

Company Number: 33048

MERITGLEN LIMITED  
(FORMERLY ROSSER AND RUSSELL LIMITED)

FINANCIAL STATEMENTS

30 SEPTEMBER 1990



MERITGLEN LIMITED

(FORMERLY ROSSER AND RUSSELL LIMITED)

REPORT AND FINANCIAL STATEMENTS 1990

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Directors:

G J Robinson  
F H Mackay  
R M Morley

Secretary and Registered Office:

R M Morley, Queen's Wharf, Queen Caroline Street, London W6 9RJ.

Auditors:

Touche Ross & Co., Hill House, 1 Little New Street, London EC4A 3TR.

DIRECTORS' REPORT

The directors have pleasure in submitting their annual report and the audited financial statements for the fifty two week period ended 30 September 1990.

**Activities:**

During the period under review the company disposed of its active subsidiaries. Its principal activities are now those of a holding company with dormant subsidiaries.

**Results and Dividends:**

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

Dividends were paid during the period:

	£
on £1 Deferred Shares	4,864
on £1 Preference Shares	194

The directors now recommend payment of dividends:

	£
on 1p Ordinary Shares	537,000
on 1p Ordinary Shares	20,000,000

After dividends a surplus of £464,269 has been transferred to reserves.

DIRECTORS' REPORT (continued)**Fixed Assets:**

Information relating to changes in tangible fixed assets is given in note 9 to the financial statements.

**Directors:**

The directors during the period were as follows:

G J Robinson	(Chairman)
C D Bucknall	(Resigned 6 August 1990)
D Harris	(Resigned 1 October 1990)
F H Mackay	
R M Margrave	(Resigned 6 August 1990)
E L Molnar	(Resigned 6 August 1990)
F Choglay	(Resigned 18 March 1991)
P K Gardner	(Resigned 6 August 1990)
C D Hoar	(Appointed 20 December 1989)
	(Resigned 6 August 1990)
R M Morley	(Appointed 21 June 1990)

The directors of Compass Group PLC, G J Robinson, C D Bucknall, D Harris and F H Mackay, all had interests in the shares of Compass Group PLC, which are disclosed in that company's financial statements.

In addition to the above, the following held options to purchase ordinary shares of Compass Group PLC:

	<u>Ordinary Shares of 5p each</u>	
	<u>30 September 1990</u>	<u>30 September 1989</u>
F Choglay	33,000	33,000
R M Morley	38,000	23,000

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(FORMERLY ROSSER AND RUSSELL LIMITED)

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DIRECTORS' REPORT (continued)

**Auditors:**

The auditors, Touche Ross & Co, are willing to continue in office and a resolution concerning their re-appointment and remuneration will be submitted to the Annual General Meeting.

By Order of the Board



Secretary

17 September 1991

Queen's Wharf  
Queen Caroline Street  
London W6 9RJ

MERITGLEN LIMITED

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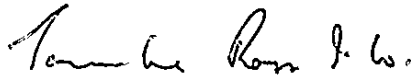
(FORMERLY ROSSER AND RUSSELL LIMITED)

AUDITORS' REPORT TO THE MEMBERS OF MERITGLEN LIMITED

We have audited the financial statements on pages 5 to 15 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30 September 1990 and of its profit for the fifty-two week period then ended and have been properly prepared in accordance with the Companies Act 1985.

The financial statements do not include a statement of source and application of funds as required by Statement of Standard Accounting Practice No. 10 for the reason stated in note 19.



TOUCHE ROSS & CO.

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

17 September 1991

(FORMERLY ROSSER AND RUSSELL LIMITED)

PROFIT AND LOSS ACCOUNT  
FOR THE 52 WEEK PERIOD ENDED 30 SEPTEMBER 1990

	Notes	52 week period ended 30 Sept 1990 £'000	53 week period ended 30 Sept 1989 £'000
Turnover	1(b)	299	725
Operating costs		(19)	(25)
Operating profit	2	280	700
Income from shares in group undertakings	5	716	-
Profit on ordinary activities before taxation		996	700
Tax on profit on ordinary activities	6	(169)	(76)
Profit on ordinary activities after taxation		827	624
Extraordinary items	7	20,180	-
		21,007	624
Dividends paid and proposed	8	(20,542)	-
Transferred to profit and loss account		465	624
<u>Movement in Profit and Loss Account:</u>			
At beginning of period		(437)	(1,061)
Profit for period		465	624
Transfer from revaluation reserve		4,331	-
At end of period		4,359	(437)


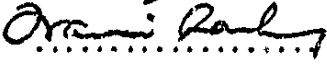
MERITGLEN LIMITED

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(FORMERLY ROSSER AND RUSSELL LIMITED)

