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SUTCLIFFE CATERING COMPANY  
(MIDLANDS) LIMITED

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DIRECTORS' REPORT AND ACCOUNTS  
24th MARCH 1980

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PEAT, MARWICK, MITCHELL & CO.,  
21 The Crescent,  
King Street,  
Leicester,  
LE1 6RX.

SUTCLIFFE CATERING COMPANY (MIDLANDS) LIMITED

REPORT OF THE DIRECTORS

The directors submit the audited accounts of the company for the year ended 24th March 1980.

Principal activity and results:

The company's principal activity is staff catering.

The company's results for the year are shown in the annexed accounts together with the notes thereto. The directors recommend a dividend amounting to £118,000 (1979 - £132,000).

The company did not make any direct exports during the year (1979 - None).

Directors and directors' interests:

The following were directors of the company during the year:

J. D. Stirling Gallacher	(Chairman)
	(Appointed 3rd September 1979)
G. R. F. Wishart	(Managing director)
A. J. Brown	
S. N. H. Carter	
J. E. Diaper	
C. Hind	
J. K. R. Graveney	(Resigned 3rd September 1979)

No director had any beneficial interest in the shares of the company during the year. The interests in the share capital and loan stocks of the ultimate holding company, Town & City Properties Limited, of those directors who are not also directors of an intermediate or ultimate holding company, are as follows:

	Options for ordinary shares of 10p each	
	1980	1979
S. N. H. Carter	30,000	30,000
J. E. Diaper	30,000	30,000
C. Hind	20,000	-

No director had any material interest in any significant contract with the company during the year, other than service contracts.

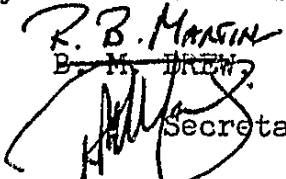
Freehold property:

In the opinion of the directors, the value of the property held by the company is materially in excess of its book value.

Auditors:

A resolution for the re-appointment of Peat, Marwick, Mitchell & Co., as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board,


  
 R. B. MARTIN  
 Secretary.

40 The Mall,  
Ealing,  
London, W5 3TJ.  
19th May 1980.

REPORT OF THE AUDITORS TO THE MEMBERS OF  
SUTCLIFFE CATERING COMPANY (MIDLANDS) LIMITED

We have examined the accounts set out on pages 3 to 8 which have been prepared under the historical cost convention. In our opinion the accounts give, under that convention, a true and fair view of the state of the company's affairs at 24th March 1980 and of the profit and source and application of funds for the year to that date and comply with the Companies Acts 1948 and 1967.

LEICESTER.

  
PEAT, MARWICK, MITCHELL & CO.,

19th May 1980.

Chartered accountants.

SUTCLIFFE CATERING COMPANY (MIDLANDS) LIMITED

PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 24th MARCH 1980

	<u>Note</u>	<u>1980</u>	<u>1979</u>
TURNOVER	2	<u>£8,431,614</u>	<u>£7,654,782</u>
PROFIT BEFORE TAXATION AND EXTRAORDINARY ITEM	3	245,851	217,923
Taxation	4	<u>—</u>	<u>—</u>
PROFIT AFTER TAXATION BEFORE EXTRAORDINARY ITEM		245,851	217,923
Extraordinary item:			
Surplus on disposal of property		28,074	—
		<u>273,925</u>	<u>217,923</u>
Proposed dividend		<u>118,000</u>	<u>132,000</u>
		155,925	85,923
Balance brought forward		411,655	325,732
		<u>—</u>	<u>—</u>
BALANCE CARRIED FORWARD		<u>£567,580</u>	<u>£411,655</u>

The notes referred to above  
form part of these accounts.

SUTCLIFFE CATERING COMPANY (MIDLANDS) LIMITED

BALANCE SHEET AT 24th MARCH 1980

	<u>Note</u>	<u>1980</u>	<u>1979</u>
ASSETS EMPLOYED			
Fixed assets	5	£ 260,174	£ 190,473
Amounts due to other group companies	7 £	(1,493)	£(11,265)
Amounts due from other group companies		<u>165,252</u>	<u>386,939</u>
		163,759	375,674
Current assets:			
Stock	1	253,945	214,356
Debtors		1,112,626	834,936
Bank balances and cash		<u>58,946</u>	<u>74,362</u>
		<u>1,425,517</u>	<u>1,123,654</u>
		<u>£1,849,450</u>	<u>£1,689,801</u>
FINANCED BY			
Share capital	6	500	500
Reserves		25,957	25,957
Profit and loss account		<u>567,580</u>	<u>411,655</u>
		<u>594,037</u>	<u>438,112</u>
Current liabilities:			
Creditors		1,255,413	1,251,689

A. J. BROWN

Directors

G. R. F. WISHART

£1,849,450

£1,689,801

The notes referred to above form part of these accounts.

