

COPY FOR REGISTRAR OF COMPANIES

COMPANY No. 19146

Moore  
Rowland

PETER MACARTHUR & COMPANY LIMITED  
AND ITS SUBSIDIARY

REPORT AND ACCOUNTS

Year ended 30 April 1995

*S.*



PETER MACARTHUR & COMPANY LIMITED AND ITS SUBSIDIARY  
REPORT AND ACCOUNTS  
Year ended 30 April 1995

CONTENTS	Page
Directors' report	1
Auditors' report	3
Profit and loss account	4
Consolidated balance sheet	5
Company balance sheet	6
Consolidated cash flow statement	7
Statement of accounting policies	8
Notes on the accounts	9

# PETER MACARTHUR & COMPANY LIMITED AND ITS SUBSIDIARY

## Directors

A M Bottomley (Chairman)  
J McBirnie  
A S MacLeman  
S Priestley-Cooper

## Secretary and registered office

J McBirnie, Clan Weaving Mill, Woodside Walk, Hamilton

## DIRECTORS' REPORT

The directors submit their report and the audited accounts of the group for the year ended 30 April 1995.

### 1. Directors' responsibilities

Company law requires the directors to prepare accounts that give a true and fair view of the state of affairs of the company and the group and of the profit or loss for its financial year. In doing so the directors are required to:

- select suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent
- ensure that applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for maintaining proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and the group 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 group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

### 2. Principal activity and business review

The company's principal activity during the year was the manufacture of woollen and worsted cloth with particular emphasis on tartans.

The company improved on its market share in the year under review resulting in an increase in turnover and profit over the previous year.

Although the current year has started well the directors consider it unlikely that the company will attain the same level of turnover and profits as achieved in the year under review.

### 3. Profits and dividends

The profit and dividends for the year ended 30 April 1995 were as follows:

	£
Profit for year after taxation	356,751
Dividends:	
On preference shares - paid	168
On ordinary shares - proposed	1,509,354
	<hr/>
Transfer from reserves	(1,152,771)
	<hr/>

PETER MACARTHUR & COMPANY LIMITED AND ITS SUBSIDIARY  
DIRECTORS' REPORT

4. Fixed assets

The changes in fixed assets are shown in note 9 to the accounts.

5. Directors and their interests

The directors during the year were:

A M Bottomley  
J McBirnie  
A S MacLeman  
S Priestley-Cooper

In accordance with the company's articles of association, the directors do not retire by rotation.

The only director with an interest in the shares of any company in the group is A M Bottomley who had a beneficial interest throughout the year in 27,951 ordinary shares in Peter MacArthur & Company Limited and 1,000 ordinary shares in SEET plc.

6. Auditors

A resolution concerning the reappointment of Moores Rowland as auditors will be submitted at the forthcoming annual general meeting.

On behalf of the board

  
A M BOTTOMLEY

Chairman

1 August 1995

PETER MACARTHUR & COMPANY LIMITED AND ITS SUBSIDIARY  
AUDITORS' REPORT

TO THE MEMBERS OF PETER MACARTHUR & COMPANY LIMITED

We have audited the accounts set out on pages 4 to 15.

**Respective responsibilities of directors and auditors**

As described in the directors' report the company's directors are responsible for the preparation of accounts. It is our responsibility as auditors 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 that 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 affairs of the company and the group at 30 April 1995 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Moore Rowland*

MOORES ROWLAND

Chartered Accountants  
Registered Auditors

25 Bothwell Street  
Glasgow G2 6NL

*1 August 1995*

PETER MACARTHUR & COMPANY LIMITED AND ITS SUBSIDIARY  
 PROFIT AND LOSS ACCOUNT  
 YEAR ENDED 30 APRIL 1995

	Note	1995 £	1994 £
TURNOVER	1	5,941,419	4,723,024
Change in stocks of finished goods and work in progress		26,273	146,165
		<u>5,967,692</u>	<u>4,869,189</u>
Raw materials and consumables		2,283,159	1,910,030
Other external charges		1,021,081	817,376
		<u>3,304,240</u>	<u>2,727,406</u>
		2,663,452	2,141,783
Staff costs	2	1,329,659	1,108,014
Depreciation		54,104	80,950
Other operating charges		860,352	748,015
Other operating income	3	(7,391)	(13,217)
		<u>2,236,724</u>	<u>1,923,762</u>
OPERATING PROFIT		426,728	218,021
Interest receivable (net)	4	100,387	89,364
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	527,115	307,385
Tax on profit on ordinary activities	7	170,364	103,880
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		356,751	203,505
Dividends	8	1,509,522	168
TRANSFER (FROM)/TO RESERVES	16	<u>(1,152,771)</u>	<u>203,337</u>

All disclosures relate only to continuing operations.

