

FISHERS SERVICES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 1996

(Registered Number: SC 67627)

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FISHERS SERVICES LIMITED

REPORT OF THE DIRECTORS

The directors present their report and audited financial statements for the year ended 31 December 1996.

REVIEW OF THE BUSINESS

The company provides management services to a group of subsidiaries engaged in the provision of laundry and linen services.

The profit for the year after taxation was £14,660 (1995 - £29,035). The Directors do not recommend the payment of a dividend (1995 - £Nil) and the entire profit for the year has been transferred to reserves.

DIRECTORS

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

DM Fisher
DV Ward
AM Duncan
D Kelly (resigned 11 April 1996)
B McHardy
J Fisher
D Crawford

None of the directors held any notifiable interest in the share capital of the company during the year ended 31 December 1996. Mr DM Fisher's interests in the share capital of the company's 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.

FISHERS SERVICES LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

AUDITORS

Price Waterhouse have indicated their willingness to be reappointed as auditors of the company and a resolution to that effect will be submitted to the annual general meeting.

On behalf of the Board

Judith M Fisher

JM Fisher
Secretary

1 September 1997

Price Waterhouse



AUDITORS' REPORT TO THE MEMBERS OF FISHERS SERVICES LIMITED

We have audited the financial statements on pages 4 to 10 which have been prepared under the historical cost convention and 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 financial 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 mis-statement, 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 31 December 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Price Waterhouse

PRICE WATERHOUSE
Chartered Accountants
and Registered Auditors

/ September 1997

FISHERS SERVICES LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1996**

	<u>Notes</u>	<u>1996</u> £	<u>1995</u> £
TURNOVER	2	653,693	547,276
Administrative expenses		(630,871)	(504,844)
		<hr/>	<hr/>
OPERATING PROFIT		22,822	42,432
Interest receivable		19	1,656
Interest payable		(453)	(535)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	22,388	43,553
Taxation	5	(7,728)	(14,518)
		<hr/>	<hr/>
PROFIT FOR THE FINANCIAL YEAR TRANSFERRED TO RESERVES	12	14,660	29,035
		<hr/> <hr/>	<hr/> <hr/>

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

The notes on pages 6 to 10 form part of the financial statements.

FISHERS SERVICES LIMITED

BALANCE SHEET AT 31 DECEMBER 1996

	<u>Notes</u>	<u>1996</u> £	<u>1995</u> £
FIXED ASSETS			
Tangible assets	6	79,217	76,556
Investments	7	620,291	620,291
		<hr/>	<hr/>
		699,508	696,847
CURRENT ASSETS			
Debtors	8	491,335	379,420
Cash at bank and in hand		6	11,940
		<hr/>	<hr/>
		491,341	391,360
CREDITORS: amounts falling due within one year	9	(313,307)	(225,325)
		<hr/>	<hr/>
NET CURRENT ASSETS		178,034	166,035
		<hr/>	<hr/>
		877,542	862,882
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	11	620,491	620,491
Profit and loss account	12	257,051	242,391
		<hr/>	<hr/>
SHAREHOLDERS' FUNDS	12	877,542	862,882
		<hr/>	<hr/>

The notes on pages 6 to 10 form part of the financial statements.

DM FISHER
DIRECTOR



Approved by the Board on
1 September 1997

FISHERS SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1996

1 ACCOUNTING POLICIES

(1) Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. Fishers Services Limited is exempt from the obligation to prepare and deliver group accounts as the sub-group is consolidated into the accounts of Fishers Holdings Limited.

(2) Tangible Assets

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:

Motor vehicles	25%	Straight line
Fixtures, fittings, tools and equipment	25%	Reducing balance

(3) 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 or asset is expected to arise in the foreseeable future.

(4) 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.

(5) 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.

FISHERS SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1996 (CONTINUED)

2 TURNOVER

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

3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging the following:-

	<u>1996</u> £	<u>1995</u> £
Wages and salaries	364,417	279,072
Social security costs	39,818	28,547
Other pension costs	30,378	25,106
Depreciation	40,196	34,675
Auditors' remuneration	2,600	2,500
	<u> </u>	<u> </u>

The average number of persons employed by the company during the year was 14 (1995 - 11) all of whom were employed in the United Kingdom.

