

1954

**ELVADENE LIMITED
AND SUBSIDIARIES**

INDEX TO THE MODIFIED FINANCIAL STATEMENTS

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**ELVADENE LIMITED
AND SUBSIDIARIES**

HOLDING COMPANY INFORMATION

DIRECTORS: A B Jelly
J Jelly
N G Wood
A George

**COMPANY
SECRETARY:** J Jelly

REGISTERED OFFICE: Moorfield Road
Guildford
Surrey
GU1 5BD

AUDITORS: Hamlyns and Company
Chartered Accountants
Foundation House
Church Street West
Woking
Surrey GU21 1DJ

BANKERS: Coutts & Co
60/61 High Street
Winchester
Hampshire
SO23 9BX

SOLICITORS: Camp & Caton
Robertson House
11-17 Leas Road
Guildford
Surrey
GU1 4QW

**ELVADENE LIMITED
AND SUBSIDIARIES**

REPORT OF THE DIRECTORS

The directors present their report with the modified financial statements of the group for the year ended 30 September 1988.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of the manufacture, supply and service of commercial catering equipment.

REVIEW OF BUSINESS

The results for the year, financial position of the group, and recommended transfer to reserves are as shown in the annexed modified financial statements.

DIVIDEND

The directors recommend that no dividend be paid for the year.

FIXED ASSETS

Information relating to changes in tangible fixed assets is given in note 6 to the accounts.

RESEARCH AND DEVELOPMENT

The group is heavily committed to research and development activities so as to improve its position in the market.

DIRECTORS

The directors in office during the year and their beneficial interests in the issued share capital were as follows:

<u>Name</u>	<u>Class of Capital</u>	<u>30. 9.88</u>	<u>30. 9.87</u>
A B Jelly	Ordinary £1	6,000	6,000
J Jelly	"	1,500	1,500
N G Wood	"	500	500
A George	"	500	500

In accordance with the Articles of Association, J Jelly will retire at the forthcoming Annual General Meeting, and being eligible, will stand for re-election.

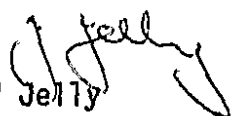
CLOSE COMPANY

The company is a close company within the provisions of the Income and Corporation Taxes Act 1988.

AUDITORS

The auditors, Hamlyns and Company, will be proposed for re-appointment in accordance with Section 384 of the Companies Act, 1985.

BY ORDER OF THE BOARD:


J Jelly

Company Secretary

Dated: 17 March 1989

ELVADENE LIMITED
AND SUBSIDIARIES

REPORT OF THE AUDITORS OF
ELVADENE LIMITED
UNDER SECTION 10 SCHEDULE 8 OF THE COMPANIES ACT 1985

In our opinion, the directors are entitled under Sections 247 to 249 of the Companies Act 1985 to deliver modified financial statements in respect of the year ended 30 September 1988, and the modified financial statements set out on pages four to twelve have been properly prepared in accordance with Schedule 8 of that Act. We are not required to express an audit opinion on the truth and fairness of these modified financial statements.

As auditors of Elvadene Limited, on 17 March 1989 we reported to the members on the financial statements of the group prepared under Section 227 of the Companies Act 1985 for the year ended 30 September 1988, as follows:

"We have audited the financial statements on pages four to thirteen. Our audit was conducted in accordance with approved Auditing Standards.

In our opinion the financial statements, which have been prepared under the historical cost convention, give a true and fair view of the state of affairs of the company and the group at 30 September 1988 and of the group profit and source and application of funds for the year then ended and comply with the Companies Act 1985."

Hamlyn and Company

Hamlyn and Company
Chartered Accountants
Foundation House
Church Street West
Woking
Surrey GU21 1DJ

Dated: 17 March 1989

**ELVADENE LIMITED
AND SUBSIDIARIES**

**MODIFIED CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the Year Ended 30 September 1988**

	Notes	30. 9.88 ----- £	30. 9.87 ----- £
GROSS PROFIT		1,851,968	1,528,873
Administrative Expenses		1,474,282	1,240,792
OPERATING PROFIT	3	----- 377,686	----- 288,081
Interest Receivable	4	29,551	31,823
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		----- 407,237	----- 319,904
Tax on Profit on Ordinary Activities	5	130,652	111,671
PROFIT FOR THE YEAR		----- 276,585	----- 208,233
Retained Profit brought forward		817,562	609,329
RETAINED PROFIT CARRIED FORWARD		----- £1,094,147 =====	----- £817,562 =====

