note 7 of the accounts.

### DIRECTORS

The directors at 31 December 1995 and their interests in the share capital of the company were as follows:

	31 December 1995		1 January 1995	
	Ordinary	Preference	Ordinary	Preference
J A G Winter	-	-	25,000	1,500
G C Winter	-	-	66,062	-
Mrs J M Winter	-	-	3,625	1,500
Mrs V Lawrence	-	-	44,313	-
Mrs A J Winter	-	-	-	-
R McAvoy	-	-	500	-
D Kelly	-	-	-	-

G C Winter and D Kelly retire by rotation and, being eligible, offer themselves for re-election.

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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.

On behalf of the board



Ann J Winter

Secretary

7 October 1996

**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 1995. 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 1995 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 1995 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.

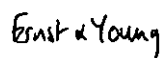
**Basis of opinion**

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 1995 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985."



Ernst & Young

Chartered Accountants  
Registered Auditor  
Glasgow

7 October 1996

**ABBREVIATED PROFIT AND LOSS ACCOUNT**  
for the year ended 31 December 1995

	<i>Note</i>	<i>1995</i> £	<i>1994</i> £
<b>OPERATING (LOSS)/PROFIT</b>	2	(95,700)	263,344
Net interest receivable	4	30,607	40,770
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(65,093)	304,114
Tax (credit)/charge on profit on ordinary activities	5	(29,712)	104,323
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>	14	(35,381)	199,791
Dividends: ordinary dividends on equity shares		(75,600)	-
<b>(LOSS)/PROFIT RETAINED FOR THE FINANCIAL YEAR</b>		(110,981)	199,971

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

There are no recognised gains or losses other than the loss for the financial year of £35,381 in the year ended 31 December 1995 and the profit of £199,791 in the year ended 31 December 1994.

**BALANCE SHEET**

at 31 December 1995

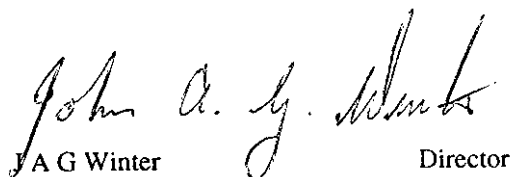
	<i>Note</i>	<i>1995</i> £	<i>1994</i> £
<b>FIXED ASSETS</b>			
Tangible assets:	7		
Land and buildings		468,999	430,634
Plant and machinery		599,254	511,284
Motor vehicles		113,214	40,192
		<u>1,181,467</u>	<u>982,110</u>
<b>CURRENT ASSETS</b>			
Stocks	8	1,699,581	1,574,308
Debtors	9	2,065,506	1,885,360
Cash at bank and short term deposits	10	368,109	960,699
		<u>4,133,196</u>	<u>4,420,367</u>
<b>CREDITORS - amounts falling due within one year</b>			
Bank overdraft	10	310,281	119,511
Other current liabilities	11	911,633	1,087,866
		<u>1,221,914</u>	<u>1,207,377</u>
<b>NET CURRENT ASSETS</b>		<u>2,911,282</u>	<u>3,212,990</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>4,092,749</u>	<u>4,195,100</u>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			
Deferred taxation	12	68,807	59,275
<b>ACCRUALS AND DEFERRED INCOME</b>			
Government grants		32,801	33,703
		<u>101,608</u>	<u>92,978</u>
		<u>3,991,141</u>	<u>4,102,122</u>

**BALANCE SHEET**

at 31 December 1995 (continued)

	<i>Note</i>	<i>1995</i> £	<i>1994</i> £
<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	3,838,141	3,949,122
		<hr/>	<hr/>
		3,991,141	4,102,122
		<hr/>	<hr/>
Shareholders' funds:			
Equity		3,983,761	4,094,917
Non-equity		7,380	7,205
		<hr/>	<hr/>
		3,991,141	4,102,122
		<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

