

REGISTERED NUMBER: 17813 (Scotland)

**ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2002
FOR
JOHN AIRD & COMPANY LIMITED**



JOHN AIRD & COMPANY LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2002**

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JOHN AIRD & COMPANY LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2002**

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 2002

The directors present their report with the financial statements of the company for the year ended 31 December 2002.

PRINCIPAL ACTIVITY

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

DIVIDENDS

No dividends were paid during the year (2001 : £900,000).

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 2002 did not hold any beneficial interest in the issued share capital of the company at 1 January 2002 or 31 December 2002.

J A G Winter and Mrs J M Winter were both directors of John Aird (Holdings) Limited at 31 December 2002. 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:

	2002 Ordinary	2001 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.

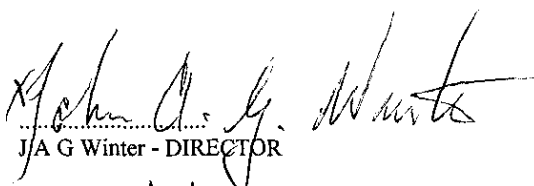
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets 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:


J A G Winter - DIRECTOR

Dated: 21/10/03

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 2002 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.

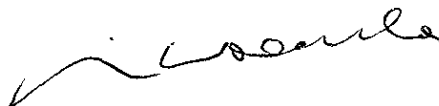
Basis of opinion

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: 27/10/02

JOHN AIRD & COMPANY LIMITED

**ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2002**

		2002	2001
	Notes	£	£
GROSS PROFIT		1,179,165	1,116,708
Administrative expenses		1,471,478	1,259,680
OPERATING LOSS	3	(292,313)	(142,972)
Redundancy costs	4	14,664	8,354
		(306,977)	(151,326)
Interest receivable and similar income		6,423	52,294
		(300,554)	(99,032)
Interest payable and similar charges	5	7,559	5,236
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(308,113)	(104,268)
Tax on loss on ordinary activities	6	-	-
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION		(308,113)	(104,268)
Dividends	7	-	900,000
		(308,113)	(1,004,268)
Retained profit brought forward		2,609,833	3,614,101
RETAINED PROFIT CARRIED FORWARD		£2,301,720	£2,609,833

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

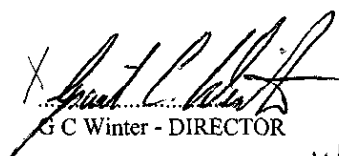
JOHN AIRD & COMPANY LIMITED

**ABBREVIATED BALANCE SHEET
31 DECEMBER 2002**

		2002		2001	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	8		559,330		626,020
CURRENT ASSETS:					
Stocks	9	2,142,712		1,697,024	
Debtors	10	1,019,020		813,238	
Cash at bank and in hand		15,738		179,171	
		3,177,470		2,689,433	
CREDITORS: Amounts falling due within one year	11	1,254,980		524,720	
NET CURRENT ASSETS:			1,922,490		2,164,713
TOTAL ASSETS LESS CURRENT LIABILITIES:			2,481,820		2,790,733
ACCRUALS AND DEFERRED INCOME:	14		27,100		27,900
			<u>£2,454,720</u>		<u>£2,762,833</u>
CAPITAL AND RESERVES:					
Called up share capital	15		143,000		143,000
Capital redemption reserve	16		10,000		10,000
Profit and loss account			2,301,720		2,609,833
SHAREHOLDERS' FUNDS:	20		<u>£2,454,720</u>		<u>£2,762,833</u>

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 16th Oct 2003

The notes form part of these financial statements

JOHN AIRD & COMPANY LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2002**

		<u>2002</u>	<u>2001</u>
	Notes	£	£
Net cash outflow from operating activities	1	(714,807)	(177,989)
Returns on investments and servicing of finance	2	(1,136)	47,058
Taxation		13,890	(5)
Capital expenditure	2	15,830	112,579
Equity dividends paid		-	(900,000)
		<u>(686,223)</u>	<u>(918,357)</u>
Financing	2	525,000	-
Decrease in cash in the period		<u>£(161,223)</u>	<u>£(918,357)</u>
Reconciliation of net cash flow to movement in net funds	3		
Decrease in cash in the period		<u>(161,223)</u>	<u>(918,357)</u>
Change in net funds resulting from cash flows		<u>(161,223)</u>	<u>(918,357)</u>
Movement in net funds in the period		<u>(161,223)</u>	<u>(918,357)</u>
Net funds at 1 January		176,961	1,095,318
Net funds at 31 December		<u>£15,738</u>	<u>£176,961</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 2002**

1. RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2002 £	2001 £
Operating loss	(292,313)	(142,972)
Depreciation charges	120,512	103,112
Loss on sale of fixed assets	1,709	-
Profit on sale of fixed assets	(71,362)	(110,663)
Government grants	(800)	(800)
Increase in stocks	(445,688)	(385,158)
(Increase)/Decrease in debtors	(219,672)	516,707
Increase/(Decrease) in creditors	207,470	(149,861)
Exceptional items	(14,663)	(8,354)
Net cash outflow from operating activities	<u>(714,807)</u>	<u>(177,989)</u>

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

	2002 £	2001 £
Returns on investments and servicing of finance		
Interest received	6,423	52,294
Interest paid	(7,559)	(5,236)
Net cash (outflow)/inflow for returns on investments and servicing of finance	<u>(1,136)</u>	<u>47,058</u>
Capital expenditure		
Purchase of tangible fixed assets	(144,976)	(65,719)
Sale of tangible fixed assets	160,806	178,298
Net cash inflow for capital expenditure	<u>15,830</u>	<u>112,579</u>
Financing		
New loan taken out in year	525,000	-
Net cash inflow from financing	<u>525,000</u>	<u>-</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 2002**

