

Companies House



TRICON MANAGEMENT AND HOLDINGS LIMITED

AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

31st DECEMBER 1998

Registered number: 1691066

CHEGWIDDEN

CHARTERED ACCOUNTANTS

Chadwell Heath



TRICON MANAGEMENT AND HOLDINGS LIMITED

FINANCIAL STATEMENTS

for the year ended 31st December 1998

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The following pages do not form part of the statutory accounts

Detailed trading and profit and loss account	Appendix	1
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TRICON MANAGEMENT AND HOLDINGS LIMITED**COMPANY INFORMATION****31st December 1998**

INCORPORATED	in England on 13th January 1983
NUMBER	1691066
CHAIRMAN	R.G.Payne Esq.
OTHER DIRECTORS	A.S.Horton Esq. A.J.Stewart Esq.
SECRETARY	A.S.Horton Esq
REGISTERED OFFICE	Priestley House Priestley Gardens Chadwell Heath Essex RM6 4SN
BANKERS	National Westminster Bank PLC 50 Ilford Hill Ilford Essex IG1 2AP
AUDITORS	Chegwidden Chartered Accountants Priestley House Priestley Gardens Chadwell Heath Essex, RM6 4SN

TRICON MANAGEMENT AND HOLDINGS LIMITED

DIRECTORS' REPORT

31st December 1998

The directors present their report and the audited financial statements for the year ended 31st December 1998.

Principal activity

The principal activity of the company was that of management consultancy to the Foodservice industry

Business review

The company's balance sheet as detailed on page 6a shows a satisfactory position, shareholders' funds amounting to £20,824.

Year 2000 and the Euro

The company has taken steps to ensure all systems are year 2000 compliant. The company will monitor the possible introduction of the Euro before any further action is taken.

Results and dividends

The results for the year are shown in the profit and loss account on page 5. The directors do not propose payment of an ordinary dividend.

Fixed assets

In the opinion of the directors, there is no significant difference between the present market value of the company's properties and the amounts at which they are stated in the accounts. Details are set out in note 10.

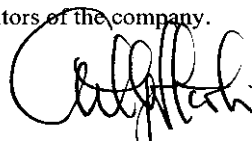
Directors

The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows:

	31st December 1998	1st January 1998
	Ordinary	Ordinary
	shares	shares
R.G. Payne Esq.	390	295
A.S. Horton Esq.	305	235
A.J. Stewart Esq.	305	235

Auditors

Chegwidden have agreed to offer themselves for re-appointment as auditors of the company.


 A.S. Horton Esq
 Secretary

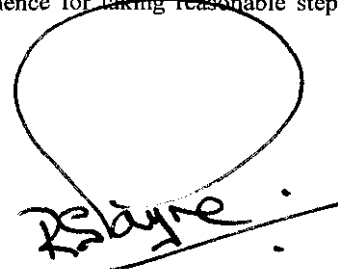
Priestley House
 Priestley Gardens
 Chadwell Heath
 Essex RM6 4SN

TRICON MANAGEMENT AND HOLDINGS LIMITED
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 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.

A handwritten signature in black ink, appearing to read 'R.G. Payne', is written over a large, loopy circular flourish. The signature is positioned above a horizontal line.

R.G. Payne Esq.
Chairman

TRICON MANAGEMENT AND HOLDINGS LIMITED**AUDITORS' REPORT****Auditors' report to the members of****Tricon Management and Holdings Limited**

We have audited the financial statements on pages 5 to 15 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

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 error or other irregularity. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements. However, the evidence available to us was limited because the results of an associate company have not been subject to an audit since this is not a legal requirement in the country of incorporation.

Opinion

Except for any adjustments that might have been found to be necessary had we been able to obtain further evidence concerning the above group company, in our opinion the financial statements give a true and fair view of the state of the affairs of the company and the group as at 31st December 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Chegwidden
Registered Auditors
Chartered Accountants

Chadwell Heath
3rd September 1999

TRICON MANAGEMENT AND HOLDINGS LIMITED
AND SUBSIDIARIES

CONSOLIDATED PROFIT AND LOSS ACCOUNT

for the year ended 31st December 1998

	Note	1998 £	1997 £
Turnover	2	1,390,928	1,316,926
Cost of sales		100,140	(122,767)
Gross Profit		1,290,788	1,194,159
Net operating expenses			
Administrative expenses		(1,295,117)	(1,076,110)
Other operating income		62,269	60,433
(Loss)/Profit from investment in Associated Company		(9,545)	3,743
Operating profit	3	48,395	182,225
Interest payable	5	(88,586)	(99,177)
(Loss)/profit on ordinary activities before taxation		(40,191)	83,048
Taxation	7	(23,977)	(16,457)
(Loss)/profit on ordinary activities after taxation		(64,168)	66,591
retained for the year	15	=====	=====

Movements in reserves are shown in note 15.

