

Company Registration No. SC009437 (Scotland)

**J & D WILKIE (HOLDING COMPANY) LIMITED**

**ANNUAL REPORT**

**FOR THE YEAR ENDED 30 JUNE 2011**

THURSDAY



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COMPANIES HOUSE

# J & D WILKIE (HOLDING COMPANY) LIMITED

## DIRECTORS AND ADVISERS

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<b>Directors</b>	R M Rowan R W Low A J Downs R B Steel (non-executive)
<b>Secretary</b>	A J Downs
<b>Company number</b>	SC009437
<b>Registered office</b>	Marywell Works Marywell Brae Kirriemuir DD8 4BJ
<b>Registered auditors</b>	Johnston Carmichael LLP 15 Academy Street Forfar Angus DD8 2HA
<b>Solicitors</b>	Thorntons Law LLP Whitehall House 33 Yeaman Shore Dundee DD1 4BJ  Wilkie & Dundas 28 Marywell Brae Kirriemuir Angus DD8 4BP

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# **J & D WILKIE (HOLDING COMPANY) LIMITED**

## **CONTENTS**

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	<b>Page</b>
Directors' report	1 - 2
Independent auditors' report	3 - 4
Consolidated profit and loss account	5
Statement of recognised gains and losses	6
Balance sheets	7
Consolidated cash flow statement	8
Notes to the consolidated cash flow statement	9 - 10
Notes to the financial statements	11 - 27

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# **J & D WILKIE (HOLDING COMPANY) LIMITED**

## **DIRECTORS' REPORT**

***FOR THE YEAR ENDED 30 JUNE 2011***

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The directors present their report and financial statements for the year ended 30 June 2011.

### **Principal activities and review of the business**

The group's principal activities are the manufacture and merchandising of technical textiles and personal protective clothing.

The group continues to see its investments in China increasing whilst maintaining a more specialist base in Scotland.

Stewart Pinned Products (Zhengzhou) Limited improved on the previous year with the improvement in international demand for its products, and Wilkie Technical Textiles (Jiaxing) Limited continued to have good results.

The directors consider that J & D Wilkie Limited and Stewart Pinned Products Limited achieved acceptable results in the current difficult trading conditions.

The businesses of Carbon Filter Technology Limited and that of one of the divisions of J & D Wilkie Limited were sold during the year.

The group is continuing with a strong development programme and is optimistic for the future in many niche markets.

### **Results and dividends**

The consolidated profit and loss account for the year is set out on page 5.

The directors are extremely pleased to report that the group sales increased by £3,905,844 (27%) and group reserves increased by £1,005,831.

### **Principal risks and uncertainties**

Traditional textile business continues to have price pressures from the Far East and the group will continue to develop new products to be produced globally.

The group buys and sells internationally so is exposed to exchange rate risks. The group seeks to manage these by contractual agreements and appropriate treasury management.

Group loans and overdraft are on a base rate plus percentage basis so are exposed to changes in the base rate.

### **Environment**

The group recognises the importance of its environmental responsibilities and has policies in place to manage its impact on the environment.

### **Employees**

Details of the number and related costs of employees can be found in notes 25 and 26 of the financial statements.

The group places value on the involvement of its employees and keeps them informed of matters affecting them as employees. This is achieved through formal and informal meetings and staff bulletins.

# J & D WILKIE (HOLDING COMPANY) LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 30 JUNE 2011**

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### Directors

The following directors have held office since 1 July 2010:

R M Rowan

R W Low

A J Downs

R B Steel (non-executive)

### Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the group's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the group's auditors are aware of that information.

