

Coopers
& Lybrand

Ring & Brymer Holdings Limited
Annual report
for the year ended 31 January 1994

Registered no: 1666939



Ring & Brymer Holdings Limited

1666939

Annual report for the year ended 31 January 1994

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Ring & Brymer Holdings Limited

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Directors and advisers

Executive directors

J G Hawkes

G P Lehrman

J R Wares

Secretary and registered office

N A Mead
Kerley House
Kenley Lane
Surrey
CR8 5ED

Registered Auditors

Coopers & Lybrand
Abacus Court
6 Minshull Street
Manchester
M1 3ED

**Directors' report
for the year ended 31 January 1994**

The directors present their report and the audited financial statements for the year ended 31 January 1994.

Principal activity

The principal activity of the company is that of caterers.

Review of business

The directors consider the results for the year to 31 January 1994 to be satisfactory having taken steps to restore the company to profitability following last year's loss.

The company's core markets provide significant opportunity for growth in the company's client base, both for existing services and ancillary activities and further profit improvements may be anticipated from economies of scale.

Results and dividends

The retained profit for the year ended 31 January 1994 amounting to £567,484 (1993: loss £370,203) has been transferred to reserves.

The directors do not recommend that a dividend be paid in respect of the year ended 31 January 1994.

Changes in fixed assets

The movements in fixed assets during the year are set out in note 7 to the financial statements.

Directors

The directors of the company at 31 January 1994, all of whom have been directors for the whole of the year ended on that date, are listed on page 1.

Directors' interests in shares of the company

J G Hawkes is a director of the ultimate parent company, Gardner Merchant Services Group Limited, consequently, Mr Hawkes' interests do not need to be recorded in this company's register of directors' interests.

The interests of the remaining directors at 31 January 1994 in the issued share capital of the ultimate parent company as at the relevant dates are shown below:

	At 31 January 1994		At 1 February 1993	
	Ordinary shares	Options	Ordinary shares	Options
	£	£	£	£
J R Wares	7,335	36,667	7,335	36,667

Directors' responsibilities

The directors are required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 January 1994. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for taking reasonable steps to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Employees

As a key part of the company's philosophy, great importance is placed on involving staff in the company's operations. Where possible, staff consultative committee meetings are held on a regular basis and management training emphasises the necessary attitude and skills for good consultation and communication. In addition, staff are informed and involved in the progress of the company through briefing groups, quality circles, the company newspaper, magazines, audio and video presentations.

The company's policy and practice is to encourage the recruitment and employment of disabled people, to assist their training, career development and promotion and to retain employees who become disabled. The operation of this policy is put into practical effect through specialist training and development at Ashdown Park Management Training Centre and in conjunction with Dr Barnardo's, amongst others.

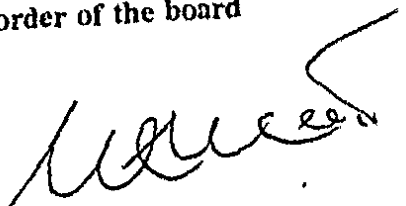
Ring & Brymer Holdings Limited

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Auditors

A resolution to reappoint the auditors, Coopers & Lybrand, will be proposed at the annual general meeting.

By order of the board



N A Mend
Company Secretary
1 July 1994

Report of the auditors to the members of Ring & Brymer Holdings Limited

We have audited the financial statements on pages 6 to 12.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 January 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Coopers & Lybrand

Coopers & Lybrand

Chartered Accountants and Registered Auditors
Manchester
1 July 1994

**Profit and loss account
for the year ended 31 January 1994**

	Notes	1994 £	1993 £
Continuing operations			
Turnover		6,761,616	3,317,467
Operating costs	2	(5,967,757)	(3,092,731)
Gross profit		793,859	224,736
Depreciation		(228,252)	(219,183)
Exceptional item	5	-	(375,756)
Profit/(loss) on ordinary activities before taxation		565,607	(370,203)
Tax on profit/(loss) on ordinary activities	6	1,877	-
Profit/(loss) for the financial year	15	567,484	(370,203)

There were no discontinued operations in the period.


The company has no recognised gains and losses other than those included in the profits above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the loss stated above and the loss on an unmodified historical cost basis

**Balance sheet
at 31 January 1994**

	Notes	1994 £	1993 £
Fixed assets			
Tangible assets	7	1,756,563	398,710
Investment	8	377	377
		<u>1,756,940</u>	<u>399,087</u>
Current assets			
Stocks	9	299,155	153,463
Debtors	10	706,250	-
Cash at bank and in hand		23,555	10,000
		<u>1,028,960</u>	<u>163,463</u>
Creditors: amounts falling due within one year	11	2,064,654	(408,788)
Net current liabilities		<u>(1,035,694)</u>	<u>(245,325)</u>
Net assets		<u>721,246</u>	<u>153,762</u>
Capital and reserves			
Called up share capital	14	4,000,000	4,000,000
Reserves	15	(3,278,754)	(3,846,238)
Shareholders' funds	16	<u>721,246</u>	<u>153,762</u>

The financial statements on pages 6 to 12 were approved by the board of directors on 1 July 1994 and were signed on its behalf by:


J R Wares
Director

Ring & Brymer Holdings Limited

Notes to the financial statements for the year ended 31 January 1994

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention modified by the revaluation of certain fixed assets.