None of the company's activities were acquired or discontinued during the above two financial years.

There were no recognised gains and losses in 1998 or 1997 other than the (loss)/profit for the year.

TRICON MANAGEMENT AND HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31st December 1998

	Note	1998 £	1997 £
Turnover	2	-	9,368
Net operating expenses			
Administrative expenses		(148,093)	(4,758)
Other operating income		149,029	114,773
Operating profit		936	119,383
Interest payable		(67,917)	(77,290)
(Loss)/profit on ordinary activities before taxation		(66,981)	42,093
Taxation		(16,255)	(8,711)
(Loss)/profit on ordinary activities after taxation		(83,236)	33,382
retained for the year	15		

Movements in reserves are shown in note 15.

None of the company's activities were acquired or discontinued during the above two financial years.

There were no recognised gains and losses in 1998 or 1997 other than the (loss)/profit for the year.

TRICON MANAGEMENT AND HOLDINGS LIMITED

AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

at 31st December 1998

	Note	£	1998 £	£	1997 £
Fixed assets					
Tangible assets	8		1,079,386		1,214,009
Investments	11		31,238		40,783
			<u>1,110,624</u>		<u>1,254,792</u>
Current assets					
Debtors	12	377,581		407,527	
Cash at bank and in hand		6		1,968	
			<u>377,587</u>	<u>409,495</u>	
Creditors: amounts falling due within one year	13	(396,738)		(420,837)	
Net current liabilities			<u>(19,151)</u>	<u>(11,342)</u>	
Total assets less current liabilities			<u>1,091,473</u>	<u>1,243,450</u>	
Creditors: amounts falling due after more than one year	14		(587,511)	(675,320)	
			<u>503,962</u>	<u>568,130</u>	
Capital and reserves					
Called up share capital	16		1,000		1,000
Profit and loss account	15		502,962		567,130
Total shareholders' funds	18		<u>503,962</u>	<u>568,130</u>	

The financial statements on pages 5 to 15 were approved by the board of directors on and signed on its behalf by:

R. G. Payne
R. G. Payne Esq.
Chairman

TRICON MANAGEMENT AND HOLDINGS LIMITED

BALANCE SHEET

at 31st December 1998

	Note	£	1998 £	£	1997 £
Fixed assets					
Tangible assets	10		939,928		1,084,020
Investments	11		8,826		8,826
			<u>948,754</u>		<u>1,092,846</u>
Current assets					
Debtors	12	16,183		15,828	
Cash at bank and in hand		3		1,968	
		<u>16,186</u>		<u>17,796</u>	
Creditors: amounts falling due within one year	13	(411,153)		(362,571)	
Net current liabilities			<u>(394,967)</u>		<u>(344,775)</u>
Total assets less current liabilities			<u>553,787</u>		<u>748,071</u>
Creditors: amounts falling due after more than one year	14		(532,963)		(644,011)
			<u>20,824</u>		<u>104,060</u>
Capital and reserves					
Called up share capital	16		1,000		1,000
Profit and loss account	15		19,824		103,060
Total shareholders' funds	18		<u>20,824</u>		<u>104,060</u>

The financial statements on pages 5 to 15 were approved by the board of directors on and signed on its behalf by:


R.G. Payne Esq.
Chairman

TRICON MANAGEMENT AND HOLDINGS LIMITED
AND SUBSIDIARIES

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31st December 1998

	Note	1998		1997	
		£	£	£	£
Net cash inflow from operating activities	19		310,314		171,958
Returns on investments and servicing of finance					
Interest paid	5		(88,586)		(99,177)
Taxation					
Corporation tax paid			(16,967)		(25,530)
Investing Activities					
Purchase of Tangible Fixed Assets	8	(93,082)		(30,826)	
Disposal of fixed asset Investments		-		500	
Sale of fixed assets		39,656		12,250	
Net cash outflow from investing			(53,426)		(18076)
Financing					
Debt due beyond a year:					
Bank loan repayments		(111,048)		(91,874)	
Finance lease and hire purchase (repayments)/increase		20,655		(32,206)	
			(90,393)		(124,080)
Increase in cash	20		60,942		(94,905)