SUTCLIFFE CATERING COMPANY (MIDLANDS) LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS  
FOR THE YEAR ENDED 24th MARCH 1980

	<u>1980</u>	<u>1979</u>
SOURCES OF FUNDS		
Profit before taxation	£245,851	£217,923
Extraordinary profit	28,074	-
Adjustment for items not involving the movement of funds:		
Depreciation	£ 76,869	£ 76,780
Profit on sale of fixed assets	<u>41,383</u>	<u>13,183</u>
	35,486	63,597
Total funds generated from operations	309,411	281,520
Disposal proceeds of fixed assets	71,424	30,384
	<u>380,835</u>	<u>311,904</u>
APPLICATION OF FUNDS		
Dividends paid	132,000	116,000
Purchase of fixed assets	<u>176,611</u>	<u>116,074</u>
	<u>£72,224</u>	<u>£79,830</u>
INCREASE/(DECREASE) IN WORKING CAPITAL		
Stocks	39,589	9,396
Debtors	277,690	169,211
Creditors	(3,724)	(264,048)
Group balances	(225,915)	141,921
Increase/(decrease) in net liquid funds	<u>(15,416)</u>	<u>23,350</u>
	<u>£72,224</u>	<u>£79,830</u>

SUTCLIFFE CATERING COMPANY (MIDLANDS) LIMITED

24th MARCH 1980

NOTES ON THE ACCOUNTS

1. ACCOUNTING POLICIES

The principal accounting policies of the company that have been adopted in the preparation of the accounts are shown below.

Properties:

No valuation of properties has been undertaken at the balance sheet date. Properties are therefore stated at cost.

Depreciation and amortisation:

No provision for depreciation or amortisation is made in respect of freehold property, as it is held for investment.

Other fixed assets are depreciated on a straight line basis over the expected life of the asset concerned. Motor cars over three years, equipment and furniture between three and five years.

Deferred taxation:

Provision is only made for deferred taxation if a liability is expected to arise in the foreseeable future.

Stock:

Stock is valued at the lower of cost and net realisable value on bases which have been applied consistently with previous years.

2. TURNOVER

This represents the cost of goods and services chargeable to clients for the operation of catering establishments and amounts chargeable for the sale and rental of catering and vending equipment.

3. PROFIT BEFORE TAXATION

This is arrived at after charging/(crediting) the following:

	<u>1980</u>	<u>1979</u>
Depreciation	£76,869	£76,780
Hire of plant and machinery	42,397	16,459
Auditors' remuneration	4,400	3,900
Directors' emoluments (see note)	57,605	48,683
Group Management charge	94,900	78,000
Hire purchase interest	-	6,986
Interest received	(51,892)	(38,577)
Profit on sale of fixed assets	(13,309)	(13,183)
	<u>          </u>	<u>          </u>

SUTCLIFFE CATERING COMPANY (MIDLANDS) LIMITED

24th MARCH 1980

NOTES ON THE ACCOUNTS  
(continued)

3. PROFIT BEFORE TAXATION (continued)

Note:	<u>1980</u>	<u>1979</u>
Directors' emoluments:		
(i) The aggregate emoluments of the directors of the company are:		
Salaries	£48,510	£42,285
Pension scheme contributions	<u>9,095</u>	<u>6,398</u>
	<u>£57,605</u>	<u>£48,683</u>
(ii) The emoluments of the Chairman were	<u>NIL</u>	<u>NIL</u>
(iii) The emoluments of the highest paid director were	<u>£20,346</u>	<u>£18,868</u>
(iv) The number of other directors whose remuneration excluding pension contributions fall within the ranges indicated was:		
£0 - £5,000	1	1
£5,001 - £10,000	2	3
£10,001 - £15,000	1	-
	<u>4</u>	<u>4</u>

4. TAXATION

As a result of the incidence of losses in the Town & City Properties Limited group, no corporation tax liability arises in respect of the year ended 24th March 1980. The amount of losses which are available for surrender to this company are estimated at £149,000 (1979 - £173,000).

