

JOHN AIRD & COMPANY LIMITED

Report and Abbreviated Accounts

31 December 2000



A handwritten signature in black ink, consisting of a stylized 'N' or similar character.



GLA GOSM55BF 0061
COMPANIES HOUSE 29/10/01

Registered Number : 17813

DIRECTORS AND ADVISERS

DIRECTORS

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

SECRETARY

Mrs A J Winter

AUDITORS

Ernst & Young LLP
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

Greenbank Mills
East Main Street
Darvel
Ayrshire
KA17 0JE

COMPANY REGISTRATION NUMBER

17813

John Aird & Company Limited

DIRECTORS' REPORT

The directors submit their report and accounts for the year ended 31 December 2000.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £499,460. The directors recommend that no dividend be paid which leaves a loss of £499,460 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. A loss of £499,460 was made in 2000 compared to a profit of £26,454 in 1999. In response to worsening trading conditions, the company commenced a rationalisation programme in November 2000. Regrettably this involved a number of redundancies, the costs of which have been included in the results for the year.

FUTURE DEVELOPMENTS

It is anticipated that trading circumstances will continue to be difficult in terms of sales volume and margins.

DIRECTORS

The directors at 31 December 2000 were those listed on page 1.

No director had any interest in the share capital of the company.

J A G Winter and Mrs J M Winter were directors of the John Aird (Holdings) Limited at 31 December 2000. 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:

	31 December 2000 and 1 January 2000 Ordinary
G C Winter	42,559
Mrs V Lawrence	21,280
R McAvoy	501

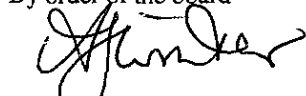
Mrs J M Winter and Mrs V Lawrence retire by rotation and, being eligible, offer themselves for re-election.

On 1 December 2000, Mr T J Hardy was appointed as a director of John Aird & Company Limited. R McAvoy and D Kelly resigned as directors on 21 August 2000 and 1 December 2000 respectively.

AUDITORS

On 28 June 2001, Ernst & Young, the company's auditor, transferred its entire business to Ernst & Young LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The directors consented to treating the appointment of Ernst & Young as extending to Ernst & Young LLP with effect from 28 June 2001. Ernst & Young LLP will be reappointed as the company's auditors in accordance with the elective resolution passed by the company under section 386 Companies Act 1985.

By order of the board



A J Winter
Secretary

14 September 2001

SPECIAL REPORT OF THE AUDITORS

to the shareholders of John Aird & Company Limited under Section 247B of the Companies Act 1985

We have examined the abbreviated accounts on pages 4 to 12, together with the annual accounts of the company for the year ended 31 December 2000 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

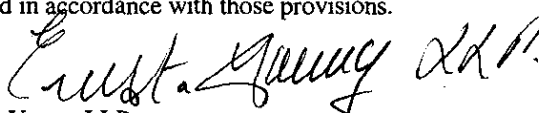
The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246(5) and 246(6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited accounts, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered have been properly prepared from those annual accounts. 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 accounts.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and 246(6) of the Companies Act 1985, and the abbreviated accounts on pages 4 to 12 are properly prepared in accordance with those provisions.


Ernst & Young LLP
Registered Auditor
Glasgow

14 September 2001



John Aird & Company Limited

ABBREVIATED PROFIT AND LOSS ACCOUNT for the year ended 31 December 2000

	Notes	2000 £	1999 £
GROSS PROFIT		2,564,691	3,003,812
Staff costs	4	1,716,561	1,893,991
Redundancy costs		473,429	-
Depreciation		183,845	208,314
Other operating charges		791,695	906,459
Release from government grants		(810)	(821)
		<u>3,164,720</u>	<u>3,008,943</u>
OPERATING LOSS	3	(600,029)	(5,131)
Net interest receivable	5	55,751	35,411
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(544,278)</u>	<u>30,280</u>
Tax on profit on ordinary activities	6	44,818	(3,826)
(LOSS)/PROFIT RETAINED FOR THE FINANCIAL YEAR		<u>(499,460)</u>	<u>26,454</u>