TRICON MANAGEMENT AND HOLDINGS LIMITED

NOTES ON FINANCIAL STATEMENTS

31st December 1998

1 Accounting policies

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

Tangible fixed assets

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Freehold land	No depreciation
Freehold buildings	No depreciation
Leasehold land and buildings	No depreciation
Motor Vehicles	25% on written down value
Fixtures & Fittings	25% on written down value

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

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 the transaction. Exchange differences are taken into account in arriving at the operating profit.

Leases and Hire Purchase Contracts

Assets held under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The assets are depreciated over their expected useful lives. The finance charges are allocated over the primary period of the lease on a straight line basis. Rentals payable under operating leases are charged to the Profit and Loss account as incurred.

Pension Costs

The Group operates a money purchase pension scheme. Contributions for the year are charged in the Profit and Loss Account as they become payable in accordance with the rules of the scheme.

Basis of Consolidation

The Group accounts consolidate the accounts of Tricon Management & Holdings Ltd and its subsidiary and associated drawn up to 31st December 1998. No Profit and Loss Account is prepared for the Holding Company as permitted by section 230 of the Companies Act 1985. Undertakings other than subsidiaries in which the Group has an investment representing not less than 20% of the voting rights and over which it exerts significant influence are treated as associated undertakings. The Group Accounts include the appropriate share of these undertakings results and reserves based on the Accounts to 31st December 1998.

2 Turnover

In the opinion of the Directors it would be prejudicial to the interest of the Company to give a geographical breakdown of turnover.

3 Operating profit

	1998 £	1997 £
Group Operating profit is stated after crediting:		
Net rental income	16,529	15,775
Exceptional item (see note 6)	45,740	44,658
Profit on sale of assets	-	3,114
	<u> </u>	<u> </u>
and after charging:		
Accountancy fees	6,925	3,825
Staff costs (note 4)	884,577	843,736
Auditors' remuneration	2,750	2,750
Loss on sale of assets	3,774	-
	<u> </u>	<u> </u>
Depreciation of tangible fixed assets (note 10):		
Diminuation in value of fixed assets	144,092	-
Owned assets	7,090	6,854
Leased assets	33,094	29,674
	<u> </u>	<u> </u>
	<u>184,276</u>	<u>36,528</u>

4 Directors and employees

	1998 £	1997 £
Staff costs including directors' emoluments		
Wages and salaries	709,531	646,493
Social Security Costs	74,455	62,651
Pensions Costs	100,591	116,101
	<u> </u>	<u> </u>
Average monthly number employed including executive directors:	Number	Number
Office and management	29	27
	<u> </u>	<u> </u>
Directors	£	£
Directors Remuneration	281,865	325,934
Pensions Schemes	49,470	48,724
	<u> </u>	<u> </u>
	<u>331,335</u>	<u>374,658</u>
Highest Paid Director		
Emoluments	51,261	57,456
Company Contributions to a Money Purchase Pension Scheme	18,675	18,000
	<u> </u>	<u> </u>

TRICON MANAGEMENT AND HOLDINGS LIMITED

NOTES ON FINANCIAL STATEMENTS

31st December 1998

5 Interest payable

	1998	1997
	£	£
Hire Purchase and Finance Leasing	11,319	13,546
Bank interest	8,262	7,519
Bank loan interest	67,871	76,865
Other Interest	1,134	1,247
	<u>88,586</u>	<u>99,177</u>

6 Exceptional items

	1998	1997
	£	£
Included in other operating income:		
Exceptional income	<u>45,740</u>	<u>44,658</u>
Permanent sickness insurance claim received in respect of a director.		