There are no recognised gains or losses other than the profit for the year.

The statement of accounting policies and notes on pages 8 to 15 form part of these accounts

PETER MACARTHUR & COMPANY LIMITED AND ITS SUBSIDIARY  
 CONSOLIDATED BALANCE SHEET  
 30 APRIL 1995

	Note	1995 £	1994 £
FIXED ASSETS			
Tangible assets	9	240,392	275,743
CURRENT ASSETS			
Stocks	11	1,653,276	1,570,737
Debtors	12	2,247,164	1,735,020
Cash at bank and in hand		501,558	506,252
		<u>4,401,998</u>	<u>3,812,009</u>
CREDITORS: amounts falling due within one year	13	2,251,159	536,359
NET CURRENT ASSETS		<u>2,150,839</u>	<u>3,275,650</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,391,231	3,551,393
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	14	-	-
ACCRUALS AND DEFERRED INCOME			
Government grants		3,994	11,385
		<u>3,994</u>	<u>11,385</u>
		<u>2,387,237</u>	<u>3,540,008</u>
CAPITAL AND RESERVES			
Attributable to equity interests:			
Called up share capital	15	111,804	111,804
Revaluation reserve		69,900	69,900
Profit and loss account	16	2,201,533	3,354,304
		<u>2,383,237</u>	<u>3,536,008</u>
Attributable to non-equity interests:			
Called up share capital	15	4,000	4,000
TOTAL SHAREHOLDERS' FUNDS	17	<u>2,387,237</u>	<u>3,540,008</u>

  
 A M BOTTOMLEY

Director

1 August 1995

The statement of accounting policies and notes on pages 8 to 15 form part of these accounts

## PETER MACARTHUR &amp; COMPANY LIMITED AND ITS SUBSIDIARY

## COMPANY BALANCE SHEET

30 APRIL 1995

	Note	1995 £	1994 £
<b>FIXED ASSETS</b>			
Tangible assets	9	240,392	275,743
Investments	10	16,250	16,250
		<u>256,642</u>	<u>291,993</u>
<b>CURRENT ASSETS</b>			
Stocks	11	1,653,276	1,570,737
Debtors	12	2,247,164	1,735,020
Cash at bank and in hand		501,558	506,252
		<u>4,401,998</u>	<u>3,812,009</u>
<b>CREDITORS: amounts falling due within one year</b>	13	2,277,167	562,367
<b>NET CURRENT ASSETS</b>		<u>2,124,831</u>	<u>3,249,642</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		2,381,473	3,541,635
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			
Deferred taxation	14	-	-
<b>ACCRUALS AND DEFERRED INCOME</b>			
Government grants		3,994	11,385
		<u>3,994</u>	<u>11,385</u>
		<u>2,377,479</u>	<u>3,530,250</u>
<b>CAPITAL AND RESERVES</b>			
Attributable to equity interests:			
Called up share capital	15	111,804	111,804
Revaluation reserve		69,900	69,900
Profit and loss account	16	2,191,775	3,344,546
		<u>2,373,479</u>	<u>3,526,250</u>
Attributable to non-equity interests:			
Called up share capital	15	4,000	4,000
<b>TOTAL SHAREHOLDERS' FUNDS</b>		<u>2,377,479</u>	<u>3,530,250</u>


 A M BOTTOMLEY

Director

1 August 1995

The statement of accounting policies and notes on pages 8 to 15 form part of these accounts

PETER MACARTHUR & COMPANY LIMITED AND ITS SUBSIDIARY  
CONSOLIDATED CASH FLOW STATEMENT  
YEAR ENDED 30 APRIL 1995

		1995	1994
	Note	£	£
Net cash inflow from operating activities	18	244,849	68,155
Returns on investments and servicing of finance			
Interest received		101,494	90,296
Interest paid		(1,107)	(932)
Dividends paid		(168)	(168)
		100,219	89,196
Taxation			
UK corporation tax paid		(105)	-
Group relief paid		(111,571)	(169,990)
		(111,676)	(169,990)
Investing activities			
Purchase of tangible fixed assets		(27,231)	(52,900)
Sale of tangible fixed assets		7,190	10,700
Increase in SEET loan		(218,045)	(52,406)
		(238,086)	(94,606)
Net cash outflow	19	<u>(4,694)</u>	<u>(107,245)</u>
Statement of net bank balances			
Net bank balance at 1 May		506,252	613,497
Net cash outflow		(4,694)	(107,245)
Net bank balance at 30 April		<u>501,558</u>	<u>506,252</u>