On behalf of the board



A J Downs

Director

10/02/2012

# **J & D WILKIE (HOLDING COMPANY) LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF J & D WILKIE (HOLDING COMPANY) LIMITED**

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We have audited the group and parent company financial statements (the "financial statements") of J & D Wilkie (Holding Company) Limited for the year ended 30 June 2011 set out on pages 5 to 27. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out within the Directors' Report on pages 1 - 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 30 June 2011 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# J & D WILKIE (HOLDING COMPANY) LIMITED

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### TO THE MEMBERS OF J & D WILKIE (HOLDING COMPANY) LIMITED

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#### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

*Steven Menzies*  
**Steven Menzies (Senior Statutory Auditor)**  
for and on behalf of Johnston Carmichael LLP

27/2/12

**Chartered Accountants**  
**Statutory Auditor**

15 Academy Street  
Forfar  
Angus  
DD8 2HA

# J & D WILKIE (HOLDING COMPANY) LIMITED

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2011

	Notes	2011 £	2010 £
<b>Turnover</b>	<b>2</b>		
Continuing operations		17,903,295	13,747,594
Discontinued activities		<u>598,067</u>	<u>847,924</u>
		18,501,362	14,595,518
 Cost of sales		 (14,042,319)	 (10,866,742)
 <b>Gross profit</b>		 4,459,043	 3,728,776
 Distribution costs		 (302,390)	 (273,034)
Administrative expenses		(2,985,537)	(2,922,262)
Other operating income		<u>125,979</u>	<u>51,210</u>
 <b>Operating profit</b>	<b>4</b>		
Continuing operations		1,716,135	1,001,679
Discontinued activities		<u>(419,040)</u>	<u>(416,989)</u>
		1,297,095	584,690
 Profit on sale of assets		 88,550	 25,828
Gain on sale of businesses		<u>91,815</u>	<u>-</u>
 <b>Profit on ordinary activities before interest</b>		 1,477,460	 610,518
 Other interest receivable and similar income		 -	 7
Amounts written off investments	<b>5</b>	-	(2,000)
Interest payable and similar charges	<b>6</b>	<u>(118,222)</u>	<u>(84,669)</u>
 <b>Profit on ordinary activities before taxation</b>		 1,359,238	 523,856
 Tax on profit on ordinary activities	<b>7</b>	 (268,526)	 (84,625)
 <b>Profit on ordinary activities after taxation</b>		 1,090,712	 439,231
 Minority interests		 (80,349)	 (251,165)
 <b>Profit for the financial year</b>	<b>8</b>	 <u>1,010,363</u>	 <u>188,066</u>



# J & D WILKIE (HOLDING COMPANY) LIMITED

## STATEMENT OF RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 30 JUNE 2011

	2011 £	2010 £
<b>Profit for the financial year</b>	1,090,712	439,231
Unrealised surplus on revaluation of properties	-	795,565
	1,090,712	1,234,796
Currency translation differences on foreign currency net investments	(48,949)	158,947
<b>Total recognised gains and losses relating to the year</b>	1,041,763	1,393,743
Prior year adjustment	-	(33,472)
<b>Total gains and losses recognised since last financial statements</b>	<u>1,041,763</u>	<u>1,360,271</u>

### Note of historical cost profits and losses

	2011 £	2010 £
<b>Reported profit on ordinary activities before taxation</b>	1,359,238	523,856
Difference between an historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	15,051	10,594
<b>Historical cost profit on ordinary activities before taxation</b>	<u>1,374,289</u>	<u>534,450</u>
<b>Historical cost profit for the year retained after taxation, extraordinary items and dividends</b>	<u>1,025,414</u>	<u>172,808</u>

