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RITZ PRODUCTS (U.K.) LIMITED

REPORT AND ACCOUNTS

30TH SEPTEMBER 1987

25 FEB 1988

RITZ PRODUCTS (U.K.) LIMITED

DIRECTORS' REPORT

The Directors have pleasure in submitting their Report and Audited Statement of Accounts for the year ended 30th September 1987.

PRINCIPAL ACTIVITIES

The Company's principal activity is the promotion of products bearing the 'Ritz' name.

BUSINESS REVIEW

During the year the Company continued to explore opportunities for the profitable promotion of products bearing the 'Ritz' name.

RESULTS

The results for the year are set out in the profit and loss account on page 4

TANGIBLE FIXED ASSETS

Details of the movements on tangible fixed assets during the year are given in Note 4 to the Accounts.

DIRECTORS

The following persons were Directors of the Company during the year:-

M.R. Duffell [Resigned 9/1/88]
F. Klein
D.R. Webb
N.H. Cudlipp [Resigned 16/10/87]
R. Ellis
A.G. Kennedy

The following persons have been appointed Directors of the Company since the balance sheet date:-

T.R. Holmes [Appointed 27/1/88]
J. Olsen [Appointed 30/3/88]
B.M. Angers [Appointed 30/3/88]

RITZ PRODUCTS (U.K.) LIMITED

DIRECTORS' REPORT
(Continued)

DIRECTORS' SHARE INTERESTS

No Director at 30th September 1987 had any interest in the Shares of the Company.

AUDITORS

A Resolution to re-appoint the Auditors, Touche Ross & Co., will be proposed at the Annual General Meeting.

By Order of the Board



B.N. BARLOW
Secretary

18th July 1988

AUDITORS' REPORT TO THE MEMBERS

OF

RITZ PRODUCTS (U.K.) LIMITED

We have audited the accounts and notes on pages 4 to 8 in accordance with approved Auditing Standards.

In our opinion the accounts and notes give a true and fair view of the state of affairs of the Company at 30th September 1987 and of its loss and source and application of funds for the year then ended and comply with the Companies Act 1985.

Hill House
1 Little New Street
London EC4A 3TR

23rd February 1989



TOUCHE ROSS & CO.
Chartered Accountants

RITZ PRODUCTS (U.K.) LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 30th September 1987

	Year Ended 30th September 1987 £	10th June 1985 to 30th September 1986 £
<u>TURNOVER</u> (Note 2)	24,619	361
<u>COST OF SALES</u>	<u>24,379</u>	<u>348</u>
<u>GROSS PROFIT</u>	240	13
<u>ADMINISTRATIVE EXPENSES</u>	(129,361)	(119,929)
<u>OPERATING LOSS</u> (Note 3)	(129,121)	(119,916)
<u>INTEREST RECEIVABLE AND SIMILAR INCOME</u>	<u>1,455</u>	<u>3,910</u>
<u>LOSS ON ORDINARY ACTIVITIES BEFORE AND AFTER TAXATION</u>	(127,666)	(116,006)
<u>DEFICIT BROUGHT FORWARD</u>	(116,006)	-
<u>DEFICIT CARRIED FORWARD</u>	<u>(243,672)</u>	<u>(116,006)</u>

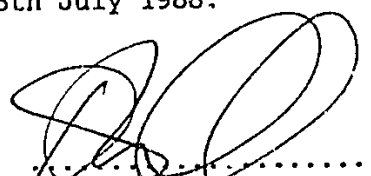
RITZ PRODUCTS (U.K.) LIMITED

BALANCE SHEET AS AT 30TH SEPTEMBER 1987

	<u>1987</u>	<u>1986</u>
	£	£
<u>FIXED ASSETS</u>		
Tangible Assets (Note 4)	8,268	4,892
<u>CURRENT ASSETS</u>		
Stock (Note 6)	3,458	194
Trade Debtors	11,528	628
Amounts owed by Related Companies	486	119,925
Cash at bank and in hand	12,826	41,745
	<u>28,298</u>	<u>162,792</u>
<u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>		
Trade Creditors	30,238	33,690
	<u>30,238</u>	<u>33,690</u>
<u>NET CURRENT (LIABILITIES)/ASSETS</u>	(1,940)	129,102
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>	£6,328 =====	£133,994 =====
<u>CAPITAL AND RESERVES</u>		
Called up share capital (Note 5)	250,000	250,000
Profit and Loss account - deficit	(243,672)	(116,006)
	<u>£6,328</u> =====	<u>£133,994</u> =====

The Directors approved the accounts and notes on 18th July 1988.