PETER MACARTHUR & COMPANY LIMITED AND ITS SUBSIDIARY  
STATEMENT OF ACCOUNTING POLICIES

(i) Basis of accounting

The accounts are prepared under the historical cost convention, as modified by the revaluation of certain tangible fixed assets, and in accordance with applicable accounting standards. The consolidated accounts include the accounts of the company and its non-trading subsidiary made up to 30th April each year.

(ii) Tangible fixed assets

Depreciation is provided on all tangible fixed assets other than land in equal annual instalments over the estimated useful lives of the assets and is calculated on the cost or valuation of the assets.

The following rates are used:

Heritable buildings	:	1%
Plant and machinery	:	10%
Office equipment	:	20%
Furniture and fittings	:	10%
Motor vehicles	:	25%

(iii) Government grants

Regional development grants on freehold property are deducted from cost. Grants on other fixed assets are credited to profit and loss account at rates corresponding to the depreciation of the relevant fixed assets.

(iv) Stocks

Stocks and work in progress are stated at the lower of cost (on a first in first out basis) and net realisable value. Cost of work in progress and finished goods comprises materials, direct wages and attributable overheads.

(v) Deferred taxation

Provision is made under the liability method for taxation deferred in respect of accelerated capital allowances and other timing differences but only to the extent that it is thought reasonably probable that an actual liability will arise in the foreseeable future.

(vi) Pension costs

The company participates in the SEET group pension scheme, the contributions to which are based on independent periodic actuarial calculations and are charged to the profit and loss account accordingly. The scheme is fully funded by payments to an insurance company.

## PETER MACARTHUR &amp; COMPANY LIMITED AND ITS SUBSIDIARY

## NOTES ON THE ACCOUNTS Year ended 30 April 1995

## 1. Turnover

Turnover represents the value of goods despatched and invoiced during the year, excluding value added tax.

	1995 £	1994 £
A geographical analysis of turnover is as follows:		
United Kingdom	1,822,659	1,470,850
Export	4,118,760	3,252,174
	<u>5,941,419</u>	<u>4,723,024</u>

## 2. Staff costs

Staff costs comprise:

Wages and salaries	1,229,813	1,023,109
Social Security costs	96,720	86,881
Other pension costs	3,126	(1,976)
	<u>1,329,659</u>	<u>1,108,014</u>

The average weekly number of persons employed during the year was as follows:

	Number	Number
Production	80	73
Selling and distribution	4	4
Administration	19	17
	<u>103</u>	<u>94</u>

## 3. Other operating income

Government grant release	<u>7,391</u>	<u>13,217</u>
--------------------------	--------------	---------------

## 4. Interest receivable (net)

Short term deposit	47,699	38,040
Group companies	53,795	52,256
	<u>101,494</u>	<u>90,296</u>
Bank overdraft interest	(1,107)	(932)
	<u>100,387</u>	<u>89,364</u>

5. /

## PETER MACARTHUR &amp; COMPANY LIMITED AND ITS SUBSIDIARY

## NOTES ON THE ACCOUNTS Year ended 30 April 1995

	1995 £	1994 £
5. Profit on ordinary activities before taxation		

The profit is stated after charging:

Directors' remuneration (Note 6)	227,668	189,910
Auditors' remuneration	12,000	12,000
Operating lease rental - property	17,000	17,000
	<u>227,668</u>	<u>189,910</u>

The auditors were paid £2,965 (1994: £2,480) for the provision of non-audit services.

