

# **Fishers Services (Greenock) Limited**

## **Directors' Report & Financial Statements**

**31 December 1999**

(Registered Number: SC 57114)



## **Directors' Report**

The directors present their report and audited financial statements for the year ended 31 December 1999.

### **Review of the business**

The principal activities of the company are the provision of laundry and linen services.

The company made a profit after taxation of £36,602 (1998 - £63,789). The Directors recommend the payment of a dividend of £17,550 (1998 - £ Nil) and the remaining profit for the year has been transferred to reserves.

### **Directors**

The directors who held office during the year were as follows:-

DM Fisher  
J Fisher

None of the directors held a notifiable interest in the share capital of the company during the year ended 31 December 1999. Mr DM Fisher's interest in the shares of the company's ultimate holding company, Fishers Holdings Limited, are shown in the accounts of that company.

### **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 then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

**Directors' Report (continued)**

**Auditors**

The auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

**By order of the Board**

Judith M Fisher.

Secretary

4/9 2000

# Auditors' Report to the Members of Fishers Services (Greenock) Limited

We have audited the financial statements on pages 4 to 11.

## Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 2, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the United Kingdom Companies Act. We also report to you, if in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

## Basis of audit 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 31 December 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers**

Chartered Accountants and Registered Auditors

Edinburgh

14 October 2000

**Profit and loss account**  
**For the year ended 31 December 1999**

|  | Notes | 1999<br>£               | 1998<br>£          |
|--|-------|-------------------------|--------------------|
| <b>Turnover</b>                                      | 2     | <b>2,307,620</b>        | 2,170,910          |
| Cost of sales  |       | <u>(1,443,681)</u>      | <u>(1,326,365)</u> |
| <b>Gross profit</b>                                  |       | <b>863,939</b>          | 844,545            |
| Distribution costs                                   |       | <b>(287,425)</b>        | (263,502)          |
| Administrative expenses                              |       | <u><b>(571,649)</b></u> | <u>(545,560)</u>   |
| <b>Operating profit</b>                              | 3     | <b>4,865</b>            | 35,483             |
| Interest receivable                                  |       | <u><b>44,048</b></u>    | <u>40,982</u>      |
| <b>Profit on ordinary activities before taxation</b> |       | <b>48,913</b>           | 76,465             |
| Taxation   | 6     | <u><b>(12,311)</b></u>  | <u>(12,676)</u>    |
| <b>Profit for the year</b>                           |       | <b>36,602</b>           | 63,789             |
| Dividends  | 12    | <b>(17,550)</b>         | -                  |
| <b>Amount transferred to reserves</b>                | 13    | <u><b>19,052</b></u>    | <u>63,789</u>      |

There are no recognised gains or losses other than the profit for the year and all operations are continuing.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents.

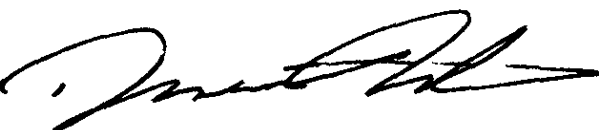
The notes on pages 6 to 11 form part of these financial statements.

## Balance Sheet

### at 31 December 1999

|   | Notes | 1999<br>£             | 1998<br>£             |
|---|-------|-----------------------|-----------------------|
| <b>Fixed assets</b>                                   |       |                       |                       |
| Tangible assets                                       | 7     | <u>389,517</u>        | <u>390,685</u>        |
| <b>Current assets</b>                                 |       |                       |                       |
| Stocks – raw materials & consumables                  |       | 2,938                 | 9,714                 |
| Debtors   | 8     | 388,856               | 397,815               |
| Cash at bank and in hand                              |       | 881,719               | 970,855               |
|   |       | <u>1,273,513</u>      | <u>1,378,384</u>      |
| <b>Creditors: amounts falling due within one year</b> | 9     | <u>(682,007)</u>      | <u>(893,098)</u>      |
| <b>Net current assets</b>                             |       | <u>591,506</u>        | <u>485,286</u>        |
| <b>Total assets less current liabilities</b>          |       | <u>981,023</u>        | <u>875,971</u>        |
| <b>Creditors: amounts falling due after one year</b>  | 10    | (86,000)              | -                     |
| <b>Net assets</b>                                     |       | <u><u>895,023</u></u> | <u><u>875,971</u></u> |
| <b>Capital and reserves</b>                           |       |                       |                       |
| Called up share capital                               | 11    | 40,000                | 40,000                |
| General reserve                                       | 13    | 7,300                 | 7,300                 |
| Capital reserve                                       | 13    | 86,418                | 86,418                |
| Profit and loss account                               | 13    | 761,305               | 742,253               |
| <b>Shareholders' Funds</b>                            |       | <u>895,023</u>        | <u>875,971</u>        |
| Analysed as follows                                   |       |                       |                       |
| - equity interests                                    |       | 875,023               | 855,971               |
| - non equity interests                                |       | 20,000                | 20,000                |
|   |       | <u>895,023</u>        | <u>875,971</u>        |

Director



Approved by the board on 4/9 2000

The notes on pages 6 to 11 form part of these financial statements.