.....
B.M. ANGERS


.....
D.R. WEBB

RITZ PRODUCTS (U.K.) LIMITED

NOTES TO THE ACCOUNTS AS AT 30TH SEPTEMBER 1987

1. ACCOUNTING CONVENTION

These accounts have been prepared under the historical cost convention. The accounting policies adopted are disclosed in the appropriate notes below.

2. TURNOVER

Turnover for the year represents gross income (excluding VAT) from the company's operations.

3. OPERATING LOSS

The operating loss is stated after charging:-

	<u>Year Ended</u> <u>30th September 1987</u> <u>£</u>	<u>18th June 1985 to</u> <u>30th September 1986</u> <u>£</u>
Directors' Emoluments	44,180	23,959
Auditors' Remuneration	1,000	1,000
Depreciation	1,473	864
Additional information concerning Directors' emoluments is as follows:-		
(i) Emoluments of the Chairman	Nil	Nil
(ii) Emoluments of highest paid Director	44,180	23,959
(iii) Particulars of other Directors emoluments:-	<u>Numbers</u>	<u>Numbers</u>
£ Nil	<u>4</u>	<u>11</u>
Employee costs during the period:-	<u>£</u>	<u>£</u>
Wages and Salaries	50,373	26,829
Social Security costs	5,569	2,597
	<u>£55,942</u>	<u>£29,426</u>
Average number of employees:	<u>Number</u>	<u>Number</u>
Administration	2	2

RITZ PRODUCTS (U.K.) LIMITED

NOTES TO THE ACCOUNTS AS AT 30TH SEPTEMBER 1987

4. TANGIBLE FIXED ASSETS

<u>COST</u>	<u>Fixtures and Fittings</u> <u>£</u>
30th September 1986	5,756
Additions	4,854
	<hr/>
30th September 1987	10,610
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 <u>ACCUMULATED DEPRECIATION</u>	
30th September 1986	864
Charge for the period	1,478
	<hr/>
30th September 1987	2,342
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 <u>NET BOOK VALUE</u>	
30th September 1987	8,268
	=====
30th September 1986	4,892
	=====

Fixtures and Fittings are depreciated on a straight line basis over their anticipated lives of 7 years.

5. CALLED UP SHARE CAPITAL

	<u>Authorised</u>	<u>Allotted and Fully Paid</u>	
		<u>1987</u>	<u>1986</u>
125,000 'A' Shares of £1 each	125,000	125,000	125,000
125,000 'B' Shares of £1 each	<u>125,000</u>	<u>125,000</u>	<u>125,000</u>
	250,000	250,000	250,000
	=====	=====	=====

6. STOCKS

Stocks which comprise consumables, have been valued at the lower of cost and net realisable value.

7. TAXATION

There is no charge for Corporation Tax as the company has incurred a loss for the year. The loss is available for relief in future years against profits arising from the company's future trading.

8. OVERDRAFT FACILITY

The "A" and "B" Shareholders have guaranteed the repayment of an overdraft facility of £150,000.

RITZ PRODUCTS (U.K.) LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

For the year ended 30th September 1987

	<u>Year Ended</u> <u>30th September 1987</u>		<u>18th June 1985 to</u> <u>30th September 1986</u>	
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<u>SOURCE OF FUNDS</u>				
Issue of Share Capital		-		250,000
<u>APPLICATION OF FUNDS</u>				
Loss on ordinary activities	(127,666)		(116,006)	
Add back: Depreciation	1,478		864	
	<hr/>		<hr/>	
<u>NET OUTFLOW FROM OPERATIONS</u>		(126,188)		(115,142)
Purchase of tangible fixed assets		(4,854)		(5,756)
		<hr/>		<hr/>
		(131,042)		129,102
		=====		=====
<u>INCREASE/(DECREASE) IN WORKING CAPITAL</u>				
Increase in Stocks	2,964		494	
Increase in Debtors	10,900		60,628	
(Decrease)/Increase in amounts due from Related Companies	(119,439)		59,925	
(Decrease)/Increase in cash at bank and in hand	(28,919)		41,745	
Decrease/(Increase) in Trade Creditors	3,452		(33,690)	
	<hr/>		<hr/>	
		(131,042)		129,102
		=====		=====