# J & D WILKIE (HOLDING COMPANY) LIMITED

## BALANCE SHEETS

AS AT 30 JUNE 2011

	Notes	Group 2011 £	2010 £	Company 2011 £	2010 £
<b>Fixed assets</b>					
Intangible assets	10	120,850	113,249	-	-
Tangible assets	11	2,411,830	2,839,708	-	-
Investments	12	-	-	2,873,056	2,873,056
		<u>2,532,680</u>	<u>2,952,957</u>	<u>2,873,056</u>	<u>2,873,056</u>
<b>Current assets</b>					
Stocks	13	3,554,984	3,099,505	-	-
Debtors	14	4,076,564	3,513,903	120,388	93,458
Cash at bank and in hand		1,244,033	619,352	-	-
		<u>8,875,581</u>	<u>7,232,760</u>	<u>120,388</u>	<u>93,458</u>
<b>Creditors: amounts falling due within one year</b>	15	(6,346,540)	(5,953,710)	(2,340,085)	(2,353,545)
<b>Net current assets</b>		<u>2,529,041</u>	<u>1,279,050</u>	<u>(2,219,697)</u>	<u>(2,260,087)</u>
<b>Total assets less current liabilities</b>		<u>5,061,721</u>	<u>4,232,007</u>	<u>653,359</u>	<u>612,969</u>
<b>Creditors: amounts falling due after more than one year</b>	16	(482,305)	(653,792)	-	-
<b>Provisions for liabilities</b>	17	(5,441)	(7,727)	-	-
<b>Accruals and deferred income</b>	18	(50,569)	(52,913)	-	-
		<u>4,523,406</u>	<u>3,517,575</u>	<u>653,359</u>	<u>612,969</u>
<b>Capital and reserves</b>					
Called up share capital	19	64,629	64,629	64,629	64,629
Revaluation reserve	20	1,119,518	1,134,569	-	-
Other reserves	20	740,377	789,326	370,664	370,664
Profit and loss account	20	2,404,854	1,379,440	218,066	177,676
<b>Shareholders' funds</b>	22	<u>4,329,378</u>	<u>3,367,964</u>	<u>653,359</u>	<u>612,969</u>
<b>Minority interests</b>	21	194,028	149,611	-	-
		<u>4,523,406</u>	<u>3,517,575</u>	<u>653,359</u>	<u>612,969</u>

Approved by the Board and authorised for issue on 10/02/2012

A.J. Downs  
Director

Company Registration No. SC009437

# J & D WILKIE (HOLDING COMPANY) LIMITED

## CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2011

	£	2011 £	£	2010 £
<b>Net cash inflow/(outflow) from operating activities</b>		1,296,688		(122,198)
<b>Returns on investments and servicing of finance</b>				
Interest received	-		7	
Interest paid	(90,938)		(71,137)	
Interest element of finance lease rentals	(27,284)		(13,532)	
Dividends paid to minorities	(33,763)		-	
<b>Net cash outflow for returns on investments and servicing of finance</b>		(151,985)		(84,662)
<b>Taxation</b>		(206,851)		(95,551)
<b>Capital expenditure and financial investment</b>				
Payments to acquire tangible assets	(277,955)		(229,429)	
Receipts from sales of tangible assets	37,316		35,753	
Receipts from sale of businesses	513,000		-	
<b>Net cash inflow/(outflow) for capital expenditure</b>		272,361		(193,676)
<b>Acquisitions and disposals</b>				
Purchase of subsidiary undertakings (net of cash acquired)	(64,595)		(447,069)	
Net cash acquired with subsidiaries	-		210,847	
<b>Net cash outflow for acquisitions and disposals</b>		(64,595)		(236,222)
<b>Equity dividends paid</b>		-		(25,852)
<b>Net cash inflow/(outflow) before management of liquid resources and financing</b>		1,145,618		(758,161)
<b>Financing</b>				
Other new long term loans	48,000		-	
Repayment of long term bank loan	(215,520)		(243,505)	
Repayment of other long term loans	(4,011)		-	
Capital element of hire purchase contracts	(117,314)		(58,620)	
<b>Net cash outflow from financing</b>		(288,845)		(302,125)
<b>Increase/(decrease) in cash in the year</b>		856,773		(1,060,286)

# J & D WILKIE (HOLDING COMPANY) LIMITED

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2011

1	Reconciliation of operating profit to net cash inflow/(outflow) from operating activities	2011	2010
		£	£
	Operating profit	1,297,095	584,690
	Depreciation of tangible assets	445,408	463,273
	Amortisation of intangible assets	56,994	31,156
	Loss on disposal of tangible assets	10,344	-
	Increase in stocks	(455,479)	(1,103,481)
	Increase in debtors	(562,661)	(1,302,697)
	Increase in creditors within one year	507,331	1,207,205
	Movement on grant provision	(2,344)	(2,344)
	<b>Net cash inflow/(outflow) from operating activities</b>	<b>1,296,688</b>	<b>(122,198)</b>