4 DIRECTORS' REMUNERATION

Emoluments of directors, including pension contributions, amounted to £59,234 (1995 - £10,444). The emoluments, excluding pension contributions, of the Chairman and the highest paid director were:

	<u>1996</u> £	<u>1995</u> £
Chairman	Nil	Nil
Highest paid director	54,064	10,444
	<u> </u>	<u> </u>

The emoluments, excluding pension contributions, of the other directors fell within the following bands:

	<u>Number</u>	<u>Number</u>
£Nil	5	5
	<u> </u>	<u> </u>

FISHERS SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1996 (CONTINUED)

5 TAXATION

	<u>1996</u> £	<u>1995</u> £
Corporation tax	9,675	14,975
Prior years' adjustments: Corporation tax	(1,947)	(457)
	<u>7,728</u>	<u>14,518</u>

6 TANGIBLE ASSETS

	<u>Motor vehicles</u> £	<u>Fixtures, fittings, tools and equipment</u> £	<u>Total</u> £
COST			
At 1 January 1996	138,036	18,500	156,536
Additions	2,138	40,719	42,857
	<u>140,174</u>	<u>59,219</u>	<u>199,393</u>
At 31 December 1996	<u>140,174</u>	<u>59,219</u>	<u>199,393</u>
DEPRECIATION			
At 1 January 1996	72,923	7,057	79,980
Charge for the year	32,372	7,824	40,196
	<u>105,295</u>	<u>14,881</u>	<u>120,176</u>
At 31 December 1996	<u>105,295</u>	<u>14,881</u>	<u>120,176</u>
NET BOOK AMOUNT			
At 31 December 1996	<u>34,879</u>	<u>44,338</u>	<u>79,217</u>
At 31 December 1995	<u>65,113</u>	<u>11,443</u>	<u>76,556</u>

FISHERS SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1996 (CONTINUED)

7 INVESTMENTS

	<u>1996</u> £	<u>1995</u> £
Shares in subsidiary undertakings - at cost	620,291	620,291

The company holds 100% of the issued ordinary share capital of each of the following companies, principal activities are the provision of laundry and linen services:

Fishers Services (Aberfeldy) Limited
Fishers Services (Cupar) Limited
Fishers Services (Greenock) Limited

The company also holds 100% of the preference share capital of Fishers Services (Greenock) Limited.

8 DEBTORS

	<u>1996</u> £	<u>1995</u> £
Amounts owed by group undertakings	481,538	379,420
Other debtors	9,797	-
	<u>491,335</u>	<u>379,420</u>

9 CREDITORS: amounts falling due within one year

	<u>1996</u> £	<u>1995</u> £
Amounts owed to group undertakings	238,151	93,826
Accruals and deferred income	53,195	72,201
Taxation and social security	12,286	28,629
Corporation tax	9,675	25,018
ACT payable	-	5,651
	<u>313,307</u>	<u>225,325</u>

10 DEFERRED TAXATION

The deferred tax asset of £9,950 at 31 December 1996 (1995 - £7,697) 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.

FISHERS SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1996 (CONTINUED)

11 CALLED UP SHARE CAPITAL

	<u>1996</u> £	<u>1995</u> £
Authorised: 1,000,000 ordinary shares of £1 each	1,000,000	1,000,000
	<u> </u>	<u> </u>
Allotted and fully paid: 620,491 ordinary shares of £1 each	620,491	620,491
	<u> </u>	<u> </u>

12 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	<u>Share Capital</u> £	<u>Profit and loss</u> £	<u>Total</u> £
At 1 January 1996	620,491	242,391	862,882
Profit for the year	-	14,660	14,660
	<u> </u>	<u> </u>	<u> </u>
At 31 December 1996	620,491	257,051	877,542
	<u> </u>	<u> </u>	<u> </u>

13 RELATED PARTY TRANSACTIONS

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.

14 ULTIMATE PARENT

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