

Viscount Catering Limited

Directors' report and financial statements

31 March 1995

Registered number 2656967



Viscount Catering Limited

Directors' report and financial statements

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Viscount Catering Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 1995.

Principal activities

The company is principally engaged in the manufacture of catering equipment.

Business review

On 24 February 1995 two additional businesses engaged in frying range and marine catering equipment were purchased and the activities transferred to the Sheffield factory in June 1995.

The directors consider both the level of business and period end financial position to be satisfactory. An increasing level of activity is expected in the foreseeable future as the full year trading from the frying range and marine catering equipment is included.

Proposed dividend and transfer to reserves

The directors recommend the payment of a total ordinary dividend of £295,000 (19.7p per share) for the year.

After deducting the total ordinary dividend, the profit for the year retained in the company is £53,000.

Significant changes in fixed assets

Movements in fixed assets are set out in note 9 to the accounts.

Directors and directors' interests

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

JG Shepherd
G Pointon
NJ Smith (resigned 19 May 1995)
N Jeffrey
M Shaddock

Viscount Catering Limited

Directors' report *(continued)*

Directors and directors' interests *(continued)*

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the company.

At 31 March 1994 and 31 March 1995 Mr JG Shepherd was a director of the ultimate holding company, Meliora Spectare Limited. His beneficial interest in the share capital of that company is shown in the directors' report of that company. None of the other directors had any beneficial share interests in Meliora Spectare Limited at 31 March 1994 or 31 March 1995.

Accordingly to the register of directors interests, none of the directors had any right to subscribe for shares in or debentures of the company, or another body corporate in the same group at any time during the financial year.

Political and charitable contributions

The company made no political donations during the year. Donations to UK charities amounted to £976.

Auditors

On 6 February 1995 our auditors changed the name under which they practise to KPMG and, accordingly, have signed their report in their new name. In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



G Pointon
Company Secretary

Green Lane
Ecclesfield
Sheffield
S30 3ZY

27 September 1995

Viscount Catering Limited

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 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;
- 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 maintaining 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



The Fountain Precinct
1 Balm Green
Sheffield
S1 3AF

Report of the auditors to the members of Viscount Catering Limited

We have audited the financial statements on pages 5 to 17.

Respective responsibilities of directors and auditors

As described on page 3 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.

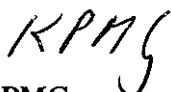
Basis of opinion

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 31 March 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


KPMG
Chartered Accountants
Registered Auditors
2 October 1995

Viscount Catering Limited

Profit and loss account for the year ended 31 March 1995

	Note	1995		1994	
		£000	£000	£000	£000
Turnover					
Continuing operations		8,348		7,498	
Acquisitions		83		-	
		<hr/>		<hr/>	
Turnover	2	8,431		7,498	
Cost of sales		(6,318)		(5,612)	
		<hr/>		<hr/>	
Gross profit		2,113		1,886	
Selling and distribution expenses		(972)		(1,102)	
Administrative expenses		(693)		(556)	
		<hr/>		<hr/>	
Operating profit/(loss)					
Continuing operations		576		228	
Acquisitions	3	(128)		-	
		<hr/>		<hr/>	
Operating profit		448		228	
Other interest receivable and similar income		6		-	
Interest payable	7	-		(9)	
		<hr/>		<hr/>	
Profit on ordinary activities before taxation	2-6	454		219	
Tax on profit on ordinary activities	8	(106)		(41)	
		<hr/>		<hr/>	
Profit on ordinary activities after taxation		348		178	
Dividend paid		(295)		(120)	
		<hr/>		<hr/>	
Retained profit for the financial year		53		58	
Retained profit at beginning of year		257		199	
		<hr/>		<hr/>	
Retained profit at end of year		310		257	
		<hr/>		<hr/>	

In both the current year and preceding year, the company had no discontinued operations. The company made no material acquisitions in the previous year.

The company had no recognised gains or losses other than the profit for the financial year.

