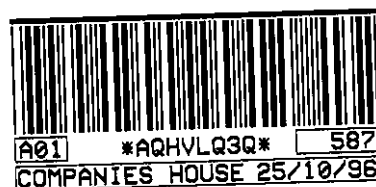


Registered no: 2903586

New World Holdings Limited  
Annual report  
for the 17 months ended 31 December 1995



# **New World Holdings Limited**

## **Annual report for the 17 months ended 31 December 1995**

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## **Directors and advisers**

### **Directors**

**G Gnagnatti**

**E Del Neri**

**C Nicolai**

**F Santini**

### **Registered Auditors**

**Coopers & Lybrand**

Abacus Court

6 Minshull Street

Manchester

M1 3ED

### **Secretary and registered office**

**S Amin**

Grappenhall Works

Thelwall Lane

Warrington

Cheshire

### **Solicitors**

**Cobbett Leak Almond**

Ship Canal House

King Street

Manchester

M2 4WB

### **Bankers**

**National Westminster Bank PLC**

55 King Street

Manchester

M60 2DB

## **Directors' report for the 17 months ended 31 December 1995**

The directors present their report and the audited financial statements for the period ended 31 December 1995.

### **Principal activities**

The company's principal activity is that of a holding company.

### **Review of business**

On 2 August 1994, Cobco 127 Limited changed its name to New World Holdings Limited. On this date, Blue Circle Home Products PLC sold its interest in Blue Circle Domestic Appliances Limited to New World Holdings Limited.

On 4 January 1995 the entire share capital of the company was acquired by Merloni Domestic Appliances Limited, a company registered in England and Wales. This company is owned by Merloni Elettrodomestici S.p.A, a company registered in Italy.

### **Directors**

The directors of the company at 31 December 1995 are listed on page 1.

I R H Slaughter, M Hassall, J E Samson and J W Roberts resigned as directors on 4 January 1995.

J E Samson was appointed as a non-executive director of the company on 4 January 1995 and resigned on 31 October 1995.

J Dignes was appointed as a director of the company on 2 August 1994 and resigned on 4 January 1995.

C Stirton was appointed as a director of the company on 19 August 1994 and resigned on 4 January 1995.

G Gnagnatti, E Del Neri, C Nicolai and F Santini were appointed directors on 4 January 1995.

M Cola was appointed as a director of the company on 29 January 1996.

G Gnagnatti resigned as a director of the company on 26 January 1996.

### **Dividends and transfers to reserves**

The directors do not recommend the payment of a dividend. The loss for the financial period of £353,998 will be transferred to reserves.

## Directors' interests in shares of the company

No director had any interests in the shares of the company at 31 December 1995. The directors' interests in the ordinary shares of the company at 1 August 1994 and 31 December 1995 are as below:

	31 December 1995	1 August 1994
M Hassall	-	50,025
I R H Slaughter	-	50,025
J E Samson	-	28,014
J W Roberts	-	36,018

The directors sold their shares on 4 January 1995 for consideration of loan notes in Merloni Domestic Appliances Limited. The liability for these loan notes is dealt with in the financial statements of Merloni Domestic Appliances Limited.

## Directors' responsibilities

The directors are required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the period ended 31 December 1995. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for taking reasonable steps to safeguard the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Auditors

A resolution to reappoint the auditors, Coopers & Lybrand, will be proposed at the annual general meeting.

By order of the board



S Amin

Company secretary

15.10.96

# Report of the auditors to the members of New World Holdings Limited

We have audited the financial statements on pages 5 to 10.

## 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.

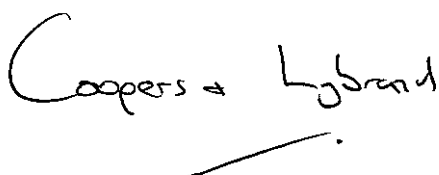
## Basis of opinion

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 at 31 December 1995 and of the loss of the company for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



**Coopers & Lybrand**

Chartered Accountants and Registered Auditors  
Manchester

15 October 1996

**Profit and loss account  
for the 17 months ended 31 December 1995**

	17 months 31 December 1995 £	7 months ended 31 July 1994 £
Turnover	-	-
Cost of sales	-	-
Gross profit	-	-
Finance costs arising from the management buy-in	(353,998)	-
Loss on ordinary activities before taxation	(353,998)	-
Tax on loss on ordinary activities	-	-
Retained loss for the financial period	(353,998)	-

The company has no recognised gains and losses other than the losses shown above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the loss on ordinary activities before taxation and the retained loss for the period stated above, and their historical cost equivalents.

