

Ralph Peters & Sons Limited
Directors' report and financial statements
for the year ended
31 December 2004



Ralph Peters & Sons Limited

Company information

Directors	R.P. Peters M.J. Peters
Secretary	G.R. Ruffell
Company number	2268310
Registered office	The Kennels Lyon Way Greenford Middlesex UB6 0BN
Auditors	Blevins Franks Limited Chartered Accountants & Registered Auditors Barbican House 26-34 Old Street London EC1V 9QQ

Ralph Peters & Sons Limited

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Ralph Peters & Sons Limited

Directors' report For the year ended 31 December 2004

The directors present their report and the financial statements for the year ended 31 December 2004.

Principal activities and review of business

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

Directors

The directors who served during the year and their beneficial interests in the company's issued share capital were:

	Ordinary shares of £1 each		Special shares of £1 each	
	<u>31/12/04</u>	<u>1/1/04</u>	<u>31/12/04</u>	<u>1/1/04</u>
R.P. Peters	30,000	30,000	1	1
M.J. Peters	10,000	5,000	-	-

Additional information re directors

M.J. Peters has options (under a Share Option Agreement) to acquire 40,000 ordinary shares of £1 each in the company at the price of £1 per share, which can be exercised upon or at any time after the occurrence of certain events.

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 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;
- 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 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.

Auditors

The auditors, Blevins Franks Limited, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

This report was approved by the board on 19 October 2005 and signed on its behalf.



G.R. Ruffell
Secretary

Ralph Peters & Sons Limited

Independent auditors' report to the shareholders of Ralph Peters & Sons Limited

We have audited the financial statements of Ralph Peters & Sons Limited for the year ended 31 December 2004 set out on pages 3 to 7. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 5.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 December 2004 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Blevins Franks Limited

Blevins Franks Limited

Chartered Accountants

Registered Auditors

Barbican House

26-34 Old Street

London

EC1V 9QQ

Date: 19 October 2005

Ref: BAR335

Ralph Peters & Sons Limited

**Profit and loss account
For the year ended 31 December 2004**

The company has not traded during the year or the preceding financial year. During these periods, the company received no income and incurred no expenditure and therefore made neither profit or loss.

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**Balance sheet
As at 31 December 2004**

	Note	2004 £	2003 £
Fixed assets			
Investments	2	466,561	466,561
Current assets			
Cash in hand		1	1
Total assets less current liabilities		466,562	466,562
Creditors: amounts falling due after more than one year	3	(414,940)	(414,940)
Net assets		£ 51,622	£ 51,622
Capital and reserves			
Called up share capital	4	50,001	50,001
Profit and loss account		1,621	1,621
Shareholders' funds	5	£ 51,622	£ 51,622

Shareholders' funds include non-equity interests.

The financial statements were approved by the board on 19 October 2005 and signed on its behalf.



R.P. Peters
Director

M.J. Peters
Director

The notes on pages 5 to 7 form part of these financial statements.

Ralph Peters & Sons Limited

Notes to the financial statements For the year ended 31 December 2004

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

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

1.2 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

2. Fixed asset investments

	Shares in group under- takings £	Total £
Cost		
At 1 January 2004 and 31 December 2004	<u>£ 466,561</u>	<u>£ 466,561</u>

Subsidiary undertaking

The following was a subsidiary undertaking of the company:

Slush Puppie Limited 100%

The aggregate of the share capital and reserves as at 31 December 2004 and of the profit or loss for the year ended on that date for the subsidiary undertaking was as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
Slush Puppie Limited	<u>1,859,893</u>	<u>(122,929)</u>

3. Creditors: Amounts falling due after more than one year

	2004 £	2003 £
Amounts owed to group undertakings	<u>£ 414,940</u>	<u>£ 414,940</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	2004 £	2003 £
Repayable other than by instalments	<u>£ 414,940</u>	<u>£ 414,940</u>

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Notes to the financial statements For the year ended 31 December 2004

4. Share capital

	2004 £	2003 £
Authorised		
100,000 Ordinary shares of £1 each	100,000	100,000
1 Special shares of £1 each	1	1
	<u>£ 100,001</u>	<u>£ 100,001</u>
Allotted, called up and fully paid		
50,000 Ordinary shares of £1 each	50,000	50,000
1 Special shares of £1 each	1	1
	<u>£ 50,001</u>	<u>£ 50,001</u>

The two existing directors or other entitled person designated by the existing directors can hold the special share. The special rights attached to the share cease if the share is transferred to a non-entitled person and the share is re-designated as ordinary shares.

The special shares shall have such number of additional votes so that resolutions are determined in accordance with the wishes of the holder of the special shares. The holder of the special share may appoint a person or persons as additional directors.

The special share has no right to participate in the profits of the company. On winding up, the special share is entitled to the return of capital paid up including premium if any.

The ordinary shareholders are entitled to all dividends and distributions out of profits. On winding up, the ordinary shareholders are entitled to the balance of capital after the return of capital to the shareholder.

5. Reconciliation of movement in shareholders' funds

	2004 £	2003 £
Profit for the year	-	-
	<u>-</u>	<u>-</u>
Opening shareholders' funds	51,622	51,622
Closing shareholders' funds	<u>£ 51,622</u>	<u>£ 51,622</u>
Analysis of shareholders' funds		
Non-equity interests	1	1
Equity interests	51,621	51,621
	<u>£ 51,622</u>	<u>£ 51,622</u>

6. Contingent liabilities

The company and its subsidiary, Slush Puppie Limited, have entered into cross guarantees relating to certain bank borrowings. No borrowings were outstanding at 31 December 2004 (2003: £Nil).

Ralph Peters & Sons Limited

**Notes to the financial statements
For the year ended 31 December 2004**

7. Controlling party

The company's wholly owned subsidiary, Slush Puppie Limited, is incorporated in the United Kingdom and registered in England and Wales. Copies of its accounts are available on request from the Company Secretary, The Kennels, Greenford, Middlesex, UB6 0BN.

In the directors' opinion, the company is controlled by R.P. Peters who is the majority shareholder and director.