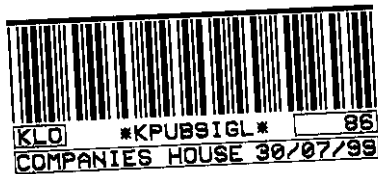


**BERISFORD INDUSTRIAL HOLDINGS LIMITED**

**REPORT AND FINANCIAL STATEMENTS  
FOR THE 52 WEEKS ENDED  
26 SEPTEMBER 1998**

**(Registered Number 2887689)**



## **BERISFORD INDUSTRIAL HOLDINGS LIMITED**

### **DIRECTORS' REPORT**

The Directors submit their report and the audited financial statements for the 52 weeks ended 26 September 1998.

### **PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS**

The Company is a parent company. The result for the 52 weeks is set out on page 4. The Directors do not recommend the payment of a dividend (1997: £nil)

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The Directors are required by UK company law to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the Company as at the end of the financial period and of the profit or loss 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 52 weeks ended 26 September 1998. The Directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis.

The Directors are responsible for keeping proper accounting records, for taking reasonable steps to safeguard the assets of the Company and for preventing and detecting fraud and other irregularities.

### **YEAR 2000 STATEMENT**

Formal procedures are in place to identify the full impact of the Year 2000 date change on the Company. A comprehensive review of all systems has been conducted and plans have been implemented to allow for those systems which have been identified as requiring an upgrade, to be made compliant. A timetable has been agreed and progress against specific action points is being monitored centrally at main board level.

Over the past few years, any newly installed IT systems have incorporated the changes required for Year 2000 compliance.

We are addressing the business risk from others with whom we deal on business or financial matters including key customers and suppliers and seeking assurance from such parties that minimal business interruption will occur in their organisations. Contingency plans are being developed to minimise risk of non-compliance caused by disruption from areas where we do not have direct control.

Based on current information we anticipate that the incremental cost of compliance, including modifying existing software, will not require an increase to generally budgeted expenditure. Further, again based on current information, we have a reasonable belief that the Company will be compliant in all material respects.

## BERISFORD INDUSTRIAL HOLDINGS LIMITED

### DIRECTORS' REPORT (Continued)

#### AUDITORS

A resolution proposing the reappointment of Deloitte & Touche as Auditors to the Company will be put to the Annual General Meeting.

#### DIRECTORS AND THEIR INTERESTS

The Directors who held office throughout the period and to date are as follows:


A J Bowkett  
G B Cuthbertson  
D J Mulhall  
D R Hooper (alternate to D J Mulhall)

The Directors have no interests in the shares of the Company. None of the Directors in office at 26 September 1998 held shares in other companies in the Berisford Group.

The interests of A J Bowkett and D J Mulhall in the ordinary shares of the ultimate parent company, Berisford plc are disclosed in the accounts of that company and the interests of the remaining Directors in office at 26 September 1998 are as follows:

	<u>At 26 September 1998</u>			<u>At 27 September 1997</u>		
	Executive Share Option Scheme	SAYE Share Option Scheme	Ordinary Shares	Executive Share Option Scheme	SAYE Share Option Scheme	Ordinary Shares
D R Hooper	134,069	10,732	20,000	134,069	17,146	20,000
G B Cuthbertson	321,963	11,266	12,253	321,963	25,402	Nil

By order of the Board



**R A BURROWES**  
Company Secretary  
Washington House  
40-41 Conduit Street  
London  
W1R 9FB

23 July 1999

## **BERISFORD INDUSTRIAL HOLDINGS LIMITED**

### **REPORT OF THE AUDITORS TO THE MEMBERS OF BERISFORD INDUSTRIAL HOLDINGS LIMITED**

We have audited the financial statements on pages 4 to 8 which have been prepared under the accounting policies set out on page 6.

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

As described on page 1 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 26 September 1998 and of its loss for the 52 weeks then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte Touche*

Deloitte & Touche  
Chartered Accountants and Registered Auditors  
Hill House,  
1 Little New Street,  
London,  
EC4A 3TR

*28 July 1999*

**BERISFORD INDUSTRIAL HOLDINGS LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE 52 WEEKS ENDED 26 SEPTEMBER 1998**

	<u>Notes</u>	52 weeks ended 26 Sept. 1998 £	52 weeks ended 27 Sept. 1997 £
Operating (loss)/profit	2	(3,802)	13,803
Dividend received	3	-	250,000
Interest payable	4	(350,170)	(223,284)
(Loss)/profit on ordinary activities before taxation		(353,972)	40,519
Tax on profit on ordinary activities	5	-	-
Retained (loss)/profit for the period		(353,972)	40,519
Retained profit brought forward		61,182	20,663
Retained (loss)/profit carried forward		(292,790)	61,182

All activities are continuing.

The Company has no recognised gains or losses in either the current year or preceding year other than those included in the profit and loss account above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the losses for the period stated above, and their historical cost equivalents.

The notes on pages 6 to 8 form part of these financial statements.