7 October 1996



**STATEMENT OF CASH FLOWS**  
for the year ended 31 December 1995

	<i>Note</i>	<i>1995</i> £	<i>1994</i> £
<b>NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES</b>	2(b)		
Funds generated by operations		116,965	460,488
Increase in working capital		(338,814)	(63,017)
		<u>          </u>	<u>          </u>
		(221,849)	397,471
		<u>          </u>	<u>          </u>
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>			
Interest received		37,222	43,681
Interest paid		(6,274)	(2,839)
Dividends paid		(75,600)	-
		<u>          </u>	<u>          </u>
		(44,652)	40,842
		<u>          </u>	<u>          </u>
<b>TAXATION</b>			
Corporation tax paid		(103,935)	(73,450)
		<u>          </u>	<u>          </u>
<b>INVESTING ACTIVITIES</b>			
Payments to acquire tangible fixed assets		(437,835)	(64,189)
Receipts from sales of tangible fixed assets		24,911	3,300
		<u>          </u>	<u>          </u>
		(412,924)	(60,889)
		<u>          </u>	<u>          </u>
<b>NET CASH (OUTFLOW)/INFLOW</b>	9	(783,360)	303,974
		<u>          </u>	<u>          </u>
<b>(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	9	(783,360)	303,974
		<u>          </u>	<u>          </u>

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**NOTES ON THE ABBREVIATED ACCOUNTS**  
at 31 December 1995

**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 1995

## 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:

	1995 £	1994 £
Directors' remuneration (see below)	199,172	199,774
Auditors' remuneration	14,400	14,000
Gain on disposal of tangible fixed assets	(13,179)	(3,300)

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

	£	£
Operating (loss)/profit	(95,700)	263,344
Depreciation	226,746	201,352
Deferred government grants released	(902)	(908)
Profit on disposal of tangible fixed assets	(13,179)	(3,300)
Funds generated by operations	116,965	460,488
Increase in debtors	(130,848)	(5,222)
Increase in stocks	(125,273)	(87,283)
(Decrease)/increase in creditors	(82,693)	29,488
Increase in working capital	(338,814)	(63,017)
Net cash (outflow)/inflow from operating activities	(221,849)	397,471

(c) Directors' remuneration:

	1995 £	1994 £
Fees	-	-
Other emoluments (including pension contributions)	199,172	199,774
	199,172	199,774

**NOTES ON THE ABBREVIATED ACCOUNTS**  
at 31 December 1995

**2 OPERATING PROFIT (continued)**

(c) Directors' remuneration (continued):

	1995 £	1994 £
Emoluments (excluding pension contributions) of the chairman	29,786	32,440
Emoluments (excluding pension contributions) of the highest paid director	68,144	65,161

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

	1995 No	1994 No
£0 - £5,000	-	1
£5,001 - £10,000	1	1
£10,001 - £15,000	2	-
£15,001 - £20,000	1	1
£25,001 - £30,000	1	-
£30,001 - £35,000	-	1
£50,001 - £55,000	1	1
£65,001 - £70,000	1	1

**3 STAFF COSTS**

	1995 £	1994 £
Wages and salaries	1,978,821	1,880,588
Social security costs	175,465	168,831
Other pension costs	82,940	97,484
	2,237,226	2,146,903

**NOTES ON THE ABBREVIATED ACCOUNTS**  
at 31 December 1995

**3 STAFF COSTS (continued)**

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

	1995 No	1994 No
Administration	26	26
Sales and distribution	18	18
Manufacturing	123	117
	<u>167</u>	<u>161</u>

**4 NET INTEREST RECEIVABLE**

	1995 £	1994 £
Bank and other short term deposit:		
Interest receivable	36,868	43,605
Bank interest payable	(6,261)	(2,835)
	<u>30,607</u>	<u>40,770</u>

**5 TAX ON PROFIT ON ORDINARY ACTIVITIES**

	1995 £	1994 £
Based on the profit for the year:		
Corporation tax at 33% (1994 - 33%)	-	112,427
Deferred taxation	9,482	(5,063)
	<u>9,482</u>	<u>107,364</u>
Taxation (over)/under provided in previous years:		
Corporation tax	(39,244)	2,018
Deferred taxation	50	(5,059)
	<u>(29,712)</u>	<u>104,323</u>

**6 DIVIDENDS**

	1995 £	1994 £
Equity dividends on ordinary shares:		
Interim paid	75,600	-
	<u>75,600</u>	<u>-</u>