The notes form part of these modified financial statements

**ELVADENE LIMITED
AND SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEET
As at 30 September 1988**

		30. 9.88		30. 9.87	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	6		489,524		339,289
CURRENT ASSETS:					
Stocks	8	1,154,247		790,065	
Debtors	9	758,280		547,664	
Cash at bank and in hand		211,533		198,232	
		2,124,060		1,535,961	
Creditors: Amounts falling due within one year	10	1,252,937		822,359	
NET CURRENT ASSETS			871,123		713,602
TOTAL ASSETS LESS CURRENT LIABILITIES			1,360,647		1,052,891
Creditors: Amounts falling due after more than one year					
Corporation tax			142,842		111,671
			£1,217,805		£941,220
			=====		=====
CAPITAL AND RESERVES:					
Share capital	11	10,000		10,000	
Debenture revaluation surplus		27,836		27,836	
Consolidation reserve		85,822		85,822	
Profit & loss account		1,094,147		817,562	
		£1,217,805		£941,220	
		=====		=====	

In preparing the modified consolidated profit and loss account, we have relied upon the exemptions provided by Sections 247 to 249 of the Companies Act 1985 and we have done so on the grounds that the group is entitled to the benefit of those exemptions as a medium group.

DIRECTOR: A B Jelly



DIRECTOR: N G Wood



Date: 17 March 1989

The notes form part of these modified financial statements

ELVADENE LIMITED
COMPANY BALANCE SHEET
As at 30 September 1988

	Notes	30. 9.88		30. 9.87	
		£	£	£	£
FIXED ASSETS:					
Investments	7		65,000		65,000
CURRENT ASSETS:					
Cash at bank and in hand			99		99
Creditors: Amounts falling due within one year	10		27,263		27,263
NET CURRENT LIABILITIES			(27,164)		(27,164)
TOTAL ASSETS LESS CURRENT LIABILITIES			£37,836		£37,836
			=====		=====
CAPITAL AND RESERVES:					
Share capital	11		10,000		10,000
Debenture revaluation surplus			27,836		27,836
			-----		-----
			£37,836		£37,836
			=====		=====

DIRECTOR: A B Jelly

DIRECTOR: N G Wood

Date: 17 March 1989

The notes form part of these modified financial statements

**ELVADENE LIMITED
AND SUBSIDIARIES**

**NOTES TO THE MODIFIED FINANCIAL STATEMENTS
for the Year Ended 30 September 1988**

1. ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared under the historical cost convention.

Basis of Consolidation

The group accounts consolidate the accounts of Elvadene Limited and its subsidiaries made up to 30 September 1988.

As provided by section 228 of the Companies Act 1985, no profit and loss account is presented for Elvadene Limited, which did not trade during the year.

Tangible Fixed Assets

Depreciation is provided, after taking account of any grants receivable, at the following annual rates in order to write off each asset over its estimated useful life, on a straight line basis:

Leasehold property	- over remaining term of lease
Tooling	- 50% on cost
Plant & machinery	- 10% on cost
Fixtures & fittings	- 15% on cost
Motor vehicles	- 25% on cost
Equipment and computers	- 25% on cost

Stocks

Stock and work in progress is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Deferred Taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Research and Development

Expenditure on research and development is written off in the year in which it is incurred.

**ELVADENE LIMITED
AND SUBSIDIARIES**

**NOTES TO THE MODIFIED FINANCIAL STATEMENTS
for the Year Ended 30 September 1988**

1. ACCOUNTING POLICIES (continued)

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

All grants receivable are netted off against the expenditure or assets to which they relate.

Maintenance Contracts

The unexpired portion of maintenance contract income at the balance sheet date is included in creditors.

Warranties for Products

Provision is made for the estimated liability on all products still under warranty.

Finance and Operating Leases

Finance leases are not capitalised within the accounts.

2. STAFF COSTS (including directors)

	1988	1987
	£	£
Wages and salaries	963,929	745,090
National Insurance	99,039	74,884
Pension costs	66,547	65,852
	-----	-----
	£1,129,515	£885,826
	=====	=====

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

	1988	1987
Office and management	52	42
Production	30	24
	===	===

**ELVADENE LIMITED
AND SUBSIDIARIES**

**NOTES TO THE MODIFIED FINANCIAL STATEMENTS
for the Year Ended 30 September 1988**

3. OPERATING PROFIT

The operating profit is stated after charging:

	1988 £	1987 £
Directors' emoluments (see below)	253,114	192,473
Hire of plant and machinery	13,725	11,180
Depreciation	135,290	92,321
Profit on disposal of fixed assets	19,544	16,119
Auditors' remuneration	7,000	8,200
	=====	=====

The emoluments of the chairman, excluding pension contributions, were £59,410 (1987 - £45,157). Other directors' emoluments, excluding pension contributions, fell within the following ranges:

