

RALPH PETERS & SONS LIMITED
DIRECTOR'S REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1997



Company No. 2268310

RALPH PETERS & SONS LIMITED

COMPANY INFORMATION

Director	R.P. Peters
Secretary	P.A. Gallier
Company Number	2268310
Registered Office	The Kennels Lyon Way Greenford Middlesex UB6 0BN

RALPH PETERS & SONS LIMITED

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RALPH PETERS & SONS LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 1997

The director presents his report together with the audited accounts for the year ended 31 December 1997.

Principal Activities

The company is non trading and is the parent company for Slush Puppie Limited whose principal activity is that of processing and distribution of Slush Puppie Ice Crystal Drink and associated equipment.

Director

The director who served during the year and his beneficial interest in the company's issued share capital was:

	Ordinary 'A' shares of £1 each	
	31	1
	December	January
	1997	1997
R.P. Peters	28,750	28,750

Director's Responsibilities

Company law requires the director to prepare accounts for each financial year which give a true and fair view of the state of the company's affairs and of the profit or loss for that year. In preparing these accounts the director is 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, subject to any material departures disclosed and explained in the accounts;

Prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the company and enable him to ensure that the accounts comply with the Companies Act 1985. He is 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.

RALPH PETERS & SONS LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 1997

Auditors

Pursuant to a written resolution of the members, the company has dispensed with the holding of Annual General Meetings, the requirement to lay accounts at such meetings, and the obligation to appoint auditors annually. Blackstone Franks & Co., Chartered Accountants, who were appointed during the year will therefore continue as auditors.

The report of the Director has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985.

Approved by the board and signed on its behalf by :



Director: R.P. Peters

Date: 22/9/98

**AUDITORS' REPORT TO THE
SHAREHOLDERS OF RALPH PETERS & SONS LIMITED**

We have audited the accounts on pages 4 to 6 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective Responsibilities of Director and Auditors

As described on page 1 the company's director is responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and 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 accounts. It also includes an assessment of the significant estimates and judgements made by the director in the preparation of the accounts, 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 information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts 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 the information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 December 1997 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Blackstone Franks & Co

Blackstone Franks & Co.
Chartered Accountants and Registered Auditors
Barbican House
26 - 34 Old Street
London
EC1V 9HL

Date: *23 September 1998*

Ref: DSF/R335

RALPH PETERS & SONS LIMITED

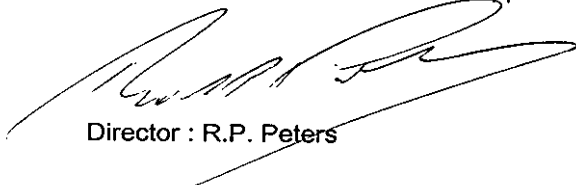
BALANCE SHEET

AS AT 31 DECEMBER 1997

	Notes	1997	1996
		£	£
Fixed Assets			
Investments	2	466,561	466,561
Total Assets Less Current Liabilities		<u>466,561</u>	<u>466,561</u>
Creditors: Amounts Falling Due After More Than One Year	3	(414,940)	(414,940)
		<u>51,621</u>	<u>51,621</u>
Capital and Reserves			
Share capital	5	50,000	50,000
Profit and loss account		1,621	1,621
Shareholders' Funds		<u>51,621</u>	<u>51,621</u>

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

These financial statements were approved by the board and signed on its behalf by:



Director : R.P. Peters

Date: 22/1/98

RALPH PETERS & SONS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 1997

1 Accounting Policies

Basis of Accounting

The Accounts have been prepared under the historical cost convention.

The company has taken advantage of the exemptions in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

The company is exempt from the requirement to prepare group accounts by virtue of section 248 of the Companies Act 1985. These accounts therefore present information about the company as an individual undertaking and not about its group.

Investments

Investments are included at cost less amounts written off. Profits or losses arising from disposals of fixed asset investments are treated as part of the result from ordinary activities.

2 Fixed Assets Investments

	Shares in Group Undertakings
Cost	£
At 1st January 1997	466,561
At 31st December 1997	466,561
Net Book Value	
At 31st December 1997	466,561
At 31st December 1996	466,561

The company owns 100 % of the issued share capital of Slush Puppie Limited, a company registered in England and Wales.

The company's principal activity is that of the processing and distribution of the Slush Puppie Ice Crystal drink and associated equipment.

The aggregate capital and reserves of Slush Puppie Limited as at 31 December 1997 amounted to £1,576,874 and the profit for the year after taxation was £192,777.

3 Creditors: Amounts Falling Due After One Year

	1997 £	1996 £
Amounts owed to group undertakings	414,940	414,940
	414,940	414,940

The amount owed to group companies is a loan due to the wholly owned subsidiary Slush Puppie Limited. The loan is interest free and does not have a fixed repayment date.

RALPH PETERS & SONS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 1997

4 Contingent Liabilities

The company and its subsidiary company Slush Puppie Limited have entered into cross guarantees relating to certain bank borrowings. At 31 December 1997 there were no such borrowings.

5 Share Capital

	1997	1996
	£	£
Authorised		
Equity Shares		
28,750 'A' Ordinary shares of £1 each	28,750	28,750
20,000 'B' Ordinary shares of £1 each	20,000	20,000
1,250 'C' Ordinary shares of £1 each	1,250	1,250
	50,000	50,000
Allotted, called up and fully paid		
Equity Shares		
28,750 'A' Ordinary shares of £1 each	28,750	28,750
20,000 'B' Ordinary shares of £1 each	20,000	20,000
1,250 'C' Ordinary shares of £1 each	1,250	1,250
	50,000	50,000

All members shall have 100 votes for each share held by them except as follows:

Holders of 'B' shares who shall not for the time being be an employee of the company or of its subsidiary company shall have one vote for each share.

Holders of 'C' shares, if they cease to be an employee of the company or its subsidiary company, shall be obliged within one month after ceasing to be employed to issue a Transfer Notice in respect of such shares.