**Notes to the financial statements  
at 31 December 1999****1 Accounting policies****Basis of accounting**

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

**Tangible assets and depreciation**

Tangible assets are stated at cost less accumulated depreciation.

Depreciation is provided to write off the cost of each asset over its estimated useful life at the following rates:

|  | %         |                  |
|--|-----------|------------------|
| Freehold buildings                         | 5         | Straight line    |
| Plant and machinery; fixtures and fittings | 20 - 33   | Reducing balance |
| Motor vehicles                             | 16.7 - 25 | Straight line    |

**Stocks**

Stocks are stated at the lower of cost and net realisable value.

**Linen and garments**

Linen and garments for rental are expensed on purchase.

**Deferred taxation**

Deferred taxation is provided using the liability method in respect of timing differences between profits as computed for taxation purposes and profits as stated in the financial statements where a taxation liability is expected to arise in the foreseeable future.

**Pensions**

The company is a member of the Fishers Group pension scheme which is a defined contribution scheme for members of the management. Contributions to the scheme are charged against profits in respect of the accounting period in which they fall due.

**Cash flow statement**

The consolidated accounts of Fishers Holdings Limited include a consolidated cash flow statement drawn up in accordance with the provisions of Financial Reporting Standard No 1 (Revised), "Cash Flow Statements" ("FRS 1"). The company is accordingly exempt from the requirements of FRS 1 and has elected not to present a cash flow statement.

## Notes to the financial statements at 31 December 1999 (continued)

### 2 Turnover

Turnover represents the amount receivable in the ordinary course of business, excluding VAT, for linen hire and laundry services provided during the year. All turnover arose in the United Kingdom.

### 3 Operating profit

The operating profit is stated after charging the following:-

|                        | 1999<br>£ | 1998<br>£ |
|------------------------|-----------|-----------|
| Wages and salaries     | 807,000   | 792,115   |
| Social security costs  | 46,349    | 48,836    |
| Other pension costs    | 1,751     | 1,756     |
| Depreciation           | 108,174   | 110,232   |
| Auditors' remuneration | 3,500     | 4,500     |

### 4 Directors' remuneration

No emoluments were paid by the company to the directors. The directors are remunerated by fellow group undertakings and there is no specific recharge made by the company in respect of their services.

### 5 Employees

The average number of persons employed by the company during the year was 79 (1998 - 99) all of whom were employed in the United Kingdom.

### 6 Taxation

|                           | 1999<br>£     | 1998<br>£     |
|---------------------------|---------------|---------------|
| Corporation tax           | 12,311        | 12,600        |
| Prior year's adjustments: |               |               |
| Corporation tax           | -             | 76            |
|                           | <u>12,311</u> | <u>12,676</u> |

# Notes to the financial statements at 31 December 1999 (continued)

## 7 Tangible assets

|                            | Heritable<br>land &<br>buildings<br>£ | Plant &<br>machinery<br>£ | Motor<br>vehicles<br>£ | Fixtures,<br>fittings<br>tools &<br>equipment<br>£ | Total<br>£         |
|----------------------------|---------------------------------------|---------------------------|------------------------|--|--------------------|
| <b>Cost</b>                |                                       |                           |                        |  |                    |
| At 1 January 1999          | 45,357                                | 1,101,224                 | 238,066                | 105,515  | 1,490,162          |
| Additions                  | -                                     | 70,205                    | 39,573                 | 2,381  | 112,159            |
| Disposals                  | -                                     | -                         | (22,605)               | -  | (22,605)           |
| <b>At 31 December 1999</b> | <b>45,357</b>                         | <b>1,171,429</b>          | <b>255,034</b>         | <b>107,896</b>                                     | <b>1,579,716</b>   |
| <b>Depreciation</b>        |                                       |                           |                        |  |                    |
| At 1 January 1999          | (18,220)                              | (832,018)                 | (163,398)              | (85,841)   | (1,099,477)        |
| Charge for year            | (1,908)                               | (70,576)                  | (31,068)               | (4,622)  | (108,174)          |
| Disposals                  | -                                     | -                         | 17,452                 | -  | 17,452             |
| <b>At 31 December 1999</b> | <b>(20,128)</b>                       | <b>(902,594)</b>          | <b>(177,014)</b>       | <b>(90,463)</b>                                    | <b>(1,190,199)</b> |
| <b>Net book value</b>      |                                       |                           |                        |  |                    |
| <b>At 31 December 1999</b> | <b>25,229</b>                         | <b>268,835</b>            | <b>78,020</b>          | <b>17,433</b>                                      | <b>389,517</b>     |
| At 31 December 1998        | 27,138                                | 269,206                   | 74,667                 | 19,674   | 390,685            |