2	Analysis of net debt	1 July 2010	Cash flow	Other non-cash changes	30 June 2011
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	619,352	624,681	-	1,244,033
	Bank overdrafts	(2,322,845)	232,092	-	(2,090,753)
		(1,703,493)	856,773	-	(846,720)
	Finance leases	(320,268)	120,470	(134,087)	(333,885)
	Debts falling due within one year	(222,973)	171,531	(71,100)	(122,542)
	Debts falling due after one year	(436,046)	-	71,100	(364,946)
		(979,287)	292,001	(134,087)	(821,373)
	<b>Net debt</b>	<b>(2,682,780)</b>	<b>1,148,774</b>	<b>(134,087)</b>	<b>(1,668,093)</b>

# J & D WILKIE (HOLDING COMPANY) LIMITED

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2011

3 Reconciliation of net cash flow to movement in net debt	2011	2010
	£	£
Increase/(decrease) in cash in the year	856,773	(1,060,286)
Cash outflow from decrease in debt	292,001	302,125
Change in net debt resulting from cash flows	1,148,774	(758,161)
New finance lease	(134,087)	(186,723)
<b>Movement in net debt in the year</b>	1,014,687	(944,884)
Opening net debt	(2,682,780)	(1,737,896)
<b>Closing net debt</b>	(1,668,093)	(2,682,780)
<b>4 Sale of business</b>		£
<b>Net assets disposed of</b>		
Fixed assets		332,362
Stocks		29,536
		361,898
Costs of disposal		59,287
		421,185
Gain on disposal		91,815
		513,000
<b>Satisfied by</b>		
Cash		513,000

# **J & D WILKIE (HOLDING COMPANY) LIMITED**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2011**

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### **1 Accounting policies**

#### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

#### **1.2 Basis of consolidation**

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 30 June 2011. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

#### **1.3 Turnover**

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

#### **1.4 Goodwill**

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life which the directors estimate to be five years.

#### **1.5 Tangible fixed assets and depreciation**

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Freehold land and buildings	over 5 to 50 years
Plant and machinery	over 3 to 15 years or 25% reducing balance
Office equipment	over 3 to 5 years
Motor vehicles	over 4 to 5 years

Any surplus or deficit on book value is transferred to the revaluation reserve, except that a deficit which is in excess of any previously recognised surplus over depreciated cost relating to the same property, or the reversal of such a deficit, is charged (or credited) to the profit and loss account. A deficit which represents a clear consumption of economic benefits is charged to the profit and loss account regardless of any such previous surplus.

The part of the annual depreciation charge on revalued assets which relates to the revaluation surplus is transferred from the revaluation reserve to the profit and loss account.

#### **1.6 Leasing**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### **1.7 Investments**

Fixed asset investments are stated at cost less provision for diminution in value.

# **J & D WILKIE (HOLDING COMPANY) LIMITED**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 JUNE 2011**

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### **1 Accounting policies**

**(continued)**

#### **1.8 Stock and work in progress**

Stock and work in progress are valued at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition as follows:-

Raw materials cost is calculated on a standard cost based on purchase price on a first in, first out basis.

Work in progress and finished goods cost is calculated on standard cost based on the 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 further costs expected to be incurred to completion and disposal.

#### **1.9 Deferred taxation**

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on the sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely that the taxable gain will be rolled over, being charged to tax only if and when replacements assets are sold.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not they will be recovered. Deferred tax assets and liabilities are not discounted.

#### **1.10 Foreign currency translation**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates 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 profit and loss account.

#### **1.11 Government grants**

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

# J & D WILKIE (HOLDING COMPANY) LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2011

### 2 Turnover

The total turnover of the group for the year has been derived from its principal activity.

#### Segmental analysis by geographical area

The analysis by geographical area of the group's turnover is set out as below:

	2011 £	2010 £
<b>Geographical segment</b>		
United Kingdom	5,760,578	4,593,720
Overseas	12,740,784	10,001,798
	<u>18,501,362</u>	<u>14,595,518</u>

No further analysis of turnover is provided as in the directors' opinion this may be prejudicial to the best interests of the group.

