

Company Number: 33048

**MERITGLEN LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**28 SEPTEMBER 1997**



# **MERITGLEN LIMITED**

## **Report and Financial Statements 1997**

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### Directors:

F H Mackay  
R M Morley

### Secretary and Registered Office:

R M Morley, Cowley House, Guildford Street, Chertsey, Surrey KT16 9BA

### Auditors:

Deloitte & Touche  
Chartered Accountants  
Hill House  
1 Little New Street  
London EC4A 3TR

## MERITGLEN LIMITED

### Directors' Report

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The directors have pleasure in submitting their annual report and the audited financial statements for the 52 week period ended 28 September 1997.

#### 1. Activities

The company's principal activities are those of a parent company with dormant subsidiaries. It is envisaged that the company will act in this role for the foreseeable future.

#### 2. Results and dividends

The results for the period are set out on page 5 of these financial statements.

Dividends were paid during the period:

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
on £1 deferred shares	<u>16,909</u>	<u>16,909</u>
on £1 preference shares	<u>333</u>	<u>353</u>

The directors do not recommend that a dividend be paid on the ordinary shares for the period under review (1996 - £nil).

#### 3. Directors

The directors throughout the period were as follows:

F H Mackay  
R M Morley

**MERITGLEN LIMITED**  
**Directors' Report (continued)**

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4. Directors' interests

Mr F H Mackay is a director of Compass Group PLC, the ultimate parent company, and his interest in the shares of Compass Group PLC is disclosed in the financial statements of that company.

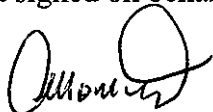
Mr R M Morley has the following interests in the shares of Compass Group PLC.

	R M Morley No. of Shares
<b>Ordinary shares of 5p each</b>	
Under option at 29 September 1996	174,977
Granted in the period	40,000
Exercised in the period	(52,765)
Under option at 28 September 1997	162,212
 Owned at 29 September 1996	 -
 Owned at 28 September 1997	 12,219

5. Auditors

A resolution for the reappointment of Deloitte & Touche as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board



Secretary  
15 June 1998

## **MERITGLEN LIMITED**

### **Statement of Directors' Responsibilities**

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Company law requires the directors to prepare financial statements for each financial period which 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 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;
- prepare the financial statements on a 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.

**MERITGLEN LIMITED**  
**Auditors' Report to the Members**

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We have audited the financial statements on pages 5 to 13 which have been prepared in accordance with the accounting policies set out on page 7.

**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 28 September 1997 and of the result for the 52 week period 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

*19 June 1998*

**MERITGLEN LIMITED****Profit and Loss Account for the 52 week period ended 28 September 1997**

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	Notes	52 week period ended 28 Sep 1997	52 week period ended 29 Sep 1996
		£'000	£'000
Dividends paid and proposed	5	(17)	(17)
		<hr/>	<hr/>
Retained loss for the financial period		(17)	(17)
		<hr/>	<hr/>
<u>Movement in profit and loss account:</u>			
At beginning of period		4,455	4,472
Loss for period		(17)	(17)
		<hr/>	<hr/>
At end of period		4,438	4,455
		<hr/>	<hr/>

The results are derived from continuing activities.

There are no recognised gains or losses for the period or preceding period other than those dealt with in the profit and loss account.

There are no movements in shareholders' funds other than those shown above.

**MERITGLEN LIMITED****Balance Sheet as at 28 September 1997**

	Notes	28 Sep 1997 £'000	29 Sep 1996 £'000
<b>Fixed assets</b>			
Investments	6	11	11
		-----	-----
<b>Current assets</b>			
Debtors	7	7,311	7,405
<b>Creditors</b>			
Amounts falling due within one year	8	(276)	(353)
		-----	-----
<b>Net current assets</b>		7,035	7,052
		-----	-----
<b>Total assets less current liabilities</b>		7,046	7,063
		-----	-----
<b>Provisions for liabilities and charges</b>	9	(839)	(839)
		-----	-----
		6,207	6,224
		=====	=====
<b>Capital and reserves</b>			
Called up share capital	10	1,714	1,714
Other reserves	11	55	55
Profit and loss account		4,438	4,455
		-----	-----
<b>Shareholders' funds</b>		6,207	6,224
		=====	=====
Attributable to equity shareholders		6,201	6,218
Attributable to non-equity shareholders		6	6
		-----	-----
		6,207	6,224
		=====	=====

