

BERISFORD INDUSTRIAL HOLDINGS LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE 52 WEEKS ENDED

27 SEPTEMBER 1997

(Registered Number 2887689)



BERISFORD INDUSTRIAL HOLDINGS LIMITED

DIRECTORS' REPORT

The Directors submit their report and audited financial statements for the 52 weeks ended 27 September 1997.

PRINCIPAL ACTIVITY

The Company is a parent company.

RESULTS AND DIVIDENDS

The result for the 52 weeks is set out on page 4. The Directors do not recommend the payment of a dividend (1996: £nil).

DIRECTORS AND THEIR INTERESTS

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

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

The Directors have no interests in the shares of the Company, or in the shares of any of the fellow subsidiaries of Berisford plc. The interests of A J Bowkett and D J Mulhall in the shares of the ultimate parent company, Berisford plc, are shown in the accounts of that company.

The interests of the remaining Directors in office as at 27 September 1997 in the shares of the ultimate parent company are as follows:

	<u>At 27 September 1997</u>			<u>At 29 September 1996 or date of appointment</u>		
	Executive Share Option Scheme	SAYE Share Option Scheme	Ordinary Shares	Executive Share Option Scheme	SAYE Share Option Scheme	Ordinary Shares
G B Cuthbertson	321,963	25,402	Nil	271,963	23,814	Nil
D R Hooper	134,069	17,146	20,000	80,069	10,986	20,000

INVESTMENTS

During the period the Company acquired the whole of the issued share capital of Kitchen Ventilation Services Ltd. (now renamed Vent Master (Europe) Limited) for a consideration of £474,373.

BERISFORD INDUSTRIAL HOLDINGS LIMITED
DIRECTORS' REPORT

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.

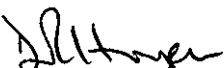
The Directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the 52 weeks ended 27 September 1997. The Directors also confirm that applicable accounting 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.

AUDITORS

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

By order of the Board


D R HOOPER
Company Secretary
1, Baker Street
London
W1M 1AA

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 2 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 as at 27 September 1997 and of its profit 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

24 July 1998

BERISFORD INDUSTRIAL HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT

For the 52 weeks ended 27 September 1997

		52 weeks to 27 Sept. 1997	52 weeks to 28 Sept. 1996
	<u>Notes</u>	<u>£</u>	<u>£</u>
Operating profit (loss)		13,803	(13,803)
Dividend received	2	250,000	250,000
Interest payable	3	(223,284)	(215,496)
Profit on ordinary activities before taxation	4	40,519	20,701
Tax on profit on ordinary activities	5	-	-
Retained profit for the period		40,519	20,701
Retained profit (loss) brought forward		20,663	(38)
Retained profit carried forward		61,182	20,663

All operations are continuing.

The Company had no recognised gains or losses in the period, or the prior period, other than the above profits.

The accompanying notes form an integral part of the accounts.

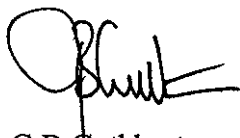
BERISFORD INDUSTRIAL HOLDINGS LIMITED

BALANCE SHEET

As at 27 September 1997

	Notes	27 Sept. 1997 £	28 Sept. 1996 £
Fixed Assets			
Investments	6	3,224,688	2,750,315
Current Liabilities			
Amount due to ultimate parent company		(3,163,490)	(2,729,636)
Amount due to subsidiary companies		(15)	(15)
Net current liabilities		(3,163,505)	(2,729,651)
		61,183	20,664
Capital and Reserves			
Called up share capital	7	1	1
Profit and loss account		61,182	20,663
Equity Shareholders' Funds		61,183	20,664

The financial statements on pages 4 to 8 were approved by the Board of Directors on 7 July 1998 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 27 September 1997

1. ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the historical cost convention. They have been drawn up to comply in all material respects with applicable Accounting Standards in the United Kingdom.

Consolidated financial statements

No consolidated accounts have been prepared in accordance with Section 228 of the Companies Act 1985, as the Company is a wholly owned subsidiary of a company incorporated in Great Britain.

Going concern basis of preparation

The going concern basis has been adopted in preparing these financial statements on the understanding that intercompany balances, although technically due on demand, will only be called by the ultimate parent company when liquid funds are available to the Company.

Investments

Investments are stated at cost. Should evidence arise of a long term diminution in value of an investment provision would be made to reduce the carrying value of the investment to the diminished value.

Cash flow

A cash flow statement, as required by FRS1 (Revised), has not been prepared as the Company is a wholly owned subsidiary of a company incorporated in Great Britain, and the consolidated accounts of the Group include a cash flow statement in the form prescribed in FRS1 (Revised).

2. DIVIDEND RECEIVED

On 26 September 1997 a dividend of £250,000 was received from Magnet Limited (1996 £250,000).

3. INTEREST PAYABLE

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

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

No Directors' remuneration or staff costs have been charged in the financial statements as these expenses, to the extent relevant to the Company, are borne by its ultimate parent company. Audit fees are borne by the ultimate parent company. The only employees during the year were the Directors (1996: nil).

BERISFORD INDUSTRIAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 27 September 1997

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

No tax charge arises for the period as the dividend is non-taxable and the resulting loss is surrendered to other group companies for no consideration.

6. INVESTMENTS

At 29 September 1996	£ 2,750,315
Acquisitions	474,373
At 27 September 1997	<u>3,224,688</u>

Investments at 27 September 1997 are in wholly owned subsidiary companies, all of which are incorporated in Great Britain:

	1997 £
Magnet Limited	300
Berisford International Limited (formerly Windglory 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 (formerly Garland Catering Equipment UK Limited)	2,750,000
Belshaw UK Limited	1
Vent Master (Europe) Limited	474,373
	<u>3,224,688</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. Vent Master (Europe) Limited manufactures and distributes commercial kitchen equipment. Berisford International Limited is a parent company. All other subsidiaries are dormant.

BERISFORD INDUSTRIAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 27 September 1997

6. INVESTMENTS (continued)

In the opinion of the Directors the value of the subsidiary companies is in excess of the value in the Balance Sheet as at 27 September 1997.

7. SHARE CAPITAL

At 27 September 1997 and 29 September 1996:

	£
Authorised:	
100 ordinary shares of £1 each	<u>100</u>
Allotted, called up and fully paid:	
1 ordinary share of £1	<u>1</u>

8. PARENT COMPANY

The immediate and ultimate controlling entity is Berisford plc, a company incorporated in England and Wales. Copies of the Financial Statements of Berisford plc can be obtained from the secretary at Number One, Baker Street, London, W1M 1AA.

9. 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.