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/1/02 £	Cash flow £	At 31/12/02 £
Net cash:			
Cash at bank and in hand	179,171	(163,433)	15,738
Bank overdraft	(2,210)	2,210	-
	<u>176,961</u>	<u>(161,223)</u>	<u>15,738</u>
 Total	 <u>176,961</u>	 <u>(161,223)</u>	 <u>15,738</u>
 Analysed in Balance Sheet			
 Cash at bank and in hand	 179,171		 15,738
Bank overdraft	(2,210)		-
	<u>176,961</u>		<u>15,738</u>

The notes form part of these financial statements

JOHN AIRD & COMPANY LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002

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 tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

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 2002**

2. STAFF COSTS

	2002 £	2001 £
Wages and salaries	1,069,892	935,965
Social security costs	81,829	72,908
Other pension costs	21,819	38,587
	<u>1,173,540</u>	<u>1,047,460</u>

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

	2002	2001
Administration	9	10
Sales and distribution	5	4
Manufacturing and processing	72	51
	<u>86</u>	<u>65</u>

3. OPERATING LOSS

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

	2002 £	2001 £
Hire of plant and machinery	23,794	14,516
Depreciation - owned assets	120,512	103,112
Profit on disposal of fixed assets	(69,653)	(110,663)
Auditors' remuneration	12,810	17,605
	<u>132,369</u>	<u>116,800</u>

4. EXCEPTIONAL ITEMS

The exceptional items comprise of redundancy costs incurred.

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2002 £	2001 £
Bank interest and charges	<u>7,559</u>	<u>5,236</u>

6. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2002 nor for the year ended 31 December 2001.

7. DIVIDENDS

	2002 £	2001 £
Equity shares:		
140,000 Ordinary shares of £1 each	-	900,000
Final - paid	<u>-</u>	<u>900,000</u>

JOHN AIRD & COMPANY LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2002**

8. TANGIBLE FIXED ASSETS

	Freehold land and property	Plant and machinery	Motor vehicles	Totals
	£	£	£	£
COST:				
At 1 January 2002	646,807	2,111,986	162,748	2,921,541
Additions	-	57,315	87,661	144,976
Disposals	(150,000)	(239,014)	(84,632)	(473,646)
At 31 December 2002	496,807	1,930,287	165,777	2,592,871
DEPRECIATION:				
At 1 January 2002	175,859	2,011,574	108,089	2,295,522
Charge for year	7,815	66,379	46,318	120,512
Eliminated on disposals	(78,498)	(234,628)	(69,367)	(382,493)
At 31 December 2002	105,176	1,843,325	85,040	2,033,541
NET BOOK VALUE:				
At 31 December 2002	391,631	86,962	80,737	559,330
At 31 December 2001	470,949	100,412	54,659	626,020

9. STOCKS

	2002 £	2001 £
Work in progress	881,801	558,658
Finished goods and goods for resale	1,211,643	1,099,832
Consumable stores	49,268	38,534
	<u>2,142,712</u>	<u>1,697,024</u>

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

	2002 £	2001 £
Trade debtors	999,603	777,414
Prepayments and accrued income	19,417	21,934
Corporation tax recoverable	-	13,890
	<u>1,019,020</u>	<u>813,238</u>

JOHN AIRD & COMPANY LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2002**

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

	2002 £	2001 £
Bank loans and overdrafts (see note 12)	-	2,210
Loan from associated company (see note 12)	525,000	-
Trade creditors	521,684	378,891
Social security and other taxes	191,395	111,743
Accruals	16,901	31,876
	<u>1,254,980</u>	<u>524,720</u>

12. LOANS AND OVERDRAFTS

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

	2002 £	2001 £
Amounts falling due within one year or on demand:		
Bank overdrafts	-	2,210
Loan from associated company	525,000	-
	<u>525,000</u>	<u>2,210</u>

13. SECURED DEBTS

The following secured debts are included within creditors:

	2002 £	2001 £
Bank overdrafts	-	2,210
	<u>-</u>	<u>2,210</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

	2002 £	2001 £
DEFERRED GOVERNMENT GRANTS		
Brought forward	27,900	28,700
Release to profit and loss	(800)	(800)
	<u>27,100</u>	<u>27,900</u>

JOHN AIRD & COMPANY LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2002**

15. CALLED UP SHARE CAPITAL

Authorised: Number:	Class:	Nominal value:	2002 £	2001 £
5,000	3.5% Cumulative preference	£1	5,000	5,000
150,000	Ordinary	£1	150,000	150,000
			<u>155,000</u>	<u>155,000</u>

Allotted, issued and fully paid: Number:	Class:	Nominal value:	2002 £	2001 £
3,000	3.5% Cumulative preference	£1	3,000	3,000
140,000	Ordinary	£1	140,000	140,000
			<u>143,000</u>	<u>143,000</u>

16. CAPITAL REDEMPTION RESERVE

	2002 £	2001 £
Nominal value of ordinary shares acquired and cancelled	10,000	10,000
	<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 (2001 : £53,825).

No contributions were outstanding to the pension fund at the year end (2001 : 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 2002 the company had no financial commitments towards non-cancellable operating leases (2001 : £13,963).

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002 £	2001 £
Loss for the financial year	(308,113)	(104,268)
Dividends	-	(900,000)
Net reduction of shareholders' funds	<u>(308,113)</u>	<u>(1,004,268)</u>
Opening shareholders' funds	2,762,833	3,767,101
Closing shareholders' funds	<u>2,454,720</u>	<u>2,762,833</u>
Equity interests	<u>2,454,720</u>	<u>2,762,833</u>

JOHN AIRD & COMPANY LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2002**

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 2002 was £3,045 (2001 : £2,940). 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.