	1988 No.	1987 No.
£20,001 - £25,000	1	1
£30,001 - £35,000	-	2
£45,001 - £50,000	2	-

4. INTEREST RECEIVABLE

	1988 £	1987 £
Deposit account interest	£29,551	£31,823
	=====	=====

5. TAXATION

The tax charge on the profit on ordinary activities for the year was as follows:

	1988 £	1987 £
Based on the adjusted results of the year:		
- UK Corporation Tax at current rates	142,842	111,671
Adjustment for prior years	(12,190)	-
	-----	-----
	£130,652	£111,671
	=====	=====

**ELVADENE LIMITED
AND SUBSIDIARIES**

**NOTES TO THE MODIFIED FINANCIAL STATEMENTS
for the Year Ended 30 September 1988**

6. TANGIBLE FIXED ASSETS - Group

	Leasehold property	Tooling	Plant & machinery
	£	£	£
COST:			
As at 1 October 1987	26,278	11,135	76,009
Additions	-	37,487	5,334
Disposals	-	(3,936)	-
	26,278	44,686	81,343
DEPRECIATION:			
As at 1 October 1987	4,291	5,978	27,286
Charge for Year	1,056	13,776	7,910
Eliminated on Disposals	-	(3,813)	-
	5,347	15,941	35,196
NET BOOK VALUES:			
As at 30 September 1988	£20,931	£28,745	£46,147
As at 30 September 1987	£21,987	£5,157	£48,723

	Fixtures & fittings	Motor vehicles	Equipment and computers	Totals
	£	£	£	£
COST:				
As at 1 October 1987	67,721	221,522	121,607	524,272
Additions	18,618	225,543	46,622	333,604
Disposals	(7,190)	(111,895)	(12,800)	(135,821)
	79,149	335,170	155,429	722,055
DEPRECIATION:				
As at 1 October 1987	23,561	69,338	54,529	184,983
Charge for Year	11,045	72,390	29,113	135,290
Eliminated on Disposals	(7,190)	(63,939)	(12,800)	(87,742)
	27,416	77,789	70,842	232,531
NET BOOK VALUES:				
As at 30 September 1988	£51,733	£257,381	£84,587	£489,524
As at 30 September 1987	£44,160	£152,184	£67,078	£339,289

**ELVADENE LIMITED
AND SUBSIDIARIES**

**NOTES TO THE MODIFIED FINANCIAL STATEMENTS
for the Year Ended 30 September 1988**

7. INVESTMENTS - Company

	1988	1987
	£	£
Cost of investment in subsidiaries	15,000	15,000
Value of debenture due by subsidiary	50,000	50,000
	-----	-----
	£65,000	£65,000
	=====	=====

The company owns the entire issued share capital of the following companies:

Merrychef Limited
Max Arc Limited

The original cost of the debenture was £22,164. It is secured by a fixed and floating charge over the subsidiary's assets.

8. STOCKS - Group

	1988	1987
	£	£
Raw materials and consumables	615,786	350,823
Work in progress	74,636	66,766
Finished goods	463,825	372,476
	-----	-----
	£1,154,247	£790,065
	=====	=====

9. DEBTORS - Group

	1988	1987
	£	£
Trade debtors	715,152	515,038
Other debtors & prepayments	43,128	32,626
	-----	-----
	£758,280	£547,664
	=====	=====

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

Group	1988	1987
	£	£
Trade creditors	724,185	544,351
Social security & other taxes	75,644	33,342
Other creditors and accruals	341,437	217,615
Taxation	111,671	27,051
	-----	-----
	£1,252,937	£822,359
	=====	=====

Company

Group companies	£27,263	£27,263
	=====	=====

**ELVADENE LIMITED
AND SUBSIDIARIES**

**NOTES TO THE MODIFIED FINANCIAL STATEMENTS
for the Year Ended 30 September 1988**

11. CALLED UP SHARE CAPITAL

	1988 £	1987 £
Authorised, allotted, issued and fully paid: 10,000 Ordinary shares of £1 each	£10,000 =====	£10,000 =====

12. DEFERRED TAXATION - Group

Potential deferred taxation, which has not been provided in the accounts, is as follows:

	1988 £	1987 £
Capital allowances in advance of depreciation	£26,516 =====	£18,366 =====

13. OPERATING LEASE COMMITMENTS

The group is committed to make the following payments during the year to 30 September 1989 in respect of the lease of land and buildings:

	1988 £	1987 £
Leases which expire:		
- within 2-5 years	27,825	-
- after 5 years	33,000	33,000
	----- £60,825 =====	----- £33,000 =====