BALANCE SHEET AS AT 30 SEPTEMBER 1990

	Notes	1990 £'000	1989 £'000
FIXED ASSETS			
Tangible assets	9	-	6,475
Investments	10	11	261
		<hr/>	<hr/>
		11	6,736
		<hr/>	<hr/>
CURRENT ASSETS			
Debtors	11	27,620	85
Cash at bank		155	-
		<hr/>	<hr/>
		27,775	85
CREDITORS			
Amount falling due within one year	12	(20,819)	(325)
		<hr/>	<hr/>
NET CURRENT ASSETS/(LIABILITIES)		6,956	(240)
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		6,967	6,496
PROVISIONS FOR LIABILITIES AND CHARGES	13	(839)	(839)
		<hr/>	<hr/>
		6,128	5,657
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	15	1,714	1,708
Revaluation reserve	16	-	4,331
Other reserves	16	55	55
Profit and loss account	16	4,359	(437)
		<hr/>	<hr/>
		6,128	5,657
		<hr/>	<hr/>

  
 ..... Director  
  
 ..... Director

17 September 1991



NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies:

a) Accounting Convention

The financial statements are prepared under the historical cost convention as modified by the revaluation of certain land and buildings. They have been drawn up to comply in all material respects with UK Statements of Standard Accounting Practice issued by UK accounting bodies, except that they do not include a statement of source and application of funds for the reason set out in note 19. The bases used are consistent with those used in the previous period.

b) Turnover

Turnover represents inter-group management charges.

c) Depreciation

Depreciation is provided to write off the cost or valuation of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Freehold buildings	- 50 years
Leasehold land and buildings	- life of lease

No depreciation is provided on freehold land.

d) Deferred Taxation

Deferred taxation is provided at the anticipated tax rates on differences arising from the inclusion of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements, to the extent that it is probable that a liability or asset will crystallise in the future.

e) Investments

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

(FORMERLY ROSSER AND RUSSELL LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

## 2. Operating Profit:

52 week period ended 30 Sept 1990 £'000	53 week period ended 30 Sept 1989 £'000
--	--

Operating profit is stated  
after charging:

Depreciation of fixed tangible  
assets

19	25
=====	=====

Audit fees are borne by the ultimate holding company.

## 3. Employees:

There were no employees during the period (1989 - none).

## 4. Directors' Emoluments:

The directors received no emoluments during the period (1989-nil).

## 5. Income from Shares in Group Undertakings:

52 Week period ended 30 Sept 1990 £'000	53 week period ended 30 Sept 1989 £'000
--	--

Dividends received from  
subsidiary company

716	-
=====	=====

NOTES TO THE FINANCIAL STATEMENTS (continued)

	52 week period ended 30 Sept 1990 £'000	53 week period ended 30 Sept 1989 £'000
6. Tax on Profit on Ordinary Activities:		
United Kingdom corporation tax	104	245
Tax attributable to investment income	179	-
Advance corporation tax	(75)	(169)
Adjustment in respect of prior years	(39)	-
	<hr/>	<hr/>
	169	76
	=====	=====

United Kingdom corporation tax was at 35% in 1990 and 1989.

## 7. Extraordinary Items:

Profit on sale of subsidiaries before and after tax	20,180	-
	=====	=====

## 8. Dividends paid and proposed:

Dividends on ordinary shares of 1p each	20,537	-
Dividends on participating preference shares of £1 each	-	-
Dividends on deferred shares of £1 each	5	-
	<hr/>	<hr/>
	20,542	-
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS (continued)

## 9. Tangible Fixed Assets:

	<u>Land and Buildings</u>		
	Freehold £'000	Short leasehold £'000	Total £'000
<u>Cost or valuation</u>			
At beginning of period	6,500	240	6,740
Inter-company disposals	(6,500)	-	(6,500)
	<hr/>	<hr/>	<hr/>
At end of period	-	240	240
	<hr/>	<hr/>	<hr/>
<u>Depreciation</u>			
At beginning of period	25	240	265
Charge for period	19	-	19
Inter-company disposals	(44)	-	(44)
	<hr/>	<hr/>	<hr/>
At end of period	-	240	240
	<hr/>	<hr/>	<hr/>
<u>Net book value</u>			
At 30 September 1990	-	-	-
	=====	=====	=====
At 30 September 1989	6,475	-	6,475
	=====	=====	=====

NOTES TO THE FINANCIAL STATEMENTS (continued)**Tangible Fixed Assets (continued):**

The total at valuation for land and buildings comprises:

	1990 £'000	1989 £'000
At professional valuation:		
23 September 1988 - Freehold	-	6,500
31 March 1983 - Leasehold (at open market value)	240	240
	<hr/> 240	<hr/> 6,740
	=====	=====

Freehold land and buildings were valued on 23 September 1988 at open market value on the basis of existing use at £6,500,000 by Messrs Conrad Ritblat & Co, Chartered Surveyors. The surplus over net book value was transferred to revaluation reserve.