### 3 Cost of sales and net operating expenses

	2011			2010		
	Continuing £	Discontinued £	Total £	Continuing £	Discontinued £	Total £
Cost of sales	13,297,887	744,432	14,042,319	10,032,209	834,533	10,866,742
Distribution costs	290,663	11,727	302,390	245,689	27,345	273,034
Administrative expenses	2,712,468	273,069	2,985,537	2,513,361	408,901	2,922,262
Other operating income	(113,858)	(12,121)	(125,979)	(45,344)	(5,866)	(51,210)
	<u>16,187,160</u>	<u>1,017,107</u>	<u>17,204,267</u>	<u>12,745,915</u>	<u>1,264,913</u>	<u>14,010,828</u>



# J & D WILKIE (HOLDING COMPANY) LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2011

<b>4</b>	<b>Operating profit</b>	<b>2011</b>	<b>2010</b>
		<b>£</b>	<b>£</b>
	Operating profit is stated after charging:		
	Amortisation of intangible assets	56,994	31,656
	Depreciation of tangible assets	445,408	463,273
	Loss on disposal of tangible assets	10,344	-
	Loss on foreign exchange transactions	-	6,325
	Operating lease rentals		
	- Plant and machinery	-	3,245
	- Other assets	5,700	10,575
	Fees payable to the group's auditor for the audit of the group's annual accounts (company £-; 2010: £-)	31,250	29,500
	and after crediting:		
	Government grants	2,344	2,344
	Profit on foreign exchange transactions	(39,029)	-
		<u>          </u>	<u>          </u>
<b>5</b>	<b>Amounts written off investments</b>	<b>2011</b>	<b>2010</b>
		<b>£</b>	<b>£</b>
	Amounts written off fixed asset investments:		
	- permanent diminution in value	-	2,000
		<u>          </u>	<u>          </u>
<b>6</b>	<b>Interest payable</b>	<b>2011</b>	<b>2010</b>
		<b>£</b>	<b>£</b>
	On bank loans and overdrafts	90,925	70,925
	Lease finance charges	27,284	13,532
	On overdue tax	13	212
		<u>          </u>	<u>          </u>
		<u>118,222</u>	<u>84,669</u>

# J & D WILKIE (HOLDING COMPANY) LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2011

7	Taxation	2011 £	2010 £
	<b>Domestic current year tax</b>		
	U.K. corporation tax	8,739	11,596
	Adjustment for prior years	(64,489)	(45,157)
	Foreign tax	326,562	131,720
	<b>Total current tax</b>	<b>270,812</b>	<b>98,159</b>
	<b>Deferred tax</b>		
	Deferred tax credit	(2,286)	(13,534)
		<b>268,526</b>	<b>84,625</b>
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	1,359,238	523,856
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2010 - 21.00%)	271,848	110,010
	Effects of:		
	Non deductible expenses	83,645	5,492
	Depreciation add back	58,434	71,783
	Capital allowances	(41,093)	(56,304)
	Tax losses utilised	(41,989)	-
	Non taxable income	(75,460)	-
	Adjustments to previous periods	(64,489)	(45,157)
	Tax rate differences	42,463	-
	Other tax adjustments	37,453	12,335
		<b>(1,036)</b>	<b>(11,851)</b>
	<b>Current tax charge for the year</b>	<b>270,812</b>	<b>98,159</b>

## 8 Profit for the financial year

As permitted by section 408 Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The profit for the financial year is made up as follows:

	2011 £	2010 £
Holding company's profit for the financial year	40,390	119,311

# J & D WILKIE (HOLDING COMPANY) LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2011

9	Dividends	2011 £	2010 £
	Ordinary interim paid	-	25,852
10	Intangible fixed assets Group		Goodwill £
	<b>Cost</b>		
	At 1 July 2010		166,905
	Additions		64,595
	At 30 June 2011		231,500
	<b>Amortisation</b>		
	At 1 July 2010		53,656
	Charge for the year		56,994
	At 30 June 2011		110,650
	<b>Net book value</b>		
	At 30 June 2011		120,850
	At 30 June 2010		113,249

