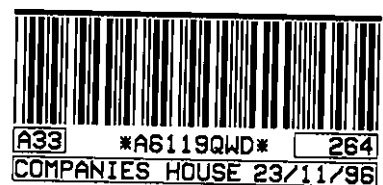


# **Viscount Catering Limited**

## **Directors' report and financial statements**

**31 March 1996**

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 1996.

### Principal activities

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

### Business review

The level of business and the year end financial position were satisfactory and the directors expect that the present level of activity will continue for the foreseeable future.

### Proposed dividend and transfer to reserves

The directors recommend the payment of a total ordinary dividend of £464,000 (*30.9p per share*) for the year (*1995 : £295,000 (19.7p per share)*).

After deducting the total ordinary dividend, the loss for the year retained in the company is £61,000 (*1995 : profit of £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 1995 and 31 March 1996 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 1995 or 31 March 1996.

According to the register of directors' interests, no right to subscribe for shares in or debentures of the company, or another group company was granted to at any of the directors or their immediate families, or exercised by them, during the financial year.


### Political and charitable contributions

The company made no political donations during the year. Donations to UK charities amounted to £550.

### Auditors

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

4 July 1996

# 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 16.

### *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 1996 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 July 1996

# Viscount Catering Limited

## Profit and loss account for the year ended 31 March 1996

	Note	1996		1995	
		£000	£000	£000	£000
<b>Turnover</b>					
Continuing operations		10,006		8,348	
Acquisitions		-		83	
Turnover	2	10,006		8,431	
Cost of sales		(7,666)		(6,318)	
<b>Gross profit</b>		2,340		2,113	
Selling and distribution expenses		(1,118)		(972)	
Administrative expenses		(668)		(693)	
Operating profit/(loss)					
Continuing operations		554		576	
Acquisitions	3	-		(128)	
<b>Operating profit</b>		554		448	
Other interest receivable and similar income		1		6	
Interest payable	7	(2)		-	
<b>Profit on ordinary activities before taxation</b>	2-6	553		454	
Tax on profit on ordinary activities	8	(150)		(106)	
<b>Profit on ordinary activities after taxation</b>		403		348	
Dividend paid		(464)		(295)	
<b>Retained (loss)/profit for the financial year</b>		(61)		53	
Retained profit at beginning of year		310		257	
<b>Retained profit at end of year</b>		249		310	

In both the current and preceding years, the company had no discontinued operations.

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

# Viscount Catering Limited

## Balance sheet at 31 March 1996

	Note	1996		1995	
		£000	£000	£000	£000
<b>Fixed assets</b>					
Tangible assets	9		423		441
<b>Current assets</b>					
Stocks	10	1,486		1,762	
Debtors	11	2,423		2,212	
Cash at bank and in hand		4		5	
		<u>3,913</u>		<u>3,979</u>	
<b>Creditors: amounts falling due within one year</b>	12	<u>(2,587)</u>		<u>(2,610)</u>	
<b>Net current assets</b>			<u>1,326</u>		<u>1,369</u>
<b>Total assets less current liabilities</b>			<u>1,749</u>		<u>1,810</u>
<b>Capital and reserves</b>					
Called up share capital	13	1,500		1,500	
Profit and loss account		249		310	
<b>Shareholders' funds</b>			<u>1,749</u>		<u>1,810</u>

These financial statements were approved by the board of directors on 4 July 1996 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 1996*

	1996 £000	1995 £000
Profit for the financial year	403	348
Dividends	(464)	(295)
	<hr/>	<hr/>
Net (reduction)/addition to shareholders' funds	(61)	53
Opening shareholders' funds	1,810	1,757
	<hr/>	<hr/>
Closing shareholders' funds	1,749	1,810
	<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 the one activity, is as follows :

	1996 £000	1995 £000
United Kingdom	9,863	8,390
Rest of Europe	30	37
Rest of World	113	4
	<hr/>	<hr/>
	10,006	8,431
	<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 1996 £000	Acquisitions 1995 £000
Turnover	-	83
Cost of sales	-	(141)
	<hr/>	<hr/>
Gross loss	-	(58)
Selling and distribution costs	-	(20)
Administration expenses	-	(50)
	<hr/>	<hr/>
Operating loss	-	(128)
	<hr/>	<hr/>

There were no discontinued operations in either 1996 or 1995.