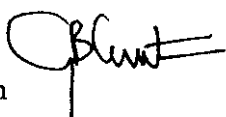
# BERISFORD INDUSTRIAL HOLDINGS LIMITED

## BALANCE SHEET As at 26 September 1998

	<u>Notes</u>	As at 26 Sept. 1998 £	As at 27 Sept. 1997 £
<b>Fixed Assets</b>			
Investments	6	12,971,548	3,224,688
<b>Current Liabilities</b>			
Amounts due to ultimate parent company		(12,701,413)	(3,163,490)
Amounts due to subsidiary companies		(500,000)	(15)
Accruals		(62,924)	-
<b>Net current liabilities</b>		(13,264,337)	(3,163,505)
		<u>(292,789)</u>	<u>61,183</u>
<b>Share Capital &amp; Reserves</b>			
Called up share capital	7	1	1
Profit and Loss Account		(292,790)	61,182
<b>EQUITY SHAREHOLDERS' (DEFICIT)/ FUNDS</b>		<u>(292,789)</u>	<u>61,183</u>

The financial statements on pages 4 to 8 were approved by the Board of Directors on 23 July 1999 and were signed on its behalf by:

G B Cuthbertson



Director

The accompanying notes form an integral part of these financial statements.

## **BERISFORD INDUSTRIAL HOLDINGS LIMITED**

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

**For the 52 weeks ended 26 September 1998**

#### **1. ACCOUNTING POLICIES**

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

- (a) The financial statements are prepared in accordance with the historical cost convention.
- (b) The Company is a wholly owned subsidiary of a company incorporated in Great Britain. Therefore, as permitted by s. 228 of the Companies Act 1985, consolidated accounts have not been prepared.

#### **2. OPERATING (LOSS)/PROFIT**

No Directors' or auditors' remuneration has been charged in the financial statements in either period as these expenses, to the extent relevant to the Company, are borne by the ultimate parent company. The Company does not have any employees other than the Directors (1997: nil).

#### **3. DIVIDEND RECEIVED**

In 1997 a dividend of £250,000 was received from Magnet Limited. No dividends were received during the current period.

#### **4. INTEREST PAYABLE**

Interest is all paid to the ultimate parent company. Interest is charged at market rates on the daily balance outstanding.

#### **5. TAX ON PROFIT ON ORDINARY ACTIVITIES**

The company did not make a profit in the year, and therefore no liability for corporation tax arose. The loss in the period may be surrendered to other Group companies for £nil consideration.

## **BERISFORD INDUSTRIAL HOLDINGS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (Continued)** **For the 52 weeks ended 26 September 1998**

#### **6. INVESTMENTS**

	£
At 28 September 1997	3,224,688
Acquisitions during the period at cost	9,746,860
At 26 September 1998	<u>12,971,548</u>

Investments at 26 September 1998 are in wholly owned subsidiary companies, all of which are incorporated in Great Britain:

	1998 £
Magnet Limited	300
Berisford International Limited	2
Eastham Limited	1
Hyphen Fitted Furniture Limited	1
Magnet Supplies Limited	1
Magnet & Southern Limited	1
Magnet Distribution Limited	1
Magnet Furniture Limited	1
Magnet Industries Limited	1
Magnet Joinery Limited	1
Magnet Kitchens Limited	1
Magnet Manufacturing Limited	1
Magnet Retail Limited	1
The Penrith Joinery Company Limited	1
Welbilt UK Limited	2,750,000
Belshaw UK Limited	1
Vent Master (Europe) Limited	474,373
Meliora Spectare Limited	8,986,545
Glenluce Limited	1
Temp-Rite International Limited	610,314
Sammic Limited	150,000
	<u>12,971,548</u>

Magnet Limited is a manufacturer and retailer of kitchens and joinery products. Welbilt UK Limited and Belshaw UK Limited distribute commercial kitchen equipment in the UK.

## **BERISFORD INDUSTRIAL HOLDINGS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**For the 52 weeks ended 26 September 1998**

#### **6. INVESTMENTS (continued)**

Vent Master (Europe) Limited and Sammic Limited manufacturer and distribute commercial kitchen equipment.  
Berisford International Limited, Meliora Spectaire Limited, and Temp-Rite International are parent companies. All other subsidiaries are dormant.  
In the opinion of the Directors the value of the subsidiary companies is in excess of the value in the balance sheet as at 26 September 1998.

#### **7. CALLED UP SHARE CAPITAL**

	<b>26 Sept 1998</b>	<b>27 Sept 1997</b>
	<b>£</b>	<b>£</b>
Authorised:		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid:		
1 Ordinary shares of £1 each	<u>1</u>	<u>1</u>

#### **8. TRANSACTIONS WITH RELATED PARTIES**

The Company has taken advantage of the exemption granted by paragraph 3(c) of FRS8 - "Related Party Disclosures" - not to disclose transactions with entities which are part of Berisford plc, as the consolidated financial statements, in which the Company is included, are publicly available.

#### **9. PARENT COMPANY**

The immediate and ultimate parent and controlling entity is Berisford plc, a company incorporated in Great Britain. Copies of the financial statements of Berisford plc can be obtained from the Secretary at Washington House, 40-41 Conduit Street, London, W1R 9FB.