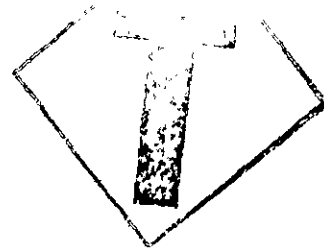


John Aird & Company Limited

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Report and Accounts
December 31, 1981



WMA



Arthur Young McClelland Moores & Co.

A MEMBER OF AMSA IN EUROPE AND ARTHUR YOUNG INTERNATIONAL

Chartered Accountants Glasgow

JOHN AIRD & COMPANY LIMITED

ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 1981

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DIRECTORS REPORT

The directors submit their report, together with the accounts, for the year ended December 31, 1981.

Trading results

After providing for all charges, including taxation, the accounts show a profit of £ 82,953
to which is added the balance brought forward of 961,604
leaving a balance to carry forward of £1,044,557
=====

The directors recommend that no dividend be paid.

Principal activity

The principal activity, which remained unchanged during the year, was the manufacture of curtain nets.

Property

The directors are of the opinion that the value of the land and buildings is in excess of that shown in the accounts.

Directors

The directors who served throughout the year, together with their interests in the share capital of the company, are as noted below:-

	<u>Ordinary shares</u>		<u>Preference shares</u>	
	<u>1981</u>	<u>1980</u>	<u>1981</u>	<u>1980</u>
J.A.G. Winter	7,075	8,075	1,500	1,500
Mrs. J.M. Winter	3,625	3,625	1,500	1,500
Mrs. V. Lawrence	2,075	1,075	-	-
R. McAvoy	50	50	-	-
G.C. Winter	1,125	1,125	-	-

The above directors retire at this time and offer themselves for re-election.

Close company

The company is a "close company" in terms of the Taxes Acts.

Employees

The average number of employees during the year was 126 (1980 : 124) and their aggregate remuneration was £741,421 (1980 : £677,305).

JOHN AIRD & COMPANY LIMITED

2.

DIRECTORS REPORT
(continued)

Auditors

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

BY ORDER OF THE BOARD

Robert M. McKernan
Secretary

February 15, 1983



Arthur Young McClelland Moores & Co.

Chartered Accountants
George House, 50 George Square,
Glasgow G2 1RR

REPORT OF THE AUDITORS TO THE MEMBERS OF JOHN AIRD & COMPANY LIMITED

We have audited the accounts set out on pages 4 to 10 in accordance with approved auditing standards.

In our opinion, the accounts which have been prepared under the historical cost convention give a true and fair view of the state of the company's affairs at December 31, 1981 and of its profit and source and application of funds for the year then ended and comply with the Companies Acts 1948 to 1981

Arthur Young McClelland Moores & Co.

February 16, 1983

JOHN AYRD & COMPANY LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 1981

4.

	<u>Notes</u>	£	<u>1981</u> £	£	<u>1980</u> £
Turnover			2,960,992		2,833,513
			=====		=====
Trading profit for year			132,839		252,972
after charging:					
Depreciation	2	113,736		114,835	
Directors' remuneration	9	188,229		163,222	
Directors' pension		64,976		64,021	
Auditors' remuneration		7,750		7,200	
Interest	11	3,229		7,380	
Loss on foreign exchange		-		850	
Loss on sale of assets		1,375		1,609	
			=====	=====	
and after crediting:					
Interest on tax repayments		4,471		-	
Gain on foreign exchange		526		-	
Bank interest received		20,676		14,816	
			=====	=====	
Add: Release from Government Grants	6		19,612		18,178
Profit before taxation			152,451		271,150
Taxation	5		69,498		151,422
Profit after taxation			82,953		119,728
Retained profits brought forward			961,604		841,876
Retained profits carried forward			£1,044,557		£ 961,604
			=====		=====

The notes on pages 7 to 10 form part of these accounts

5.