**Balance sheet  
at 31 December 1995**

	Notes	31 December 1995 £	31 July 1994 £
<b>Fixed assets</b>			
Investments	2	192,130	-
<b>Current assets</b>			
Debtors	3	3,194,704	-
Cash		-	139,070
<b>Net assets</b>		<u>3,386,834</u>	<u>139,070</u>
<b>Capital and reserves</b>			
Called up share capital	4	2,758,294	16,408
Share premium	6	982,538	122,662
Profit and loss account	5, 6	(353,998)	-
<b>Shareholders' funds</b>		<u>3,386,834</u>	<u>139,070</u>
Equity interests		-	139,070
Non-equity interests		<u>3,386,834</u>	<u>-</u>
		<u>3,386,834</u>	<u>139,070</u>

The financial statements on pages 5 to 10 were approved by the board of directors on 15 October 1996 and were signed on its behalf by:

  
M Cola  
Director



**Notes to the financial statements  
for the 17 months ended 31 December 1995****1 Principal accounting policies**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important policies, which have been applied consistently, is set out below.

**Basis of accounting**

The financial statements are prepared in accordance with the historical cost convention.

**Investments**

Investments are stated at the lower of cost and net realisable value.

**Exemption from preparing consolidated financial statements**

The financial statements contain information about New World Holdings Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 228 of the Companies Act 1985 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent, Merloni Elettrodomestici S.p.A, a company registered in Italy

**2 Fixed asset investments**

	Investments in subsidiary undertakings £
<b>Cost</b>	
At 1 August 1994	-
Additions	192,130
	<hr/>
At 31 December 1995	<b>192,130</b>
	<hr/> <hr/>

Details of the investments in subsidiaries is presented below:

Name of undertaking	Country of incorporation or registration	Shares held	Proportion of shares held %	Description of activities
New World (Group) Limited	England and Wales	Ordinary	100	Manufacturer of domestic appliances
New World Domestic Appliances Limited	England and Wales	Ordinary	100	Dormant
Cobco (137) Limited	England and Wales	Ordinary	100	Dormant

All the above companies operate principally in their country of incorporation or registration.

The company and its subsidiaries are included in the consolidation of Merloni Elettrodomestici S.p.A, a company registered in Italy.

## 3 Debtors

	31 December 1995 £	31 July 1994 £
Amounts due from subsidiary undertakings	<u>3,194,704</u>	<u>-</u>

## 4 Called up share capital

	1995 £	1994 £
<b>Authorised</b>		
213,720 ordinary shares of 10p each	21,372	21,372
3,587,000 cumulative redeemable preference shares of 75p each	2,690,250	-
467,000 cumulative participating preferred ordinary shares of 10p each	46,700	-
	<u>2,758,322</u>	<u>21,372</u>
<b>Allotted, called up and fully paid</b>		
213,442 ordinary shares of 10p each (1994: 164,082)	21,344	16,408
3,587,000 cumulative redeemable preference shares of 75p each	2,690,250	-
467,000 cumulative participating preferred ordinary shares of 10p each	46,700	-
	<u>2,758,294</u>	<u>16,408</u>

On 2 August 1994, the company issued 3,587,000 redeemable preference shares of 75 pence each at a premium of 25 pence.

On 2 August 1994, the company issued 467,000 cumulative participating preferred ordinary shares of 10 pence each for a consideration of £407,999.

On 19 December 1994, the company issued 36,018 ordinary 10 pence shares for consideration a of £1 each.

On 2 February 1995, the company issued 13,342 ordinary 10 pence shares for a consideration of £39,618.

The above shares were issued in order to improve the gearing of the company.

The cumulative redeemable preference shares are due to be redeemed in five equal instalments from 31 July 1999 to 31 July 2003. The cumulative participating preference shares are due to be redeemed by 31 July 1997 at the earliest and 31 July 1999 at the latest.

The beneficial owners of all the preference shares is the company's immediate parent company, Merloni Domestic Appliances Limited.

## 5 Reconciliation of movement in shareholders' funds

	31 December 1995 £	31 July 1994 £
Loss for the period	(353,998)	-
Add: Proceeds of issue of shares	4,070,635	139,070
Less: Costs of issue of shares	(468,873)	-
Net proceeds of issue	3,601,762	139,070
Increase in shareholders' funds in the period	3,247,764	139,070
Opening shareholders' funds	139,070	-
Closing shareholders' funds	3,386,834	139,070

## 6 Share premium account and reserves

	Share premium £	Profit and loss account £
At 1 August 1994	122,662	-
Share premium arising on issues in the period	1,328,749	-
Expenses of share issue	(468,873)	-
Retained loss for the financial period	-	(353,998)
At 31 December 1995	982,538	(353,998)

**7 Ultimate parent company**

The directors regard Merloni Elettrodomestici S.p.A, a company registered in Italy, as the ultimate parent company.