# J & D WILKIE (HOLDING COMPANY) LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2011

### 11 Tangible fixed assets

Group	Freehold land and buildings	Plant and machinery	Office equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost or valuation</b>					
At 1 July 2010	1,500,000	5,426,534	242,791	160,293	7,329,618
Additions	-	368,880	792	42,370	412,042
Exchange adjustment	-	(21,224)	-	-	(21,224)
Disposals	-	(1,086,020)	(28,896)	(63,409)	(1,178,325)
At 30 June 2011	1,500,000	4,688,170	214,687	139,254	6,542,111
<b>Depreciation</b>					
At 1 July 2010	-	4,159,653	228,572	101,685	4,489,910
Exchange adjustment	-	(7,007)	-	-	(7,007)
On disposals	-	(727,074)	(20,138)	(50,818)	(798,030)
Charge for the year	30,000	380,329	3,015	32,064	445,408
At 30 June 2011	30,000	3,805,901	211,449	82,931	4,130,281
<b>Net book value</b>					
At 30 June 2011	1,470,000	882,269	3,238	56,323	2,411,830
At 30 June 2010	1,500,000	1,266,881	14,219	58,608	2,839,708

The freehold land and buildings were valued on an open market basis on 28 May 2010 by Graham + Sibbald, Chartered Surveyors, at a market value of £1,500,000.

#### Comparable historical cost for the land and buildings included at valuation:

	£
<b>Cost</b>	
At 1 July 2010 & at 30 June 2011	747,462
<b>Depreciation based on cost</b>	
At 1 July 2010	382,031
Charge for the year	14,949
At 30 June 2011	396,980
<b>Net book value</b>	
At 30 June 2011	350,482
At 30 June 2010	365,431

# J & D WILKIE (HOLDING COMPANY) LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2011

Included above are assets held under finance leases or hire purchase contracts as follows:

	Plant and machinery £	Office equipment £	Motor vehicles £	Total £
<b>Net book values</b>				
At 30 June 2011	413,558	-	33,896	447,454
At 30 June 2010	393,576	1,977	16,677	412,230
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Depreciation charge for the year</b>				
30 June 2011	88,623	-	8,474	97,097
30 June 2010	40,764	3,295	6,748	50,807
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

## 12 Fixed asset investments

### Company

	Shares in group undertakings £
<b>Cost</b>	
At 1 July 2010 & at 30 June 2011	2,873,056
	<u>          </u>
<b>Net book value</b>	
At 30 June 2011	2,873,056
	<u>          </u>
At 30 June 2010	2,873,056
	<u>          </u>

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

# J & D WILKIE (HOLDING COMPANY) LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2011

### 12 Fixed asset investments

(continued)

#### Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held
Subsidiary undertakings			
J & D Wilkie Limited	Scotland	Ordinary	100
Stewart Pinned Products Limited	Scotland	Ordinary	100
CFTNR Ltd (formerly Carbon Filter Technology Ltd)	Scotland	Ordinary	76
Hi-Fli Banners + Flags Limited	Scotland	Ordinary	100
Wm R Stewart & Sons (Hacklemakers) Ltd	Scotland	Ordinary	100
ENR Dissolution Limited	Scotland	Ordinary	100
Stewart Pinned Products (Zhengzhou) Ltd	China	Ordinary	76
Wilkie Technical Textiles (Jiaxing) Ltd	China	Ordinary	100
Wilkie Trading (Jiaxing) Limited	China	Ordinary	100
McGregor Balfour (Textiles) Limited	Scotland	Ordinary	25
Miclin Limited	England	Ordinary	100
Lorica Research Limited	England	Ordinary	70
Digby Dyke Limited	England	Ordinary	70

The principal activity of these undertakings for the last relevant financial year was as follows:

	<b>Principal activity</b>
J & D Wilkie Limited	Textile manufacturing
Stewart Pinned Products Limited	Engineering
CFTNR Ltd (formerly Carbon Filter Technology Ltd)	Carbon products manufacturing
Hi-Fli Banners + Flags Limited	Dormant
Wm R Stewart & Sons (Hacklemakers) Ltd	Dormant
ENR Dissolution Limited	Holding company
Stewart Pinned Products (Zhengzhou) Ltd	Engineering
Wilkie Technical Textiles (Jiaxing) Ltd	Textile manufacturing
Wilkie Trading (Jiaxing) Limited	Textile merchandising
McGregor Balfour (Textiles) Limited	Textile merchandising
Miclin Limited	Dormant
Lorica Research Limited	Research and development
Digby Dyke Limited	Research and development

The shares in Stewart Pinned Products (Zhengzhou) Limited are held by Stewart Pinned Products Limited. The shares in Miclin Limited are held by J & D Wilkie Limited. The shares in Lorica Research Limited and Digby Dyke Limited are held by ENR Dissolution Limited.

