

ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2003
FOR
JOHN AIRD & COMPANY LIMITED



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FOR THE YEAR ENDED 31 DECEMBER 2003**

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JOHN AIRD & COMPANY LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2003**

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 2003

The directors present their report with the accounts of the company for the year ended 31 December 2003.

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 (2002 : £nil).

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 2003 did not hold any beneficial interest in the issued share capital of the company at 1 January 2003 or 31 December 2003.

J A G Winter and Mrs J M Winter were both directors of John Aird (Holdings) Limited at 31 December 2003. 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:

	2003 Ordinary	2002 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

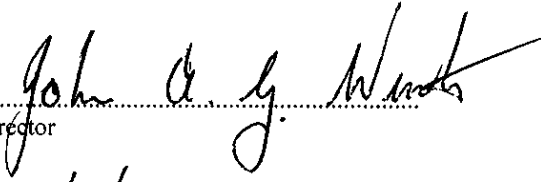
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

ON BEHALF OF THE BOARD:


.....
- Director

Date: 9/11/04.....

**REPORT OF THE INDEPENDENT AUDITORS TO
JOHN AIRD & COMPANY LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages four to fourteen, together with the full financial statements of the company for the year ended 31 December 2003 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts 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 accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the accounts 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 accounts and that the abbreviated accounts 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 accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts 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

Date: 09/11/04

JOHN AIRD & COMPANY LIMITED

**ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2003**

		<u>2003</u>	<u>2002</u>
	Notes	£	£
GROSS PROFIT		1,827,595	1,179,165
Administrative expenses		<u>1,816,664</u>	<u>1,471,478</u>
OPERATING PROFIT/(LOSS)	3	10,931	(292,313)
Redundancy costs	4	<u>10,000</u>	<u>14,664</u>
		931	(306,977)
Interest receivable and similar income		<u>629</u>	<u>6,423</u>
		1,560	(300,554)
Interest payable and similar charges	5	<u>15,826</u>	<u>7,559</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(14,266)	(308,113)
Tax on loss on ordinary activities	6	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION		(14,266)	(308,113)
Retained profit brought forward		<u>2,301,720</u>	<u>2,609,833</u>
RETAINED PROFIT CARRIED FORWARD		<u>£2,287,454</u>	<u>£2,301,720</u>

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 abbreviated accounts

JOHN AIRD & COMPANY LIMITED

**ABBREVIATED BALANCE SHEET
31 DECEMBER 2003**

		2003		2002	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	7		675,462		559,330
CURRENT ASSETS:					
Stocks	8	2,192,705		2,142,712	
Debtors	9	1,097,640		1,019,020	
Cash at bank and in hand		3,982		15,738	
		3,294,327		3,177,470	
CREDITORS: Amounts falling due within one year	10	1,503,035		1,254,980	
NET CURRENT ASSETS:			1,791,292		1,922,490
TOTAL ASSETS LESS CURRENT LIABILITIES:			2,466,754		2,481,820
ACCRUALS AND DEFERRED INCOME:	13		26,300		27,100
			<u>£2,440,454</u>		<u>£2,454,720</u>
CAPITAL AND RESERVES:					
Called up share capital	14		143,000		143,000
Capital redemption reserve	15		10,000		10,000
Profit and loss account			2,287,454		2,301,720
SHAREHOLDERS' FUNDS:	19		<u>£2,440,454</u>		<u>£2,454,720</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.

ON BEHALF OF THE BOARD:

.....
 - Director *John A. G. McIntosh*
 Approved by the Board on *9/11/04*

The notes form part of these abbreviated accounts

JOHN AIRD & COMPANY LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2003**

		<u>2003</u>	<u>2002</u>
	Notes	£	£
Net cash outflow from operating activities	1	(211,890)	(714,807)
Returns on investments and servicing of finance	2	(15,197)	(1,136)
Taxation		-	13,890
Capital expenditure	2	(231,159)	15,830
		(458,246)	(686,223)
Financing	2	405,000	525,000
Decrease in cash in the period		<u>£(53,246)</u>	<u>£(161,223)</u>
Reconciliation of net cash flow to movement in net funds	3		
Decrease in cash in the period		(53,246)	(161,223)
Change in net funds resulting from cash flows		(53,246)	(161,223)
Movement in net funds in the period		(53,246)	(161,223)
Net funds at 1 January		15,738	176,961
Net (debt)/funds at 31 December		<u>£(37,508)</u>	<u>£15,738</u>

The notes form part of these abbreviated accounts

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2003**

1. RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2003 £	2002 £
Operating profit/(loss)	10,931	(292,313)
Depreciation charges	115,527	120,512
Loss on sale of fixed assets	-	1,709
Profit on sale of fixed assets	(500)	(71,362)
Government grants	(800)	(800)
Increase in stocks	(49,993)	(445,688)
Increase in debtors	(78,620)	(219,672)
(Decrease)/Increase in creditors	(198,435)	207,470
Exceptional items	(10,000)	(14,663)
Net cash outflow from operating activities	(211,890)	(714,807)

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

	2003 £	2002 £
Returns on investments and servicing of finance		
Interest received	629	6,423
Interest paid	(15,826)	(7,559)
Net cash outflow for returns on investments and servicing of finance	(15,197)	(1,136)
Capital expenditure		
Purchase of tangible fixed assets	(231,659)	(144,976)
Sale of tangible fixed assets	500	160,806
Net cash (outflow)/inflow for capital expenditure	(231,159)	15,830
Financing		
New loan taken out in year	405,000	525,000
Net cash inflow from financing	405,000	525,000