7 Taxation - Group

	1998	1997
	£	£
Corporation tax on loss on ordinary activities at 21.1% (1997 21.75%)	23,913	16,457
Corporation tax interest	64	-
	<u>23,977</u>	<u>16,457</u>

8 Tangible fixed assets – Group

	Land & Buildings	Motor Vehicles	Fixtures & Fittings	Total
	£	£	£	£
1 January 1998	1,086,742	166,021	107,815	1,360,578
Additions	-	88,774	4,308	93,082
Disposals	-	(89,320)	(405)	(89,725)
31 December 1998	<u>1,086,742</u>	<u>165,475</u>	<u>111,718</u>	<u>1,363,935</u>
Depreciation				
1 January 1998	2,722	79,396	64,450	146,568
Charge for the year	144,092	33,094	7,090	184,276
Disposals	-	(46,295)	-	(46,295)
31 December 1998	<u>146,814</u>	<u>66,195</u>	<u>71,540</u>	<u>284,549</u>
Net Book amount				
31 December 1998	<u>939,928</u>	<u>99,280</u>	<u>40,178</u>	<u>1,079,386</u>
1 January 1998	<u>1,084,020</u>	<u>86,625</u>	<u>43,365</u>	<u>1,214,010</u>

The net book amount of fixed assets includes £103,132 (1997 £91,155) in respect of assets held under finance leases and hire purchase contracts, the depreciation of which is shown in note 3.

NOTES ON FINANCIAL STATEMENTS

31st December 1998

9 Land and buildings

	1998 £	1997 £
Freehold	187,500	331,592
Long leasehold	752,428	752,428
	<u>939,928</u>	<u>1,084,020</u>

Long leaseholds are those leaseholds with more than 50 years unexpired

10 Tangible fixed assets (Company)

	Land and Buildings £
Cost	
1st January 1998 and 31st December 1998	<u>1,086,742</u>
Depreciation	
1st January 1998	2,722
Charge for the year	<u>144,092</u>
31st December 1998	<u>146,814</u>
Net book amount	
31st December 1998	<u>939,928</u>
1st January 1998	<u>1,084,020</u>

The historical cost of the freehold property is £331,392. The depreciation charge for the year would have been £6,631 (1996: £6,631) on a historical cost basis. Accumulated depreciation at 31st December 1997 would have been £53,048. The property was valued by the directors as at 31st December 1997.

TRICON MANAGEMENT AND HOLDINGS LIMITED

NOTES ON FINANCIAL STATEMENTS

31st December 1998

11 Fixed asset investments (Company)

Cost	Associated Company	Subsidiary Company	Total
1 st January 1998			
And at			
31 st December 1998	<u>7,826</u>	<u>1,000</u>	<u>8,826</u>
Net book amount			
31 st December 1998	<u>7,826</u>	<u>1,000</u>	<u>8,826</u>
1 st January 1998	<u>7,826</u>	<u>1,000</u>	<u>8,826</u>

The Company also loaned its associate the sum of £29,946 against which a 50% provision has been made (1997 £29,946 – 50% provision).

Fixed Asset Investments (Group)

Associated Undertakings	Shares of Net Assets	Goodwill	Total
Investment	7,826	-	7,826
Share of Acquisition Profit	<u>23,412</u>	<u>-</u>	<u>23,412</u>
At 31 st December 1998	<u>31,238</u>	<u>-</u>	<u>31,238</u>

12 Debtors

	Group		Company	
	1998 £	1997 £	1998 £	1997 £
Amounts falling due within				
One year				
Trade Debtors	332,404	362,910	-	-
Amounts owed by group				
Undertakings	15,828	15,828	15,828	15,828
Other debtors	25,378	26,849	355	-
Prepayments	<u>3,971</u>	<u>1,940</u>	<u>-</u>	<u>-</u>
	<u>377,581</u>	<u>407,527</u>	<u>16,183</u>	<u>15,828</u>

TRICON MANAGEMENT AND HOLDINGS LIMITED

NOTES ON FINANCIAL STATEMENTS

31st December 1998

13 Creditors: amounts falling due within one year

	Group		Company	
	1998	1997	1998	1997
	£	£	£	£
Bank overdrafts	184,598	247,505	102,591	89,000
Trade creditors	24,873	28,174	-	-
Amounts owed by group				
Undertakings	-	-	279,291	247,838
Corporation Tax	23,915	16,901	16,193	9,155
Other taxation & social security	50,194	40,948	-	2,319
Accruals & deferred income	26,515	10,282	13,078	14,259
Obligations under finance				
Leases and hire purchase				
Contracts	47,733	50,317	-	-
Other Creditors	<u>38,910</u>	<u>26,710</u>	-	-
	<u>396,738</u>	<u>420,837</u>	<u>411,153</u>	<u>362,571</u>

The bank facilities are secured by way of a debenture over all fixed and floating assets of the holding company and subsidiary.