John Aird & Company Limited

ABBREVIATED BALANCE SHEET at 31 December 2000

	Notes	2000 £	1999 £
FIXED ASSETS			
Tangible assets:	7		
Land and buildings		441,711	452,082
Plant and machinery		213,977	346,695
Motor vehicles		75,360	58,671
		<u>731,048</u>	<u>857,448</u>
CURRENT ASSETS			
Stocks	8	1,311,866	1,442,756
Debtors	9	1,329,940	1,791,742
Cash at bank and short term deposits		1,095,781	825,657
		<u>3,737,587</u>	<u>4,060,155</u>
CREDITORS - amounts falling due within one year			
Bank overdraft		463	100,344
Other current liabilities	10	672,371	490,260
		<u>672,834</u>	<u>590,604</u>
NET CURRENT ASSETS		<u>3,064,753</u>	<u>3,469,552</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,795,801</u>	<u>4,326,999</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	11	-	30,928
ACCRUALS AND DEFERRED INCOME			
Government grants		28,700	29,510
		<u>28,700</u>	<u>60,438</u>
		<u>3,767,101</u>	<u>4,266,561</u>
CAPITAL AND RESERVES			
Called up share capital	12, 14	143,000	143,000
Capital redemption reserve	13, 14	10,000	10,000
Profit and loss account	14	3,614,101	4,113,561
		<u>3,767,101</u>	<u>4,266,561</u>
Shareholders' funds:			
Equity		3,761,266	4,260,831
Non-equity		5,835	5,730
		<u>3,767,101</u>	<u>4,266,561</u>

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

J A G Winter
14 September 2001
Director

NOTES TO THE ABBREVIATED ACCOUNTS
at 31 December 2000

1 ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under the historical cost convention.

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.

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 in the balance sheet and are depreciated over their useful 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 ACCOUNTS at 31 December 2000

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 TURNOVER

Turnover represents the invoiced amount of goods sold and services provided (stated net of value added tax).

The turnover and pre-tax profit, which arises principally in the United Kingdom, is attributable to one continuing activity, the manufacture of curtain nets.

3 OPERATING LOSS

(a) This is stated after charging or crediting:

	2000 £	1999 £
Depreciation of owned fixed assets	183,845	208,314
(Gain)/loss on disposal of tangible fixed assets	(3,940)	9,411
Auditors' remuneration	12,500	16,500
Exceptional items – redundancy costs	473,429	-

(b) Directors' remuneration:

	£	£
Emoluments	118,912	170,839

Company contributions paid to money purchase pension schemes

22,002	24,006
--------	--------

	No.	No.
Members of money purchase pension schemes	1	2

John Aird & Company Limited

NOTES TO THE ABBREVIATED ACCOUNTS at 31 December 2000

4 STAFF COSTS

	2000	1999
	£	£
Wages and salaries	1,525,586	1,654,490
Social security costs	124,620	132,232
Other pension costs	66,355	107,269
	<u>1,716,561</u>	<u>1,893,991</u>

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

	No.	No.
Administration	19	25
Sales and distribution	13	14
Manufacturing	73	88
	<u>105</u>	<u>127</u>

5 NET INTEREST RECEIVABLE

	2000	1999
	£	£
Interest receivable on bank and other short term deposit	55,316	35,525
Bank interest payable	(9)	(114)
Miscellaneous interest	444	-
	<u>55,751</u>	<u>35,411</u>

6 TAX ON PROFIT ON ORDINARY ACTIVITIES

	2000	1999
	£	£
Based on the profit for the year:		
Corporation tax at 20% (1999 - 20%)	-	13,890
Deferred taxation	(30,928)	(9,223)
	<u>(30,928)</u>	<u>4,667</u>
Taxation under/(over) provided in previous years:		
Adjustments relating to prior years	(13,890)	(16)
Deferred taxation	-	(825)
	<u>(44,818)</u>	<u>3,826</u>