JOHN AIRD & COMPANY LIMITED

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2003**

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/1/03	Cash flow	At 31/12/03
	£	£	£
Net cash:			
Cash at bank and in hand	15,738	(11,756)	3,982
Bank overdrafts	-	(41,490)	(41,490)
	<u>15,738</u>	<u>(53,246)</u>	<u>(37,508)</u>
Total	<u>15,738</u>	<u>(53,246)</u>	<u>(37,508)</u>
Analysed in Balance Sheet			
Cash at bank and in hand	15,738		3,982
Bank overdrafts	-		(41,490)
	<u>15,738</u>		<u>(37,508)</u>

The notes form part of these abbreviated accounts

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2003**

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 ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2003

2. STAFF COSTS

	2003	2002
	£	£
Wages and salaries	1,368,287	1,069,892
Social security costs	111,204	81,829
Other pension costs	38,682	21,819
	<u>1,518,173</u>	<u>1,173,540</u>

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

	2003	2002
Administration	23	21
Sales and distribution	6	5
Manufacturing and processing	72	60
	<u>101</u>	<u>86</u>

3. OPERATING PROFIT/(LOSS)

The operating profit (2002 - operating loss) is stated after charging/(crediting):

	2003	2002
	£	£
Hire of plant and machinery	314	3,647
Depreciation - owned assets	115,527	120,512
Profit on disposal of fixed assets	(500)	(69,653)
Auditors' remuneration	13,405	12,810
	<u>142,498</u>	<u>132,369</u>

4. EXCEPTIONAL ITEMS

The exceptional items comprise of redundancy costs incurred.

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2003	2002
	£	£
Bank interest and charges	13,249	7,559
Interest on overdue tax	2,577	-
	<u>15,826</u>	<u>7,559</u>

6. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2003 nor for the year ended 31 December 2002.

JOHN AIRD & COMPANY LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2003**

7. TANGIBLE FIXED ASSETS

	Freehold land and property	Plant and machinery	Motor vehicles	Totals
	£	£	£	£
COST:				
At 1 January 2003	496,807	1,930,287	165,777	2,592,871
Additions	-	231,659	-	231,659
Disposals	-	-	(14,800)	(14,800)
At 31 December 2003	496,807	2,161,946	150,977	2,809,730
DEPRECIATION:				
At 1 January 2003	105,176	1,843,325	85,040	2,033,541
Charge for year	8,605	72,365	34,557	115,527
Eliminated on disposals	-	-	(14,800)	(14,800)
At 31 December 2003	113,781	1,915,690	104,797	2,134,268
NET BOOK VALUE:				
At 31 December 2003	383,026	246,256	46,180	675,462
At 31 December 2002	391,631	86,962	80,737	559,330

8. STOCKS

	2003 £	2002 £
Work in progress	912,190	881,801
Finished goods and goods for resale	1,226,440	1,211,643
Consumable stores	54,075	49,268
	<u>2,192,705</u>	<u>2,142,712</u>

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

	2003 £	2002 £
Trade debtors	1,075,888	999,603
Prepayments and accrued income	21,752	19,417
	<u>1,097,640</u>	<u>1,019,020</u>

JOHN AIRD & COMPANY LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2003**

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

	2003	2002
	£	£
Bank loans and overdrafts (see note 11)	41,490	-
Loan from associated company (see note 11)	930,000	525,000
Trade creditors	418,310	521,684
Social security and other taxes	95,751	191,395
Accruals	17,484	16,901
	<u>1,503,035</u>	<u>1,254,980</u>

11. LOANS AND OVERDRAFTS

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

	2003	2002
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	41,490	-
Loan from associated company	930,000	525,000
	<u>971,490</u>	<u>525,000</u>

12. SECURED DEBTS

The following secured debts are included within creditors:

	2003	2002
	£	£
Bank overdrafts	41,490	-

The bank overdraft facilities are secured by a bond and floating charge over all of the assets of the company.

13. ACCRUALS AND DEFERRED INCOME

	2003	2002
	£	£
DEFERRED GOVERNMENT GRANTS		
Brought forward	27,100	27,900
Release to profit and loss	(800)	(800)
	<u>26,300</u>	<u>27,100</u>

JOHN AIRD & COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2003

14. CALLED UP SHARE CAPITAL

Authorised: Number:	Class:	Nominal value:	2003 £	2002 £
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:	2003 £	2002 £
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>

15. CAPITAL REDEMPTION RESERVE

	2003 £	2002 £
Nominal value of ordinary shares acquired and cancelled	<u>10,000</u>	<u>10,000</u>

16. PENSION COMMITMENTS

The company operates money purchase pension schemes together with stakeholder 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 £47,992 (2002 : £31,037).

No contributions were outstanding to the pension fund at the year end (2002 : nil).

17. 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.

18. OTHER FINANCIAL COMMITMENTS

At 31 December 2003 the company had no financial commitments towards non-cancellable operating leases (2002 : £nil).

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2003 £	2002 £
Loss for the financial year	<u>(14,266)</u>	<u>(308,113)</u>
Net reduction of shareholders' funds	(14,266)	(308,113)
Opening shareholders' funds	<u>2,454,720</u>	<u>2,762,833</u>
Closing shareholders' funds	<u>2,440,454</u>	<u>2,454,720</u>
Equity interests	<u>2,440,454</u>	<u>2,454,720</u>

JOHN AIRD & COMPANY LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2003**

20. 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 2003 was £3,220 (2002 : £3,045). 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.