# J & D WILKIE (HOLDING COMPANY) LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2011

### 13 Stocks and work in progress

	Group 2011 £	2010 £	Company 2011 £	2010 £
Raw materials and consumables	1,800,121	1,363,850	-	-
Work in progress	215,262	92,907	-	-
Finished goods and goods for resale	1,539,601	1,642,748	-	-
	<u>3,554,984</u>	<u>3,099,505</u>	<u>-</u>	<u>-</u>

### 14 Debtors

	Group 2011 £	2010 £	Company 2011 £	2010 £
Trade debtors	3,479,092	3,159,683	-	-
Other debtors	454,530	261,525	120,388	93,458
Prepayments and accrued income	142,942	92,695	-	-
	<u>4,076,564</u>	<u>3,513,903</u>	<u>120,388</u>	<u>93,458</u>

# J & D WILKIE (HOLDING COMPANY) LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2011

### 15 Creditors : amounts falling due within one year

	Group 2011 £	2010 £	Company 2011 £	2010 £
Bank loans and overdrafts	2,197,299	2,545,818	-	-
Net obligations under finance lease and hire purchase contracts	216,526	102,522	-	-
Trade creditors	3,079,468	2,632,387	-	-
Amounts owed to group undertakings	-	-	2,340,085	2,353,545
Corporation tax	129,930	65,969	-	-
Taxes and social security costs	66,363	58,425	-	-
Other creditors	27,308	10,230	-	-
Accruals and deferred income	629,646	538,359	-	-
	<u>6,346,540</u>	<u>5,953,710</u>	<u>2,340,085</u>	<u>2,353,545</u>

The bank overdraft and loans are secured by a standard security over the group's freehold land and buildings and a floating charge granted to the Bank of Scotland over all assets of the group.

A guarantee to the Bank of Scotland exists to cover the bank's guarantee to HM Revenue & Customs in respect of value added tax on imports up to a maximum of £160,000 (2010 - £160,000). This guarantee is also covered by the floating charge.

Obligations under finance leases are secured over the related assets.



# J & D WILKIE (HOLDING COMPANY) LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2011

### 16 Creditors : amounts falling due after more than one year

	Group 2011 £	2010 £	Company 2011 £	2010 £
Bank loans	336,953	436,046	-	-
Other loans	27,993	-	-	-
Net obligations under finance leases and hire purchase agreements	117,359	217,746	-	-
	<u>482,305</u>	<u>653,792</u>	<u>-</u>	<u>-</u>
<b>Analysis of loans</b>				
Not wholly repayable within five years by instalments:	-	487,044	-	-
Wholly repayable within five years	487,488	171,975	-	-
Included in current liabilities	(122,542)	(222,973)	-	-
	<u>364,946</u>	<u>436,046</u>	<u>-</u>	<u>-</u>
Instalments not due within five years	-	79,053	-	-
	<u>-</u>	<u>79,053</u>	<u>-</u>	<u>-</u>
<b>Loan maturity analysis</b>				
In more than one year but not more than two years	97,380	106,717	-	-
In more than two years but not more than five years	267,566	250,276	-	-
In more than five years	-	79,053	-	-
	<u>-</u>	<u>79,053</u>	<u>-</u>	<u>-</u>
<b>Net obligations under finance leases and hire purchase contracts</b>				
Repayable within one year	216,526	99,366	-	-
Repayable between one and five years	117,359	217,746	-	-
	<u>333,885</u>	<u>317,112</u>	<u>-</u>	<u>-</u>
Included in liabilities falling due within one year	(216,526)	(102,522)	-	-
	<u>117,359</u>	<u>214,590</u>	<u>-</u>	<u>-</u>

# J & D WILKIE (HOLDING COMPANY) LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2011

### 16 Creditors : amounts falling due after more than one year (continued)

The bank loans are with Bank of Scotland and are secured over the assets of the group.