# NOTES ON THE ABBREVIATED ACCOUNTS

at 31 December 1995

## 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 1995	536,355	3,227,042	246,590	4,009,987
Additions	50,359	266,602	120,874	437,835
Disposals	-	(91,472)	(101,835)	(193,307)
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At 31 December 1995	586,714	3,402,172	265,629	4,254,515
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation:				
At 1 January 1995	105,721	2,715,758	206,398	3,027,877
Provided during the year	11,994	178,632	36,120	226,746
Disposals	-	(91,472)	(90,103)	(181,575)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1995	117,715	2,802,918	152,415	3,073,048
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value:				
At 31 December 1995	468,999	599,254	113,214	1,181,467
	<hr/>	<hr/>	<hr/>	<hr/>
At 1 January 1995	430,634	511,284	40,192	982,110
	<hr/>	<hr/>	<hr/>	<hr/>

## 8 STOCKS

	<i>1995 £</i>	<i>1994 £</i>
Raw materials	344,184	296,965
Work in progress	537,378	521,869
Finished goods and goods for resale	734,909	664,151
Consumable stores	83,110	91,323
	<hr/>	<hr/>
	1,699,581	1,574,308
	<hr/>	<hr/>

## 9 DEBTORS

	<i>1995 £</i>	<i>1994 £</i>
Trade debtors	1,954,103	1,835,372
Prepayments and accrued income	61,751	49,988
Corporation tax recoverable	49,652	-
	<hr/>	<hr/>
	2,065,506	1,885,360
	<hr/>	<hr/>

# NOTES ON THE ABBREVIATED ACCOUNTS

at 31 December 1995

**10 CASH AND CASH EQUIVALENTS**

	1995 £	1994 £
Cash at bank	368,109	960,699
Bank overdraft	(310,281)	(119,511)
	<u>57,828</u>	<u>841,188</u>
At 1 January	841,188	537,214
Net cash (outflow)/inflow	(783,360)	303,974
At 31 December	<u>57,828</u>	<u>841,188</u>

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

**11 OTHER CURRENT LIABILITIES**

	1995 £	1994 £
Trade creditors	545,341	615,619
Other taxes and social security costs	180,286	208,904
Corporation tax	-	112,427
Advance corporation tax	18,900	-
Other creditors	73,850	73,850
Accruals	93,256	77,066
	<u>911,633</u>	<u>1,087,866</u>

**12 DEFERRED TAXATION**

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

	1995 £	1994 £
Accelerated capital allowances	68,979	60,526
Other timing differences	(172)	(1,251)
	<u>68,807</u>	<u>59,275</u>

# NOTES ON THE ABBREVIATED ACCOUNTS

at 31 December 1995

## 13 SHARE CAPITAL

	<i>1995 No</i>	<i>Authorised 1994 No</i>	<i>Allotted, called up and fully paid 1995 £</i>	<i>1994 £</i>
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

	<i>1995 £</i>	<i>1994 £</i>
Nominal value of ordinary shares acquired and cancelled	<u>10,000</u>	<u>10,000</u>

## 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 1 January 1994	143,000	10,000	3,749,331
Profit for the year	-	-	199,791
	<u>143,000</u>	<u>10,000</u>	<u>3,949,122</u>
At 31 December 1994	143,000	10,000	3,949,122
Loss for the year	-	-	(35,381)
Dividends	-	-	(75,600)
	<u>143,000</u>	<u>10,000</u>	<u>3,838,141</u>
At 31 December 1995	143,000	10,000	3,838,141

## 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 1995 was £2,380 (1994 - £2,205). 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 1995

**17 CAPITAL COMMITMENTS**

	1995 £	1994 £
Authorised by the directors but not contracted	-	-
	<hr/>	<hr/>

**18 DIRECTORS' INTEREST**

During the year the company purchased goods to the value of £1,669,927 (1994 - £1,710,170) on normal trade terms from Eildon Fabrics Limited, a company in which the directors, except for Mr Kelly, at 31 December 1995 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 £82,940 (1994 - £97,484), including the cost of death-in-service benefits.

At the year end, a contribution of £522 (1994 - £4,145) was payable to the funds.