14 Creditors: amounts falling due after more than one year

	Group		Company	
	1998	1997	1998	1997
	£	£	£	£
Other liabilities				
Obligations under leases				
And Hire Purchase	54,548	31,309	-	-
Bank Loans				
Within one to two years	100,000	100,000	100,000	100,000
Within two to three years	300,000	300,000	300,000	300,000
More than five years	<u>132,963</u>	<u>244,011</u>	<u>132,963</u>	<u>244,011</u>
	<u>587,511</u>	<u>675,320</u>	<u>532,963</u>	<u>644,011</u>

The bank loan is secured on the company's freehold and leasehold properties. Interest is currently charged at a 10.25% fixed rate. The Loan is currently being repaid in instalments of £14,000 per month, the expiry date being August 2003.
Due within 1 year Due within 2 - 5 years Due after 5 years

15 Profit and Loss Account

	Group	Company
	1998	1998
	£	£
1 st January 1998	567,130	103,060
Retained loss for the year	<u>(64,168)</u>	<u>(83,236)</u>
	<u>502,962</u>	<u>19,824</u>

Profit attributable to the holding Company.

The amount of retained (Loss)/profit for the year within the Accounts amounted to (£83,236) (1997 £33,382).

TRICON MANAGEMENT AND HOLDINGS LIMITED

NOTES ON FINANCIAL STATEMENTS

16

Called up share capital

31st December 1998

1998

Number of shares

£

1997

Number of shares

£

Authorised

Ordinary shares of £1 each

50,000

50,000

50,000

50,000

Allotted, called up and fully paid

Ordinary shares of £1 each

1,000

1,000

1,000

1,000

17

Ultimate parent undertaking

Subsidiaries and Associated Companies

The following was a subsidiary at the balance sheet date:-

Tricon Foodservice Consultants Plc

England

100%

Management Consultancy

The following was an associate at the Balance Sheet date:-

Tricon France S.A.

France

30%

Management Consultancy

The associate was acquired on incorporation for cash in return for shares. The company acquired 50% of the share capital of Tricon France S.A. for FF 125,000. The holding was reduced to 30% of the company's share capital in December 1994.

18

Reconciliation of movements in shareholders' funds

Group

1998

1997

£

£

Company

1998

1997

£

£

(Loss)/profit for the financial Year

(64,168)

66,591

(83,236)

33,382

Representing a Net(subtraction from)/ Addition to shareholders' Funds

Opening shareholders' funds

568,130

501,539

104,060

70,678

Closing shareholders' funds

503,962

568,130

20,824

104,060

19

Notes to the cash flow statement

Reconciliation of operating profit to operating cash flows

1998

1997

£

£

Operating profit

48,395

182,225

Depreciation charges

184,276

36,528

(Profit)/Loss on sale of assets

3,774

(3,114)

(Profit)/Loss from investment in associate

9,545

(3,743)

(Increase)/decrease in debtors

29,946

(133,407)

Increase in creditors

34,378

93,469

Net cash inflow from operating activities

310,314

171,958

TRICON MANAGEMENT AND HOLDINGS LIMITED

NOTES ON FINANCIAL STATEMENTS

31st December 1998

20 Notes to the cash flow statement (continued)

Analysis of changes in net debt

	At start of year £	Cash flows £	At end of year £
Cash at bank and in hand	1,968	(1,965)	3
Bank overdrafts	(158,505)	62,907	(95,598)
		<u>60,942</u>	
Debt due next year			
Bank Loans	(89,000)	-	(89,000)
Finance Leases and Hire purchase contracts	(50,317)	2,584	(47,733)
Debt due after 1 year			
Bank Loans	(644,011)	111,048	(532,963)
Finance Leases and Hire purchase contracts	(31,309)	(23,239)	(54,548)
		<u>90,393</u>	
Total	<u>(971,174)</u>	<u>151,335</u>	<u>(819,839)</u>

Reconciliation of net cash flow to movement in net debt

	1998 £	1997 £
(Decrease)/increase in cash in the year	60,942	(94,905)
Cash outflow from decrease in debt and lease financing	90,393	124,080
Change in net debt resulting from cash flows	<u>151,335</u>	<u>29,175</u>
Net debt at 1st January 1998	(971,174)	(1,000,349)
Net debt at 31st December 1998	<u>(819,839)</u>	<u>(971,174)</u>