	Notes	£	1981 £	£	1980 £
Fixed assets	2		563,676		499,820
Current assets:					
Stock and work-in-progress	3	664,645		758,030	
Corporation tax recoverable	5	9,798		83,867	
Debtors and prepaid charges		645,974		753,013	
Bank deposits		150,000		-	
Cash		195		100	
		1,470,612		1,595,010	
Current liabilities:					
Creditors and accrued charges		533,220		644,799	
Bank overdraft	4	72,640		117,711	
Corporation tax payable	5	13,500		68,500	
		619,360		831,010	
Net current assets			851,252		764,000
			1,414,748		1,263,820
Deferred taxation	5	261,192		199,696	
Deferred credit	6	90,999		84,520	
			352,191		284,216
			£1,062,557		£ 979,604
Represented by					
Share capital	7 & 8	18,000		18,000	
Reserves		1,044,557		961,604	
			£1,062,557		£ 979,604

John D. [Signature]
R. L. [Signature] Directors
February 15, 1983

The notes on pages 7 to 10 form part of these accounts

JOHN AIRD & COMPANY LIMITED

6.

STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1981

	£	1981 £	£	1980 £
Source of funds:				
Profit before taxation		152,451		271,150
Adjustment for items not involving the movement of funds:				
Depreciation	113,736		114,835	
Transfer from Government Grant reserve	(19,612)		(18,178)	
Loss on sale of assets	1,375		1,609	
		95,499		98,266
Working capital provided by operations		247,950		369,416
Funds from other sources:				
Sale of fixed assets	4,186		21,808	
Regional Development Grants	26,091		40,187	
Repayment of taxation	11,067		-	
		41,344		61,995
		£289,294		£431,411
Application of funds:				
Taxation paid	-		120,409	
Purchase of fixed assets	182,973		199,923	
Increase in working capital	106,321		111,079	
		£289,294		£431,411
Changes in working capital:				
Increase/(decrease) in current assets:				
Stock and work-in-progress	(93,385)		126,002	
Debtors and prepaid charges	(107,039)		236,624	
Bank deposits	150,000		-	
Cash at bank and on hand	95		(2,869)	
	(50,329)		359,757	
(Increase)/decrease in current liabilities:				
Creditors and accrued charges	111,579		(153,690)	
Bank overdraft	45,071		(94,988)	
	156,650		(248,678)	
Increase in working capital		£106,321		£111,079

The notes on pages 7 to 10 form part of these accounts

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED DECEMBER 31, 1981

These accounts have been prepared in compliance with Section 149A of and Schedule 8A to the Companies Act 1948.

1. Accounting policies

Accounting convention

The accounts have been prepared under the historical cost convention.

Stock and work-in-progress

Stock and work-in-progress is valued at the lower of cost and net realisable value due allowance having been made for obsolescence.

Depreciation

Depreciation is charged at varying rates designed to write off the costs of the assets over their estimated useful lives. The rates used are as follows:

Land and buildings	2½% reducing balance
Motor vehicles	20% straight line
Knitting machines	20% straight line
Other plant	5/15% straight line

Government grants

Government grants comprise investment and regional development grants received and receivable, which are being released to profit and loss account over the estimated useful lives of the assets to which they apply.

Deferred taxation

Provision is made for deferred taxation calculated on the liability method at current rates of taxation on timing differences between profit as computed for taxation purposes and as stated in the accounts, except where such differences are within reasonable probability expected to continue for the foreseeable future.

Turnover

Turnover represents the amount of invoiced sales less sales credits, to third parties, and is exclusive of value added tax.

Foreign currencies

All differences arising from changes in exchange rates on revenue transactions are dealt with through the profit and loss account.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED DECEMBER 31, 1981
(continued)