## 6. Directors' remuneration

The remuneration of the directors was as follows:

Fees	-	-
Other emoluments	226,497	189,910
	<u>226,497</u>	<u>189,910</u>

Particulars of directors' remuneration excluding pension contributions were as follows:

	1995 £	1994 £
Chairman and highest paid director	<u>78,591</u>	<u>68,261</u>
Other directors:	Number	Number
£35,001 to £40,000	1	1
£45,001 to £50,000	-	2
£50,001 to £55,000	2	-

## 7. Tax on profit on ordinary activities

The taxation charge based on the profits of the year is made up as follows:

	1995 £	1994 £
UK corporation tax payable at 25%	34,811	-
Group relief payable at 33%	134,560	111,578
Deferred tax	993	(7,698)
	<u>170,364</u>	<u>103,880</u>

8. /

## PETER MACARTHUR &amp; COMPANY LIMITED AND ITS SUBSIDIARY

## NOTES ON THE ACCOUNTS Year ended 30 April 1995

8.	Dividends			1995 £	1994 £	
	On preference shares - paid			168	168	
	On ordinary shares - proposed (Note 22)			1,509,354	-	
				<u>1,509,522</u>	<u>168</u>	
9.	Tangible fixed assets					
		Heritable land and buildings £	Plant and machinery £	Motor vehicles £	Office furniture & equipment £	Total £
	Cost or valuation:					
	At 1 May 1994	160,000	880,261	96,599	60,546	1,197,406
	Additions	-	1,752	17,360	8,119	27,231
	Disposals	-	(1,851)	(15,940)	(8,148)	(25,939)
	At 30 April 1995	<u>160,000</u>	<u>880,162</u>	<u>98,019</u>	<u>60,517</u>	<u>1,198,698</u>
	Depreciation:					
	At 1 May 1994	2,700	818,340	71,599	29,024	921,663
	On disposals	-	(1,851)	(9,965)	(5,645)	(17,461)
	Charge for year	900	34,958	9,172	9,074	54,104
	At 30 April 1995	<u>3,600</u>	<u>851,447</u>	<u>70,806</u>	<u>32,453</u>	<u>958,306</u>
	Net book value:					
	At 30 April 1995	<u>156,400</u>	<u>28,715</u>	<u>27,213</u>	<u>28,064</u>	<u>240,392</u>
	At 30 April 1994	<u>157,300</u>	<u>61,921</u>	<u>25,000</u>	<u>31,522</u>	<u>275,743</u>

For the land and buildings stated at valuation the comparable amounts determined under the historical cost convention were:

	Cost £	Aggregate depreciation £	Net book value £
At 30 April 1995	<u>126,500</u>	<u>15,135</u>	<u>111,365</u>
At 30 April 1994	<u>126,500</u>	<u>14,035</u>	<u>112,465</u>

Heritable land and buildings comprise the factory premises which were valued at £160,000 at 30 April 1991.

## PETER MACARTHUR &amp; COMPANY LIMITED AND ITS SUBSIDIARY

## NOTES ON THE ACCOUNTS Year ended 30 April 1995

	1995 £	1994 £
10. Investments		
Shares in subsidiary at cost	<u>16,250</u>	<u>16,250</u>

The company owns 100% (1994: 100%) of the issued share capital of Clan Woollens (Export) Limited, a non-trading company, registered in Scotland.

	1995 £	1994 £
11. Stocks		
Raw materials	674,976	618,710
Work in progress	433,598	397,828
Finished goods	544,702	554,199
	<u>1,653,276</u>	<u>1,570,737</u>

12. Debtors		
Due within one year:		
Trade debtors	1,129,199	834,946
Other debtors	88,839	41,172
Prepayments and accrued income	14,398	10,426
Group companies	993,969	-
	<u>2,226,405</u>	<u>886,544</u>
Due after one year:		
Group companies	-	798,913
Advance corporation tax recoverable	20,759	49,563
	<u>20,759</u>	<u>848,476</u>
	<u>2,247,164</u>	<u>1,735,020</u>

## 13. Creditors: amounts falling due within one year

Group:		
Trade creditors	283,515	248,636
Group companies	33,259	33,259
Corporation tax	7,000	104
Other taxation and social security	26,201	21,975
Accruals	391,830	232,385
Proposed dividend (Note 22)	1,509,354	-
	<u>2,251,159</u>	<u>536,359</u>
Company:		
As group	2,251,159	536,359
Due to subsidiary	26,008	26,008
	<u>2,277,167</u>	<u>562,367</u>