John Aird & Company Limited

NOTES TO THE ABBREVIATED ACCOUNTS at 31 December 2000

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 2000	606,446	3,493,207	270,218	4,369,871
Additions	-	8,312	51,943	60,255
Disposals	-	-	(63,839)	(63,839)
At 31 December 2000	606,446	3,501,519	258,322	4,366,287
Depreciation:				
At 1 January 2000	154,364	3,146,512	211,547	3,512,423
Provided during the year	10,371	141,030	32,444	183,845
Disposals	-	-	(61,029)	(61,029)
At 31 December 2000	164,735	3,287,542	182,962	3,635,239
Net book value:				
At 31 December 2000	441,711	213,977	75,360	731,048
At 1 January 2000	452,082	346,695	58,671	857,448

8 STOCKS

	2000	1999
	£	£
Raw materials and consumables	-	207,143
Work in progress	315,531	362,873
Finished goods and goods for resale	945,230	816,573
Consumable stores	51,105	56,167
	1,311,866	1,442,756

9 DEBTORS

	2000	1999
	£	£
Trade debtors	1,307,878	1,745,301
Prepayments and accrued income	8,177	46,441
Corporation tax	13,885	-
	1,329,940	1,791,742

John Aird & Company Limited

NOTES TO THE ABBREVIATED ACCOUNTS at 31 December 2000

10 OTHER CURRENT LIABILITIES

	2000 £	1999 £
Trade creditors	258,802	277,623
Other taxes and social security costs	111,567	138,842
Corporation tax	-	13,874
Accruals	302,002	59,921
	<u>672,371</u>	<u>490,260</u>

11 DEFERRED TAXATION

The movements in deferred taxation during the current and previous years are as follows:

	2000 £	1999 £
At 1 January	30,928	40,976
(Credit)/charge for the year (note 6)	(30,928)	(9,223)
Under/(over) provided in previous year (note 6)	-	(825)
At 31 December	<u>-</u>	<u>30,928</u>

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

	£	£
Accelerated capital allowances	21,835	31,331
Other timing differences	974	(403)
Unutilised tax losses	(22,809)	-
	<u>-</u>	<u>30,928</u>

There is an unprovided deferred tax asset of £32,224 in respect of excess tax losses at 20%.

12 SHARE CAPITAL

	Authorised		Allotted, called up and fully paid	
	2000 No.	1999 No.	2000 £	1999 £
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>

John Aird & Company Limited

NOTES TO THE ABBREVIATED ACCOUNTS at 31 December 2000

13 CAPITAL REDEMPTION RESERVE

	2000	1999
	£	£
Nominal value of ordinary shares acquired and cancelled	10,000	10,000

14 RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	Share capital £	Capital redemption reserve £	Profit and loss account £
At 31 December 1998	143,000	10,000	4,087,107
Profit for the year	-	-	26,454
At 31 December 1999	143,000	10,000	4,113,561
Loss for the year	-	-	(499,460)
At 31 December 2000	143,000	10,000	3,614,101

15 CUMULATIVE PREFERENCE SHARES

The dividends on the 3.5% cumulative preference shares are twenty-five years in arrears. The amount of arrears as at 31 December 2000 was £2,835 (1999 - £2,730). Contrary to the requirements of FRS 4 "Capital Instruments", no accrual has been made for these dividend arrears. The amount is not material.

16 RELATED PARTIES

During the year the company purchased goods to the value of £901,784 (1999 - £905,600) on normal trade terms from Eildon Fabrics Limited, a company in which the directors, except for Mrs A J Winter and Mr D Kelly, at 31 December 2000 have a shareholding. Goods to the value of £81,603 (1999 - £Nil) were sold to the company during the year. The amount due to Eildon Fabrics Limited at the year end which is included in trade creditors and accruals is £117,047 (1999 - £40,119).

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 £66,355 (1999 - £107,269), including the cost of death-in-service benefits.

At the year end, a contribution of £Nil (1999 - £Nil) was payable to the funds.

John Aird & Company Limited

NOTES TO THE ABBREVIATED ACCOUNTS at 31 December 2000

18 OTHER FINANCIAL COMMITMENTS

At 31 December 2000 the company had annual commitments under non-cancellable operating leases as follows:

	<i>Computer equipment</i>	
	<i>2000</i>	<i>1999</i>
	£	£
Operating leases which expire:		
Within one year	13,693	-
In two to five years	-	13,963
	<u>13,693</u>	<u>13,963</u>

19 ULTIMATE HOLDING COMPANY

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