Under arrangements for group relief no payments are made between group companies for losses surrendered.

No provision has been made for any deferred tax liability resulting from timing differences which at 24th March 1980 at corporation tax rates of 52% are estimated to amount to:

	<u>1980</u>	<u>1979</u>
Capital allowances	£107,488	£64,355
Stock appreciation relief	<u>20,025</u>	<u>12,227</u>
	<u>£127,513</u>	<u>£76,582</u>



24th MARCH 1980

NOTES ON THE ACCOUNTS  
(continued)

5. FIXED ASSETS	Freehold property	Motor vehicles equipment and furniture	Total
Cost:			
At 25th March 1979	£29,400	254,668	284,068
Additions	-	176,611	176,611
Disposals	(12,200)	(88,135)	(100,335)
At 24th March 1980	£17,200	343,144	360,344
Depreciation:			
At 25th March 1979	£ -	93,595	93,595
Charge for year	-	76,869	76,869
Disposals	-	(70,294)	(70,294)
At 24th March 1980	£ -	100,170	100,170
Net book amounts:			
At 24th March 1980	£17,200	242,974	260,174
At 24th March 1979	£29,400	161,073	190,473

## 6. SHARE CAPITAL

	<u>Authorised</u>	<u>Issued and fully paid</u>
At 24th March 1980 and 1979: Ordinary Shares of £1 each	£5,000	£500

## 7. INTERGROUP BALANCES

The amount due to other group companies includes the proposed dividend of £118,000 (1979 - £132,000). Amounts due to and from other companies within the Town and City Properties Limited Group have no specific repayment dates and bear interest as agreed between the parties from time to time.

## 8. CAPITAL COMMITMENTS

There were no commitments outstanding at 24th March 1980 in respect of capital expenditure not provided for in the account. (1979 - Nil).

## 9. CONTINGENT LIABILITIES

There is a floating charge on the assets and undertaking of the company, jointly and severally with other companies, as security for £482,474, 7½% debenture stock 1987/92 issued by Olympia Limited.

There are future liabilities under leasing agreements some of which are rechargeable to customers.

The company has given a composite guarantee of £2,000,000 to the National Westminster Bank Limited in respect of balances due by fellow subsidiary companies. At 24th March 1980 this contingent liability amounted to £Nil (1979 - Nil).

Under a group registration the company is jointly and severally liable for value added tax due by other group registration companies. At 24th March 1980 this contingent liability amounted to £2,864,000 (1979 - £1,062,000).

## 10. ULTIMATE HOLDING COMPANY

The company's ultimate holding company is Town & City Properties Limited, a company incorporated in England.

DIRECTORS' REPORT AND ACCOUNTS  
24TH MARCH, 1980

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SUTCLIFFE CATERING GROUP LIMITED  
AND SUBSIDIARY COMPANIES

REPORT OF THE DIRECTORS

The directors have pleasure in submitting their report together with the accounts for the year ended 24th March, 1980.

**Results:**

The results for the year are shown in the annexed accounts together with the notes thereto. The directors have declared a dividend amounting to £742,000 (1979: £840,000).

**Principal activity:**

The principal activity of the company and its subsidiaries during the year continued to be staff catering which accounted for the whole turnover.

The company and its subsidiaries did not make any direct exports during the year (1979: None).

**Directors and directors' interests:**

The following were directors of the company during the year:

C.D. Stewart-Smith	(Chairman)
J.K.R. Graveney	(Deputy Chairman)
J.D. Stirling Gallacher	(Managing)
A.J. Brown	(Assistant Managing)
B.D. Appleton	
P.J. Ford	
B.D. MacPhail	
G.R.F. Wishart	

C.D. Stewart-Smith, P.J. Ford and B.D. MacPhail retire as directors by rotation.

These directors, being eligible, offer themselves for re-election.

No director had any beneficial interest in the shares of the company during the year.