Agreed by the Board of Directors  
and signed on their behalf



Director  
R M Morley  
15 June 1998

## **MERITGLEN LIMITED**

### **Notes to the Financial Statements for the 52 week period ended 28 September 1997**

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1. Accounting policies:

a) Accounting convention

The financial statements are prepared in accordance with applicable accounting standards and under the historical cost convention. The bases used are consistent with those used in the previous period.

b) Investments

Investments are stated at cost less provision for any permanent diminution in value. Provision for permanent diminution in value below cost is carried in provisions for liabilities and charges.

2. Auditors' remuneration

Audit fees in both financial years were borne by the ultimate parent company.

3. Employees

There were no employees during the period (1996 - nil)

4. Directors' emoluments

The directors received no emoluments during the period (1996- £nil)

**MERITGLEN LIMITED****Notes to the Financial Statements for the 52 week period ended 28 September 1997**

	<b>52 week period ended 28 September 1997 £</b>	<b>52 week period ended 29 September 1996 £</b>
5. Dividends paid and proposed:		
On deferred shares of £1 each	16,909 =====	16,909 =====
On non-equity preference shares of £1 each	333 =====	353 =====
Total	17,262 =====	17,262 =====
Dividends per share:		
Deferred shares of £1 each	1p =====	1p =====
Non-equity preference shares of £1 each	5.6p =====	5.9p =====
6. Fixed asset investments		
	<b>£'000</b>	<b>£'000</b>
Shares in group companies at cost less amounts written off		
At beginning and end of period	11 =====	11 =====

The company holds the whole of the issued capital of the following companies all of which are registered in England and Wales and incorporated in Great Britain.

\*Compass Nominee Company Number Fourteen Limited  
Compass Nominee Company Number Fifteen Limited  
Compass Group Medical Benefits Limited  
Audrey (Investments) Limited

\*Audrey (London) Limited

\* Held through Audrey (Investments) Limited.

**MERITGLEN LIMITED****Notes to the Financial Statements for the 52 week period ended 28 September 1997****6. Fixed assets (continued)**

All companies are non trading. In the opinion of the directors these investments are worth not less than £11,000.

The company is exempt from preparing consolidated financial statements under section 228 of the Companies Act 1985 as it is a wholly owned subsidiary of Compass Group PLC, which is incorporated in Great Britain and registered in England and Wales. These financial statements, therefore, present information about the company as an individual undertaking and not as a group.

	<b>28 Sep 1997</b>	<b>29 Sep 1996</b>
	<b>£'000</b>	<b>£'000</b>
<b>7. Debtors:</b>		
Amounts owed by group companies:		
Parent company and fellow subsidiaries	7,207	7,301
Subsidiaries	104	104
	<u>      </u>	<u>      </u>
	7,311	7,405
	<u>=====</u>	<u>=====</u>
<b>8. Creditors:</b>		
Amounts falling due within one year:		
Bank overdraft	17	94
Amounts owed to group companies:		
Fellow subsidiaries	250	250
Corporation tax payable	9	9
	<u>      </u>	<u>      </u>
	276	353
	<u>=====</u>	<u>=====</u>
<b>9. Provisions for liabilities and charges:</b>		
Provision for permanent diminution in value of subsidiaries	839	839
	<u>=====</u>	<u>=====</u>

**MERITGLEN LIMITED****Notes to the Financial Statements for the 52 week period ended 28 September 1997**

## 10. Called up share capital:

	28 Sep 1997		29 Sep 1996	
	No. 000's	£'000	No. 000's	£'000
<u>Authorised</u>				
Ordinary shares of 1p each	10,310	103	10,310	103
Participating preference shares of £1 each	6	6	6	6
Deferred shares of £1 each	1,691	1,691	1,691	1,691
		1,800		1,800
<u>Allotted, called up and fully paid</u>				
Ordinary shares of 1p each	1,691	17	1,691	17
Participating preference shares of £1 each	6	6	6	6
Deferred shares of £1 each	1,691	1,691	1,691	1,691
		1,714		1,714

The £1 deferred shares confer on the holders the rights to a fixed dividend of one penny per annum.