### 4 Profit on ordinary activities before taxation

The profit on ordinary activities before taxation is stated :

	1996 £000	1995 £000
<i>after charging</i>		
Directors' remuneration (including pension contributions of £18,000 (1995 : £25,000).	212	235
Depreciation of tangible fixed assets	191	180
Auditors' remuneration	13	13
Hire of assets - rentals payable under operating leases	28	8
(Profit)/loss on disposal of fixed assets	(34)	-
	<hr/>	<hr/>

# Viscount Catering Limited

## Notes

(continued)

### 5 Directors' emoluments

The emoluments of the chairman (and highest paid director) excluding pension contributions was £82,000 (1995 : £73,000).

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

			Number of directors	
			1996	1995
£Nil	-	£ 5,000	1	1
£5,001	-	£10,000	1	-
£35,001	-	£40,000	1	2
£45,001	-	£50,000	-	1
£50,001	-	£55,000	1	-
£70,001	-	£75,000	-	1
£80,001	-	£85,000	1	-
			<hr/>	<hr/>

### 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	
		1996	1995
Management and administration		10	11
Production and service		100	81
Selling and distribution		31	27
		<hr/>	<hr/>
		141	119
		<hr/>	<hr/>

# Viscount Catering Limited

## Notes

(continued)

### 6 Staff numbers and costs (continued)

The employment costs of these persons were as follows :

	1996 £000	1995 £000
Wages and salaries	1,837	1,663
Social security costs	189	151
Other pension costs (see note 17)	114	93
Redundancy and termination costs	38	61
	<u>2,178</u>	<u>1,968</u>

### 7 Interest payable

	1996 £000	1995 £000
Bank overdraft interest	<u>2</u>	<u>-</u>

### 8 Taxation

	1996 £000	1995 £000
UK corporation tax at 33% (1995 : 33%)	96	107
Adjustment relating to a prior year	5	-
Deferred tax	49	(1)
	<u>150</u>	<u>106</u>

The tax charge for the year has been reduced by £80,000 (1995 : £54,000) 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	503	227	166	896
Additions in the year	45	53	101	199
Disposals	(23)	-	(55)	(78)
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	525	280	212	1,017
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At beginning of year	262	107	86	455
Charge for year	93	44	54	191
On disposals	(6)	-	(46)	(52)
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	349	151	94	594
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 March 1996	176	129	118	423
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 1995	241	120	80	441
	<hr/>	<hr/>	<hr/>	<hr/>

### 10 Stocks

	1996 £000	1995 £000
Raw materials and consumables	852	979
Work in progress	134	341
Finished goods	500	442
	<hr/>	<hr/>
	1,486	1,762
	<hr/>	<hr/>

# Viscount Catering Limited

## Notes

(continued)

### 11 Debtors

Amounts falling due within one year :

	1996 £000	1995 £000
Trade debtors	2,355	2,093
Prepayments	68	70
Deferred tax (note 14)	-	49
	<u>2,423</u>	<u>2,212</u>

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

	1996 £000	1995 £000
Bank overdraft	394	133
Trade creditors	870	954
Amounts owed to parent and subsidiary undertakings	806	850
Other creditors including taxation and social security :		
Corporation tax	101	142
Other taxes and social security	284	223
	<u>385</u>	<u>365</u>
Accruals	132	308
	<u>2,587</u>	<u>2,610</u>

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



# Viscount Catering Limited

## Notes

(continued)

### 13 Called up share capital

	1996 £000	1995 £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>

### 14 Deferred taxation

The movement on deferred taxation is set out below :

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

# Viscount Catering Limited

## Notes

(continued)

### 15 Commitments

(i) Capital expenditure authorised but not contracted for and not provided at 31 March 1996 amounted to £30,000 (1995 : £22,000).

(ii) At 31 March 1996 the company had annual commitments under non-cancellable operating leases as follows :

	1996 £000	1995 £000
Operating leases which expire :		
Within one year	7	-
In the second to fifth years inclusive	29	36
More than 5 years	-	2
	<hr/>	<hr/>
	36	38
	<hr/>	<hr/>

### 16 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 £1,259,000 (1995:£1,300,000).

### 17 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 £114,000 (1995 : £93,000). There were no outstanding contributions at the balance sheet date.

### 18 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 Limited are available to the public and may be obtained from Companies House, Crown Way, Maindy, Cardiff CF4 3UZ.