The interests in the share capital and loan stocks of the ultimate holding company, Town & City Limited of those directors who are not also directors of an intermediate or ultimate holding company are as follows:

	Ordinary shares of 10p each		14% unsecured loan stock 1994/99		Options for ordinary shares of 10p each	
	1979	1980	1979	1980	1979	1980
J.K.R. Graveney	52,500	52,500	£ -	£ -	112,500	112,500
A.J. Brown	-	-	7,020	7,020	112,500	150,000
B.D. Appleton	10,000	10,000	-	-	60,000	60,000
J.D. Stirling Gallacher	-	-	-	-	112,500	112,500
G.R.F. Wishart	3,000	3,000	1,250	1,250	60,000	60,000

No director had any material interest in any significant contract with the company during the year, other than service contracts.

SUTCLIFFE CATERING GROUP LIMITED  
AND SUBSIDIARY COMPANIES

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REPORT OF THE DIRECTORS  
(continued)

Freehold property:

In the opinion of the directors, the value of the property held by the company and its subsidiaries is materially in excess of its book value.

Auditors:

A resolution for the re-appointment of Peat, Marwick, Mitchell & Co., as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board

  
Secretary

REPORT OF THE AUDITORS TO THE MEMBERS OF  
SUTCLIFFE CATERING GROUP LIMITED

We have examined the accounts set out on pages 4 to 12 which have been prepared under the historical cost convention. In our opinion these accounts give, under that convention, a true and fair view of the state of affairs of the company and of the group at 24th March, 1980 and of the profit and source and application of funds of the group for the year to that date and comply with the Companies Acts 1948 and 1967.

LONDON

1 July 1980

*Red. Mark Mitchell AC*

Chartered Accountants

SUTCLIFFE CATERING GROUP LIMITED  
AND SUBSIDIARY COMPANIES

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR  
THE YEAR ENDED 24TH MARCH, 1980

	<u>Note</u>	<u>1980</u>	<u>1979</u>
TURNOVER	2	<u>£54,504,921</u>	<u>£45,770,592</u>
PROFIT BEFORE TAXATION	3	£ 1,720,544	£ 1,410,096
Taxation Credit	4	<u>-</u>	<u>2,903</u>
PROFIT AFTER TAXATION		1,720,544	1,412,999
EXTRAORDINARY ITEM	8	£28,074	£ -
Transfer to Capital Reserve	8	<u>(28,074)</u>	<u>-</u>
Proposed Dividend		<u>(742,000)</u>	<u>(840,000)</u>
		978,544	572,999
PROFIT RETAINED			
The Company		£70,083	£79,785
Subsidiaries		<u>908,461</u>	<u>493,214</u>
		<u>£978,544</u>	<u>£572,999</u>

The attached notes form part  
of these accounts.

SUTCLIFFE CATERING GROUP LIMITED  
AND SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET AT 24TH MARCH, 1980

	<u>Note</u>	<u>1980</u>	<u>1979</u>
ASSETS			
Fixed assets	5	£ 1,328,717	£ 957,679
Amount due from other group companies	9	3,393,000	1,178,596
Current assets:			
Stocks		£1,510,925	£1,290,574
Debtors		6,733,331	5,106,235
Bank balances and cash		<u>310,242</u>	<u>510,505</u>
		<u>8,554,498</u>	<u>6,907,314</u>
		<u>£13,276,215</u>	<u>£9,043,589</u>
FINANCED BY			
Share capital	7	£ 2,500	£ 2,500
Capital reserve	8	150,574	122,500
Profit and loss	8	<u>3,064,698</u>	<u>2,086,154</u>
		<u>3,217,772</u>	<u>2,211,154</u>
Current liabilities:			
Creditors		10,058,443	6,832,435

The attached notes form part of these accounts.

*Charles L...* } Directors  
*Anna R. ...*

£13,276,215

£9,043,589

SUTCLIFFE CATERING GROUP LIMITED

BALANCE SHEET AT 24TH MARCH, 1980

	Note	1980	1979
ASSETS EMPLOYED			
Fixed assets	5	£ 108,108	£ 69,146
Interest in subsidiaries	6	(1,269,681)	(515,404)
		(1,161,573)	(446,258)
Amount due from other group companies	9	3,393,000	1,178,596
Current assets:			
Stocks		£14,845	£15,689
Debtors		15,327	3,876
Bank balances and cash		<u>18,121</u>	<u>89,225</u>
		48,293	108,790
		<u>£2,279,720</u>	<u>£ 841,128</u>
FINANCED BY			
Share capital	7	£ 2,500	£ 2,500
Capital reserve	8	75,676	75,676
Profit and loss	8	<u>263,723</u>	<u>193,638</u>
		341,899	271,814
Current liabilities:			
Creditors		1,937,821	569,314

The attached notes form  
part of these accounts.