## **MERITGLEN LIMITED**

### **Notes to the Financial Statements for the 52 week period ended 28 September 1997**

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#### 10. Called up share capital (continued):

Non-equity shareholder - Participating preference shares of £1 each:

The rights, privileges, limitations and restrictions attaching to the Participating preference shares are as follows:-

##### (a) As regards income:

The holders of the Participating preference shares shall have the right to be paid out of the profits available for distribution by way of dividend and resolved to be so distributed, in respect of each accounting revenue period of the company.

- (i) in priority to any dividend payable to the holders of any other class of shares in the company, a variable cumulative preference dividend (the "preference dividend") of  $\frac{2}{3}$  (X plus 2) per cent per annum of the nominal value of such shares where X is equal to 12 month LIBOR which preference dividend shall be payable to the holders thereof on the register at the close of business on the day immediately preceding the dividend payment date being the last business day of the company's accounting reference period and for the purposes of calculating the preference dividend X shall be determined by National Westminster Bank PLC as 12 month LIBOR on the first day of the company's accounting reference period.
- (ii) subject thereto and subject to the aggregate dividends paid in respect of the existing Ordinary shares taken as a class in any year exceeding £28,000,000, a further dividend of one per cent of any remaining profits available for distribution by way of dividend and resolved to be so distributed.

##### (b) As regards capital:

On a winding up or on any other return of capital or return of assets on liquidation, holders of the Participating preference shares shall have the right to have the surplus assets of the company available for distribution amongst its members in accordance with the Articles applied, in priority to any other class of shares, as follows:

## **MERITGLEN LIMITED**

### **Notes to the Financial Statements for the 52 week period ended 28 September 1997**

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#### **10. Called up share capital (continued)**

- (i) in paying to the holders of the Participating preference shares a sum equal to all arrears and accruals of the preference dividend calculated
- (ii) in paying to the holders of the Participating preference shares pro rata any amounts paid up or credited as paid up on such shares.

The Participating preference shares shall carry no further or other right to participate in the assets:

#### **(c) As regards voting:**

The Participating preference shares shall confer no right on the holders thereof to receive notice of or to be present or to vote either in person or by proxy at any general meeting of the company unless:

- (i) the purpose of the meeting is to consider any proposal or resolution to approve the purchase by the company of any of its share capital or otherwise to vary or amend any of the rights or privileges of any other class of shares from time to time in issue, or
- (ii) a resolution is to be proposed abrogating or directly and adversely varying any of the rights or privileges of the holders thereof as a class in which case such holders shall be entitled to vote at any such meeting only in respect of such resolution.

#### **11. Other reserves:**

**£'000**

At beginning and end of period                      55

=====

#### **12. Commitments:**

There were no commitments for capital expenditure at the end of the period.

#### **13. Cash flow statement:**

A group cash flow statement is included in the financial statements of the ultimate parent company.

**MERITGLEN LIMITED****Notes to the Financial Statements for the 52 week period ended 28 September 1997**

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## 14. Ultimate parent company:

The ultimate parent company and controlling entity is Compass Group PLC, a company incorporated in Great Britain and registered in England and Wales.

Copies of the Compass Group PLC financial statements are available from Cowley House, Guildford Street, Chertsey, Surrey KT16 9BA.

## 15. Transactions with related parties

In accordance with the exemption extended in FRS8 "Related Party Disclosures", the company has not disclosed transactions or balances between itself and Compass Group PLC and its subsidiary undertakings on the basis that 90 per cent or more of the voting rights of these companies are controlled 100 per cent within the group.

## 16. Approval of financial statements:

These financial statements were approved by the Board of Directors on *15 June* 1998.