Tangible fixed assets

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Plant and machinery
Furniture and equipment

5 - 10 years
5 - 10 years

Operating leases

Rentals under operating leases are charged to the profit and loss account as incurred over the term of the lease.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Turnover

Turnover, which excludes value added tax, represents the amounts receivable for goods sold and services provided.

Deferred taxation

Provision is made, using the liability method, for deferred taxation arising from timing differences between profits as computed for taxation purposes and profits as stated in the financial statements, except to the extent that the liability will not crystallise in the foreseeable future.

Pension costs

The cost of providing pensions is charged to the profit and loss account over the years during which the company benefits from the employees' services.

Cash flow statement

As this company is a wholly owned subsidiary undertaking of Gardner Merchant Services Group Limited, it is not required to present its own cash flow statement.

2 Operating costs

	1994 £	1993 £
Continuing operations		
Raw materials and consumables	3,001,954	1,621,422
Other external charges	1,179,424	566,277
Hire of plant and machinery	-	2,504
Staff costs		
Wages and salaries	1,638,361	843,046
Social security costs	130,157	58,114
Other pension costs	17,861	1,368
	<u>5,967,757</u>	<u>3,092,731</u>

3 Directors' emoluments

No director received any remuneration in respect of his services to the company during the year.

4 Employee information

The average weekly number of persons (including executive directors) employed by the company during the year was:

	1994 Number	1993 Number
By activity		
United Kingdom - full time	<u>371</u>	<u>18</u>

5 Exceptional item

	1994 £	1993 £
Write-off of fixed assets at net book value.	<u>-</u>	<u>375,756</u>

6 Tax on loss on ordinary activities

	1994 £	1993 £
Release of corporation tax provision	<u>1,877</u>	<u>-</u>

There is no corporation tax payable due to the availability of losses from earlier years.

7 Tangible fixed assets

	Furniture and equipment £
Cost	
At 1 February 1993	451,469
Additions	1,263,364
Group transfer	541,043
Revaluation deficit	(112,554)
At 31 January 1994	<u>2,143,322</u>
Depreciation	
At 1 February 1993	52,759
Charge for the year	228,252
Group transfer	173,984
Revaluation deficit	(68,236)
At 31 January 1994	<u>386,759</u>
Net book value	
At 31 January 1994	<u>1,756,563</u>
Net book value	
At 31 January 1993	<u>398,710</u>

8 Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 February 1993 and 31 January 1994	<u>377</u>

9 Stocks

	1994 £	1993 £
Raw materials and consumables	<u>299,155</u>	<u>153,463</u>

10 Debtors

	1994	1993
	£	£
Amounts falling due within one year		
Prepayments and accrued income	706,250	-

11 Creditors: amounts falling due within one year

	1994	1993
	£	£
Amount owed to parent and fellow subsidiary undertakings	2,042,365	406,911
Corporation tax	-	1,877
Other creditors	22,289	-
	<u>2,064,654</u>	<u>408,788</u>

Ring & Brymer Holdings Limited is a wholly owned subsidiary of Gardner Merchant Services Group Limited. A centralised accounting function is operated by Gardner Merchant Services Group Limited and accordingly certain debtors and creditors are included within the amounts owed by/to group undertakings.

12 Provisions for liabilities and charges

Deferred taxation

No provision has been made for deferred tax due to the availability of losses from earlier years.

13 Pension commitments

The employees of the company are members of a group pension scheme. During the period to 5 June 1993 pension provision continued to be made through the Forte Plc pension arrangements. On 6 June 1993, the Gardner Merchant Pension Fund, which provides benefits based on final salary for eligible employees, was established. An initial actuarial valuation of the Gardner Merchant Pension Fund was carried out by an independent qualified actuary at 6 June 1993. Full details of the valuation may be found in the financial statements of Gardner Merchant Services Group Limited.

The UK Gardner Merchant Pension Fund rules provides that the non-guaranteed Minimum Pension Fund Pensions will be increased whilst in payment by up to 5% per annum to offset increases in the cost of living.

The pension cost for the year (representing pension contributions paid to both the Forte and Gardner Marchant arrangements) amounted to £17,861 (1993: £1,368).

There are no unfunded pension liabilities.

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14 Called up share capital

	1994 £	1993 £
Authorised 5,000,000 ordinary shares of £1 each	<u>5,000,000</u>	<u>5,000,000</u>
Issued and fully paid 4,000,000 ordinary shares of £1 each	<u>4,000,000</u>	<u>4,000,000</u>

15 Reserves

	Profit and loss account £
At 1 February 1993	(3,846,238)
Profit for the year	<u>567,484</u>
At 31 January 1994	<u>(3,278,754)</u>

16 Reconciliation of movements in shareholders' funds

	1994 £	1993 £
Profit/(loss) for the financial year	567,484	(370,203)
Opening shareholders' funds	<u>153,762</u>	<u>523,965</u>
Closing shareholders' funds	<u>721,246</u>	<u>153,762</u>

17 Capital commitments

	1994 £	1993 £
Capital expenditure that has been contracted for but has not been provided for in the financial statements	<u>103,000</u>	<u>-</u>

18 Ultimate parent company

The company's ultimate parent company is Gardner Merchant Services Group Limited, a company registered in England and Wales. Copies of the ultimate parent company's consolidated financial statements may be obtained from The Secretary, Kenley House, Kenley Lane, Kenley, Surrey, CR8 5ED.