Loan 1 is repayable in monthly instalments of £7,344 until May 2016 and bears interest at 1.75% over the bank's base rate. Loan 2 is repayable in monthly instalments of £4,525 until November 2011 and bears interest at 1.75% over the bank's base rate.

The loan from the Carbon Trust (included within other creditors) is unsecured and interest free. This loan is repayable in monthly instalments of £1,333 until March 2014.

### 17 Provisions for liabilities Group

	Deferred taxation £
Balance at 1 July 2010	7,727
Profit and loss account	(2,286)
Balance at 30 June 2011	<u>5,441</u>

The deferred tax liability is made up as follows:

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Accelerated capital allowances	<u>5,441</u>	<u>7,727</u>	<u>-</u>	<u>-</u>

### 18 Accruals and deferred income

Group	Government grants £
Balance at 1 July 2010	52,913
Amortisation in the year	(2,344)
Balance at 30 June 2011	<u>50,569</u>

# J & D WILKIE (HOLDING COMPANY) LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2011

19 Share capital	2011 £	2010 £
Allotted, called up and fully paid		
64,629 Ordinary shares of £1 each	64,629	64,629

### 20 Statement of movements on reserves Group

	Revaluation reserve £	Other reserves (see below) £	Profit and loss account £
Balance at 1 July 2010	1,134,569	789,326	1,379,440
Profit for the year	-	-	1,010,363
Transfer from revaluation reserve to profit and loss account	(15,051)	-	15,051
Foreign currency translation differences	-	(48,949)	-
Balance at 30 June 2011	1,119,518	740,377	2,404,854

#### Other reserves

##### Capital redemption reserve

Balance at 1 July 2010 & at 30 June 2011

428,792

#### Other reserves

Balance at 1 July 2010

360,534

Currency translation movement

(48,949)

Balance at 30 June 2011

311,585

#### Company

	Other reserves (see below) £	Profit and loss account £
Balance at 1 July 2010	370,664	177,676
Profit for the year	-	40,390
Balance at 30 June 2011	370,664	218,066

#### Other reserves

##### Capital redemption reserve

Balance at 1 July 2010 & at 30 June 2011

370,664

# J & D WILKIE (HOLDING COMPANY) LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2011

21	Minority interests	2011 £	2010 £
	Minority interests' share of net assets and liabilities in subsidiary undertakings	194,028	149,611

22	Reconciliation of movements in shareholders' funds Group	2011 £	2010 £
	Profit for the financial year	1,010,363	188,066
	Dividends	-	(25,852)
		1,010,363	162,214
	Other recognised gains and losses	(48,949)	954,512
	Net addition to shareholders' funds	961,938	1,116,726
	Opening shareholders' funds	3,367,964	2,251,238
	Closing shareholders' funds	4,329,378	3,367,964

	Company	2011 £	2010 £
	Profit for the financial year	40,390	119,311
	Dividends	-	(25,852)
	Net addition to shareholders' funds	40,390	93,459
	Opening shareholders' funds	612,969	519,510
	Closing shareholders' funds	653,359	612,969

## 23 Contingent liabilities

### Company

The company has a cross guarantee in place covering the bank borrowings of other group companies. The potential liability to the company at 30 June 2011 was £2,534,252 (2010: £2,981,864).

# J & D WILKIE (HOLDING COMPANY) LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2011

### 24 Financial commitments

At 30 June 2011 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2011	2010
	£	£
Expiry date:		
Within one year	-	6,500

### 25 Directors' remuneration

	2011	2010
	£	£
Remuneration for qualifying services	494,559	362,564

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	198,078	143,076
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Included in directors' emoluments are payments to third parties for the services of directors of £24,000 (2010 - £24,000).

### 26 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was:

	2011	2010
	Number	Number
Office and management	62	62
Manufacturing	158	148
	220	210

#### Employment costs

	2011	2010
	£	£
Wages and salaries	3,081,752	2,695,923
Social security costs	197,983	165,333
	3,279,735	2,861,256

**J & D WILKIE (HOLDING COMPANY) LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 30 JUNE 2011***

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**27 Control**

The company is controlled by R M Rowan a director.