2. Fixed assets

	Land and Buildings £	Plant and Machinery £	Electrical Installation £	Motor Vehicles £	Total £
Cost:					
As at January 1, 1981	90,837	1,063,016	13,476	68,766	1,236,095
Additions	36,148	136,449	-	10,376	182,973
	126,985	1,199,465	13,476	79,142	1,419,068
Disposals	-	182,308	13,476	7,798	203,582
As at December 31, 1981	126,985	1,017,157	-	71,344	1,215,486
Depreciation:					
As at January 1, 1981	16,511	690,601	12,133	17,030	736,275
Charge for year	2,762	96,936	-	14,038	113,736
	19,273	787,537	12,133	31,068	850,011
Disposals	-	182,289	12,133	3,599	198,021
As at December 31, 1981	19,273	605,248	-	27,469	651,990
Net book value:					
As at December 31, 1981	£107,712	£ 411,909	£ -	£43,875	£ 563,496
As at December 31, 1980	£ 74,326	£ 372,415	£ 1,343	£51,736	£ 499,820

3. Stock and work-in-progress

Stock and work-in-progress is made up as follows:

	1981 £	1980 £
Raw materials	261,867	435,308
Work-in-progress	88,255	75,356
Finished goods	254,118	210,176
Consumable stores	60,175	37,190
	£664,645	£758,030

4. Bank overdraft

The bank overdraft is secured over the whole assets of the company by a bond and floating charge.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED DECEMBER 31, 1981
(continued)

5. Taxation(a) Profit and loss account

The charge for taxation is comprised as follows:

	<u>1981</u> £	<u>1980</u> £
<u>Current year</u>		
Corporation tax at a rate of 40% (1980 - 52%)	13,500	68,500
Deferred taxation at a rate of 52%	40,642	89,824
	<u>54,142</u>	<u>158,324</u>
<u>Previous year</u>		
Corporation tax	(5,498)	(6,902)
Deferred taxation	20,854	-
	<u>15,356</u>	<u>(6,902)</u>
	<u>£69,498</u>	<u>£151,422</u>

(b) Deferred taxation

The balance at credit of deferred taxation at the balance sheet date is analysed as follows:

	<u>1981</u> £	<u>1980</u> £
Timing differences:		
Land and buildings	41,220	-
Plant and machinery	217,398	199,696
Interest	2,574	-
	<u>£261,192</u>	<u>£199,696</u>

(c) Balance sheet

	<u>1981</u> £	<u>1980</u> £
Corporation tax recoverable	-	83,867
Within 12 months	9,798	-
Outwith 12 months	<u>£ 9,798</u>	<u>£83,867</u>
Corporation tax payable	<u>£13,500</u>	<u>£ 68,500</u>
January 1983		

6. Deferred credit

	<u>Government grants</u> £
As at January 1, 1981	84,520
Add: Receivable	26,091
Less: Released to profit and loss account	(19,612)
As at December 31, 1981	<u>£90,999</u>

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED DECEMBER 31, 1981
(continued)

7. Share capital

	<u>Authorised</u>		<u>Issued and fully paid</u>	
	<u>1981</u>	<u>1980</u>	<u>1981</u>	<u>1980</u>
	£	£	£	£
3.5% cumulative preference shares of £1 each	5,000	5,000	3,000	3,000
Ordinary shares of £1 each	15,000	15,000	15,000	15,000
	<u>£20,000</u>	<u>£20,000</u>	<u>£18,000</u>	<u>£18,000</u>
	=====	=====	=====	=====

8. Cumulative preference shares

The dividends on the 3.5% cumulative preference shares are eight years in arrears. The amount of arrears as at December 31, 1981 was £840 (1980 : £735).

9. Directors' emoluments

	<u>1981</u>	<u>1980</u>
	£	£
Chairman and highest paid director	£95,290	£75,517
	=====	=====
Other directors:		
£ 5,001 - £10,000	2	2
£25,001 - £30,000	-	1
£30,001 - £35,000	1	-
£45,001 - £50,000	1	1
	==	==

10. Directors' interest

During the year the company purchased goods to the value of £449,791 on normal trade terms from Eildon Fabrics Limited, a company in which the Directors have a shareholding.

11. Interest

The interest charge is made up as follows:

	<u>1981</u>	<u>1980</u>
	£	£
Bank overdraft interest	3,149	6,792
Hire purchase interest	80	588
	<u>£3,229</u>	<u>£7,380</u>
	=====	=====

12. Capital commitments

There was a capital commitment, all contracted for, at the year end of £16,919. (1980 : £19,899).