## PETER MACARTHUR &amp; COMPANY LIMITED AND ITS SUBSIDIARY

## NOTES ON THE ACCOUNTS Year ended 30 April 1995

	1995 £	1994 £
14. Deferred taxation		
Amounts provided:		
Accelerated capital allowances	-	-
Other timing differences	2,747	1,754
Advance corporation tax recoverable	(2,747)	(1,754)
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
The full potential deferred tax liability is as follows:		
Accelerated capital allowances	16,632	16,345
Other timing differences	2,747	1,754
Advance corporation tax recoverable	(2,747)	(1,754)
	<u>16,632</u>	<u>16,345</u>
	<u>16,632</u>	<u>16,345</u>
15. Share capital		
Authorised:		
Ordinary shares of £1 each	166,000	166,000
Preference shares of £1 each	4,000	4,000
	<u>170,000</u>	<u>170,000</u>
	<u>170,000</u>	<u>170,000</u>
Allotted and fully paid:		
Ordinary shares of £1 each	111,804	111,804
Preference shares of £1 each	4,000	4,000
	<u>115,804</u>	<u>115,804</u>
	<u>115,804</u>	<u>115,804</u>

The preference shares confer on the holders thereof the right to receive a fixed cumulative preferential dividend at the rate of 6% per annum (now 4.2% plus tax credit) calculated up to 31 March and 30 September in each year, and the right in a winding up to repayment of the capital paid up together with any arrears of the said dividend calculated to the date of repayment. Such rights both as regards dividend and capital shall be in priority to any payment to the holders of any other class of shares, although the holders of the preference shares shall have no further right to participate in the profits or assets of the company.

The preference shares shall not entitle the holders thereof to attend or vote at any general meeting unless either:

- (i) at the date of the notice convening the general meeting, the preference dividend is twelve months in arrears from the payment date of any half yearly instalment, or
- (ii) the business of the meeting includes the consideration of any Resolution modifying any of the special rights and privileges attached to the preference shares in which case they shall only be entitled to vote on any such Resolution.

## PETER MACARTHUR &amp; COMPANY LIMITED AND ITS SUBSIDIARY

## NOTES ON THE ACCOUNTS Year ended 30 April 1995

	Company £	Group £
16. Profit and loss account		
At 1 May 1994	3,344,546	3,354,304
Transfer for year	(1,152,771)	(1,152,771)
At 30 April 1995	<u>2,191,775</u>	<u>2,201,533</u>
	1995 £	1994 £
17. Reconciliation of movements in shareholders' funds		
Profit for the financial year	356,751	203,505
Dividends	1,509,522	168
Net (decrease)/increase to shareholders' funds	(1,152,771)	203,337
Opening shareholders' funds	<u>3,540,008</u>	<u>3,336,671</u>
Closing shareholders' funds	<u>2,387,237</u>	<u>3,540,008</u>
18. Net cash inflow from operating activities		
Operating profit	426,728	218,021
Depreciation of tangible fixed assets	54,104	80,950
Profit/(loss) on sale of tangible fixed assets	1,288	(8,726)
Increase in stock	(82,539)	(207,612)
Increase in debtors	(345,892)	(50,495)
Increase in creditors	198,551	49,234
Government grant credit	(7,391)	(13,217)
	<u>244,849</u>	<u>68,155</u>
19. Analysis of the balances of cash and cash equivalents as shown in the balance sheet		
	1995 £	1994 £
Cash at bank and in hand	<u>501,558</u>	<u>506,252</u>
		Change in year £
		<u>(4,694)</u>

## 20. Pension commitments

The company contributes to a group pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the group.

Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company.

The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. Details of the latest valuation at 31 December 1994 are given in the accounts of SEET plc.

## PETER MACARTHUR &amp; COMPANY LIMITED AND ITS SUBSIDIARY

## NOTES ON THE ACCOUNTS Year ended 30 April 1995

## 21. Other financial commitments

The company has annual commitments amounting to £17,000 (1994: £17,000) under non cancellable operating leases in respect of land and buildings expiring after five years.

The company has contractual commitments for forward purchases of yarn amounting to £674,970 (1994: £704,561).

## 22. Post balance sheet event

On 1 August 1995 SEET plc entered into an agreement with the minority shareholder of the company to acquire the 25 percent interest in the ordinary share capital of the company not currently owned by SEET ("the acquisition"). The agreement is conditional upon the approval by the shareholders of SEET and obtaining the consent of the London Stock Exchange to the admission to the Official List of the new ordinary shares of SEET which will be allotted as part of the consideration.

The directors of the company have proposed a final dividend of £1,509,354 in respect of the accounts for the year ended 30 April 1995. The dividend will be payable to those shareholders registered following completion of the acquisition, so SEET will receive the whole of the dividend. If the acquisition does not proceed, there will be no dividend.

## 23. Ultimate parent company

The ultimate parent company is SEET plc which is registered in Scotland.

Copies of the group accounts may be obtained from the Company Secretary, SEET plc, Essex Hall, Essex Street, London WC2R 3JD.