## 8 Debtors

|                                     | 1999<br>£      | 1998<br>£      |
|-------------------------------------|----------------|----------------|
| Trade debtors                       | 384,876        | 299,718        |
| Prepayments and accrued income      | 3,813          | 3,088          |
| Amounts due from group undertakings | 167            | 95,009         |
|                                     | <b>388,856</b> | <b>397,815</b> |

## Notes to the financial statements at 31 December 1999 (continued)

### 9 Creditors: amounts falling due within one year

|                                    | 1999<br>£      | 1998<br>£      |
|------------------------------------|----------------|----------------|
| Trade creditors                    | 159,178        | 151,972        |
| Amounts owed to group undertakings | 363,062        | 607,937        |
| Accruals and deferred income       | 89,091         | 90,341         |
| Taxation and social security       | 62,460         | 42,172         |
| Corporation tax                    | 8,216          | 676            |
|                                    | <u>682,007</u> | <u>893,098</u> |

The ultimate parent company has entered into a guarantee arrangement with the Inland Revenue confirming its responsibility for any of the group companies liabilities.

### 10 Creditors: amounts falling due after more than one year

|                 | 1999<br>£     | 1998<br>£ |
|-----------------|---------------|-----------|
| Trade creditors | <u>86,000</u> | <u>-</u>  |

### 11 Called up share capital

|   | 1999<br>£     | 1998<br>£     |
|---|---------------|---------------|
| <b>Equity</b>   |               |               |
| Authorised, allotted and fully paid:<br>20,000 ordinary shares of £1 each                       | 20,000        | 20,000        |
| <b>Non equity</b>   |               |               |
| Authorised, allotted and fully paid:<br>20,000 0.1% non-cumulative preference shares of £1 each | 20,000        | 20,000        |
|   | <u>40,000</u> | <u>40,000</u> |

Each class of share is held by Fishers Services Limited, the parent undertaking. No dividend has been declared or paid in respect of the non-cumulative preference shares.

## Notes to the financial statements at 31 December 1999 (continued)

### 11 Called up share capital (continued)

The following rights are attached to each class of share:

#### Dividends

Both class of shares are entitled to a dividend when declared by the directors and resolved in general meeting. The holders of the preference shares are entitled to a fixed non - cumulative preferential dividend and ordinary shares holders at a rate declared by the directors and resolved in general meeting.

#### Voting

The holders of the preference shares are not entitled to receive any notice or to attend or vote at any general meeting of the company. Ordinary shares carry one vote per share.

#### Capital

On winding up or on a capital reduction involving the repayment of capital the holders of the preference shares are entitled to repayment of the capital paid up or credited as being paid up thereon in priority to the ordinary shares in the capital of the company.

### 12 Dividends

|                | 1999<br>£     | 1998<br>£ |
|----------------|---------------|-----------|
| Final proposed | <u>17,550</u> | <u>-</u>  |

### 13 Reconciliation of movement in shareholders' funds

|                            | Share<br>capital<br>£ | General<br>reserve<br>£ | Capital<br>reserve<br>£ | Profit &<br>loss<br>account<br>£ | Total<br>£            |
|----------------------------|-----------------------|-------------------------|-------------------------|----------------------------------|-----------------------|
| At 1 January 1999          | 40,000                | 7,300                   | 86,418                  | 742,253                          | 875,971               |
| Retained profit for year   | -                     | -                       | -                       | 19,052                           | 19,052                |
| <b>At 31 December 1999</b> | <u><b>40,000</b></u>  | <u><b>7,300</b></u>     | <u><b>86,418</b></u>    | <u><b>761,305</b></u>            | <u><b>895,023</b></u> |

### 14 Deferred tax

The deferred tax asset of £4,592 at 31 December 1999 (1998 - £3,150) has not been recognised as reversal of the accelerated capital allowances and other short term timing differences giving rise to the asset cannot be anticipated.

**Notes to the financial statements  
at 31 December 1999 (continued)****15 Related party transactions**

The company is controlled by the ultimate parent company, Fishers Holdings Limited. The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 "Related Party Disclosures" from the need to disclose transactions between group entities that have been eliminated on consolidation in publicly available financial statements.

There were no other related party transactions in the year.

**16 Post balance sheet events**

On 1 January 2000 all the assets and trade of the Company were transferred to Fishers Services (Aberfeldy) Limited, another Group company. The assets were transferred at their book value.

**17 Ultimate Parent Company**

The ultimate parent company is Fishers Holdings Limited. A copy of the group accounts can be obtained from Riggs Place, Cupar, Fife, KY15 5JA.