Viscount Catering Limited

Balance sheet at 31 March 1995

	Note	1995		1994	
		£000	£000	£000	£000
Fixed assets					
Tangible assets	9		441		526
Current assets					
Stocks	10	1,762		1,527	
Debtors	11	2,212		1,690	
Cash at bank and in hand	12	5		37	
			<u>3,979</u>		<u>3,254</u>
Creditors: amounts falling due within one year	13	<u>(2,610)</u>		<u>(2,023)</u>	
Net current assets			<u>1,369</u>		<u>1,231</u>
Total assets less current liabilities			<u>1,810</u>		<u>1,757</u>
Capital and reserves					
Called up share capital	14		1,500		1,500
Profit and loss account			310		257
Shareholders' funds			<u>1,810</u>		<u>1,757</u>

These financial statements were approved by the board of directors on 27 September 1995 and were signed on its behalf by:


JG Shepherd
Director

Viscount Catering Limited

Reconciliation of movements in shareholders' funds *for the year ended 31 March 1995*

	1995 £000	1994 £000
Profit for the financial year	348	178
Dividends	(295)	(120)
	<hr/>	<hr/>
Net addition to shareholders' funds	53	58
Opening shareholders' funds	1,757	1,699
	<hr/>	<hr/>
Closing shareholders' funds	1,810	1,757
	<hr/>	<hr/>

Viscount Catering Limited

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

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

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers during the period.

Fixed assets and depreciation

Depreciation is provided by the company on a straight line basis to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Plant and machinery	-	10 - 20% per annum
Fixtures, tools and equipment	-	10 - 33 1/3% per annum
Motor vehicles	-	25 - 50% per annum

Stocks

Stocks are valued at the lower of cost and net realisable value of individual items of stock. Work in progress includes the relevant proportion of manufacturing overheads attributable to the stage of completion. Finished stocks include manufacturing overheads but exclude selling, distribution and administrative overheads.

Repairs and renewals

Repairs and renewals which do not enhance the value of existing assets are charged in the period in which the expenditure is incurred.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in independently administered funds. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting period.

Viscount Catering Limited

Notes

(continued)

1 Accounting policies (continued)

Cash flow statement

Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking.

Research and development

Expenditure on research and development is charged against profits in the period in which it is incurred.

Operating leases

Rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

2 Turnover and profit before taxation

All turnover and profit before taxation arises from the one activity.

The geographical analysis of turnover, all of which arises from one activity, is as follows :

	1995 £000	1994 £000
United Kingdom	8,390	7,448
Rest of Europe	37	44
Rest of World	4	6
	<hr/>	<hr/>
	8,431	7,498
	<hr/>	<hr/>

Viscount Catering Limited

Notes

(continued)

3 Analysis of continuing and discontinued operations

The total figures for 1995 include the following amounts relating to acquisitions.

	Acquisitions 1995 £000
Turnover	83
Cost of sales	(141)
	<hr/>
Gross loss	(58)
Selling and distribution costs	(20)
Administration expenses	(50)
	<hr/>
Operating loss	(128)
	<hr/>

There were no discontinued operations in either 1995 or 1994.

4 Profit on ordinary activities before taxation

The profit on ordinary activities before taxation is stated :

	1995 £000	1994 £000
<i>after charging</i>		
Directors' remuneration (including pension contributions of £23,000)	235	157
Compensation for loss of office	-	24
Depreciation of tangible fixed assets	180	173
Auditors' remuneration	13	13
Rents to group Company	-	30
Hire of assets - rentals payable under operating leases	8	62
Loss on disposal of fixed assets	-	4
	<hr/>	<hr/>

Viscount Catering Limited

Notes

(continued)

5 Directors' emoluments

The emoluments of the directors excluding pension contributions were :

	1995 £000	1994 £000
Chairman	73	42
Highest paid director	73	46

Emoluments of the directors for the year, excluding pension contributions, fell within the following ranges :

	Number of directors	
	1995	1994
£Nil - £ 5,000	1	3
£5,001 - £10,000	-	1
£10,001 - £15,000	-	1
£35,001 - £40,000	2	1
£40,001 - £45,000	-	1
£45,001 - £50,000	1	1
£70,001 - £75,000	1	-

6 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year is analysed below :

	Number of employees	
	1995	1994
Management and administration	11	12
Production and service	81	89
Selling and distribution	27	30
	119	131

Viscount Catering Limited

Notes

(continued)

6 Staff numbers and costs (continued)

The employment costs of these persons were as follows :

	1995 £000	1994 £000
Wages and salaries	1,663	1,680
Social security costs	151	156
Other pension costs (see note 18)	93	98
Redundancy and termination costs	61	102
	<u>1,968</u>	<u>2,036</u>

7 Interest payable

	1995 £000	1994 £000
Bank overdraft interest	<u>-</u>	<u>9</u>

8 Taxation

	1995 £000	1994 £000
UK corporation tax at 33 % (1994 : 33 %)	107	40
Deferred tax	(1)	1
	<u>106</u>	<u>41</u>

The tax charge for the year has been reduced by £54,000 (1994 : £19,000) in respect of losses and advance Corporation Tax surrendered by a group company.