Historical cost figures for all land and buildings are:

	1990 £'000	1989 £'000
Historical cost	240	2,484
Aggregate depreciation based on historical cost	(240)	(419)
	<hr/>	<hr/>
Historical cost net book value	-	2,065
	=====	=====

(FORMERLY ROSSER &amp; RUSSELL LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

## 10. Fixed Asset Investments

	£'000
Shares in group companies at cost less amounts written off	
At beginning of period	261
Acquisitions	21,000
Disposals	(21,250)
	<hr/>
At end of period	11
	<hr/>

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

Compass Nominee Company Number Twelve Limited  
(formerly Rosser and Russell (Northern) Limited)  
Webster Ductwork Limited  
Compass Nominee Company Number Fifteen Limited  
(formerly Rosser and Russell (International) Limited)  
Compass Nominee Company Number Thirteen Limited  
(formerly Rosser and Russell M & E Services Limited)  
Compass Nominee Company Number Sixteen Limited  
(formerly Rosser and Russell (Services) Limited)  
Compass Nominee Company Number Eleven Limited  
(formerly Rosser and Russell (Electrical) Limited)  
Audrey Investments Limited  
\*Compass Nominee Company Number Fourteen Limited  
(formerly Rosser and Russell (Plumbing) Limited)  
\*Audrey (London) Limited

\* Held through Audrey Investments Limited.

All companies are non trading.

Group accounts are not prepared as the company is a wholly owned subsidiary of Compass Group PLC, which is incorporated in Great Britain.

(FORMERLY ROSSER AND RUSSELL LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

	1990 £'000	1989 £'000
<b>11. Debtors:</b>		
Amounts owed by group companies:		
Holding company and fellow subsidiaries	24,516	-
Subsidiaries	104	85
Other debtors	3,000	-
	<hr/>	<hr/>
	27,620	85
	=====	=====
<b>12. Creditors:</b>		
Amounts falling due within one year:		
Amounts owed to group companies:		
Fellow subsidiaries	250	250
Corporation tax payable	32	75
Proposed dividends	20,537	-
	<hr/>	<hr/>
	20,819	325
	=====	=====
<b>13. Provisions for Liabilities and Charges:</b>		
Provision for losses in subsidiaries	839	839
	=====	=====

(FORMERLY ROSSER AND RUSSELL LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS (continued):**

**14. Deferred Taxation:**

The total potential liability to deferred taxation and the amounts provided in the financial statements are as follows:

	<u>1990</u>		<u>1989</u>	
	Amount Provided £000	Total Potential £000	Amount Provided £000	Total Potential £000
Accelerated capital allowances on buildings	-	-	-	274
	=====	=====	=====	=====

**15. Called up Share Capital:**

	<u>1990</u>		<u>1989</u>	
	No. 000's	£'000	No. 000's	£'000
<u>Authorised</u>				
Ordinary Shares of 1p each	10,310	103	10,910	109
Participating Preference Shares of £1 each	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	-	-
Deferred Shares of £1 each	1,691	1,691	1,691	1,691
	=====	=====	=====	=====
		1,714		1,708
		=====		=====



(FORMERLY ROSSER AND RUSSELL LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS (continued)****16. Reserves:**

	Profit and loss account £000	Revaluation reserve £000	Other reserves £000
At beginning of period	(437)	4,331	55
Profit for the 52 week period	465	-	-
Transferred between reserves on disposal of the freehold property	4,331	(4,331)	-
At end of period	4,359	-	55
	=====	=====	=====

Movements on profit and loss account are shown on page 5.

**17. Contingent Liabilities:**

There were no contingent liabilities at the end of the period.

**18. Commitments:**

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

**19. Statement of Source and Application of Funds:**

A statement of source and application of funds has not been produced. The directors consider that such a statement would not be helpful as the company is a wholly owned subsidiary of Compass Group PLC and its funds are therefore managed as part of Compass Group PLC. A group statement of source and application of funds is included in the financial statements of the ultimate holding company.

**20. Ultimate Holding Company:**

The ultimate holding company is Compass Group PLC, a company incorporated in Great Britain.

**21. Approval of Financial Statements:**

These financial statements were approved by the Board of Directors on 17 September 1991.