Viscount Catering Limited

Notes

(continued)

9 Tangible fixed assets

	Plant and machinery	Fixtures fittings tools and equipment	Motor vehicles	Total
	£000	£000	£000	£000
<i>Cost</i>				
At beginning of year	460	208	162	830
Additions in the year	43	19	59	121
Disposals	-	-	(55)	(55)
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	503	227	166	896
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At beginning of year	175	64	65	304
Charge for year	87	43	50	180
On disposals	-	-	(29)	(29)
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	262	107	86	455
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 March 1995	241	120	80	441
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 1994	285	144	97	526
	<hr/>	<hr/>	<hr/>	<hr/>

10 Stocks

	1995 £000	1994 £000
Raw materials and consumables	979	889
Work in progress	341	216
Finished goods	442	422
	<hr/>	<hr/>
	1,762	1,527
	<hr/>	<hr/>

Viscount Catering Limited

Notes

(continued)

11 Debtors

Amounts falling due within one year :

	1995 £000	1994 £000
Trade debtors	2,093	1,580
Prepayments	70	62
Deferred tax (note 15)	49	48
	<u>2,212</u>	<u>1,690</u>

12 Cash at bank and in hand

	1995 £000	1994 £000
Short term deposit	-	250
Business reserve	2	1
Current account - credit balance arising from unpresented cheques	-	(216)
Cash in hand	3	2
	<u>5</u>	<u>37</u>

Viscount Catering Limited

Notes

(continued)

13 Creditors: amounts falling due within one year

	1995		1994	
	£000	£000	£000	£000
Bank overdraft		133		-
Trade creditors		954		791
Amounts owed to parent and subsidiary undertakings		850		867
Other creditors including taxation and social security :				
Corporation tax - group relief	-		70	
Corporation tax - payable externally	142		41	
Other taxes and social security	223		144	
		<u>365</u>		<u>255</u>
Accruals		308		110
		<u>2,610</u>		<u>2,023</u>

The bank overdraft is secured by a charge over the assets of the company and group undertakings.

14 Called up share capital

	1995	1994
	£000	£000
Ordinary shares of £1 each :		
Authorised	<u>1,500</u>	<u>1,500</u>
Allotted, called up and fully paid	<u>1,500</u>	<u>1,500</u>

Viscount Catering Limited

Notes

(continued)

15 Deferred taxation

The deferred tax asset of £49,000 (1994 : £48,000) arises as follows :

	1995 £000	1994 £000
Difference between accumulated depreciation and amortisation of capital allowances	35	37
Other timing differences	14	11
	<u>49</u>	<u>48</u>

The credit for deferred taxation arises as follows :

	Deferred taxation £000
At beginning of year	(48)
Credit for the year in the profit and loss account	(1)
	<u>(49)</u>
At end of year	

16 Commitments

(i) Capital expenditure contracted for but not provided at 31 March 1995 amounted to £22,000 (1994 : £60,000).

(ii) At 31 March 1995 the company had annual commitments under non-cancellable operating leases as follows :

	1995 £000	1994 £000
Operating leases which expire :		
Within one year	-	4
In the second to fifth years inclusive	36	2
More than 5 years	2	-
	<u>38</u>	<u>6</u>

Viscount Catering Limited

Notes

(continued)

17 Contingent liabilities

The company's net assets have been pledged as security against the bank facilities of its parent and fellow subsidiaries. At the year end the amount outstanding under a medium term loan in the parent company was £1,300,000 (1994:£1,300,000).

18 Pension scheme

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in independently administered funds. The pension charge represents contributions payable to the funds and amounted to £93,000. There were no outstanding contributions at the balance sheet date.

19 Holding company

The company's ultimate holding company is Meliora Spectare Limited, a company registered in England and Wales.

The results of the company are consolidated in the group headed by Meliora Spectare Limited.

The consolidated accounts of Meliora Spectare are available to the public and may be obtained from Companies House, Crown Way, Maindy, Cardiff CF4 3UZ.