## Directors

£2,279,720

£ 841,128



SUTCLIFFE CATERING GROUP LIMITED  
AND SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS  
FOR THE YEAR ENDED 24TH MARCH, 1980

	<u>1980</u>	<u>1979</u>
SOURCE OF FUNDS		
Profit before taxation	£1,748,618	£1,410,096
Corporation tax refunds	<u>-</u>	<u>2,903</u>
	1,748,618	1,412,999
ADJUSTMENT FOR ITEMS NOT INVOLVING THE MOVEMENT OF FUNDS		
Depreciation	£ 417,456	£ 355,205
Profit on sale of fixed assets	<u>(82,802)</u>	<u>(56,106)</u>
	<u>334,654</u>	<u>299,099</u>
TOTAL FUNDS GENERATED FROM OPERATIONS	2,083,272	1,712,098
Disposal proceeds of fixed assets	<u>209,306</u>	<u>114,045</u>
	2,292,578	1,826,143
APPLICATION OF FUNDS		
Dividends paid	£ 840,000	£ 645,000
Purchase of fixed assets	<u>914,998</u>	<u>483,529</u>
	<u>1,754,998</u>	<u>1,128,529</u>
	<u>£ 537,580</u>	<u>£ 697,614</u>
INCREASE/(DECREASE) IN WORKING CAPITAL		
Stocks	£ 220,351	£ 236,901
Debtors	1,627,096	1,099,555
Creditors	(3,226,008)	(1,277,274)
Group balances	2,116,404	508,760
Increase/(Decrease) in net liquid funds	<u>(200,263)</u>	<u>129,672</u>
	<u>£ 537,580</u>	<u>£ 697,614</u>

**SUTCLIFFE CATERING GROUP LIMITED  
AND SUBSIDIARY COMPANIES**

**NOTES ON THE ACCOUNTS**

**1. ACCOUNTING POLICIES**

The principal accounting policies of the group that have been adopted in the preparation of the accounts are shown below.

**Basis of consolidation:**

The consolidated accounts include the audited accounts of the company and its subsidiary companies.

**Properties:**

No valuation of properties has been undertaken at the balance sheet date. Properties are therefore stated at cost or latest directors' valuation.

**Depreciation and amortisation:**

No provision for depreciation or amortisation is made in respect of freehold or long leasehold property which is held for purposes of investment.

Other fixed assets are depreciated on a straight line basis over the expected life of the asset concerned. Motor vehicles over three years, equipment and furniture between three and ten years.

**Deferred taxation:**

Provision is only made for deferred taxation if a liability is expected to arise in the foreseeable future.

**Stock:**

Stock is valued at the lower of cost and net realisable value on bases which have been applied consistently with previous years.

**2. TURNOVER**

This represents the cost of goods and services chargeable to clients for the operation of catering establishments and amounts chargeable for the sale and rental of catering and vending equipment.

**3. PROFIT BEFORE TAXATION**

This is arrived at after charging the following:

	<u>1980</u>	<u>1979</u>
Depreciation	£417,456	£335,205
Hire of plant and machinery	266,242	142,139
Auditors' remuneration (The Company £4,004 (1979: £3,500))	32,754	28,350
Interest - short term	134,775	53,939
Directors' emoluments (see note)	<u>97,634</u>	<u>88,729</u>

**Directors' emoluments:**

(i) The aggregate emoluments of the directors of the company were:

	<u>1980</u>	<u>1979</u>
Salaries	£ 22,733	£ 75,154
Pensions scheme contributions	<u>14,961</u>	<u>13,375</u>
	<u>£ 37,694</u>	<u>£ 88,529</u>

(ii) The emoluments of the highest paid director were

	<u>1980</u>	<u>1979</u>
	<u>£ 24,174</u>	<u>£ 21,825</u>

SUTCLIFFE CATERING GROUP LIMITED  
AND SUBSIDIARY COMPANIES

NOTES ON THE ACCOUNTS  
(continued)

3. PROFIT BEFORE TAXATION (continued)

Directors' emoluments (continued)

(iii) The number of directors whose remuneration excluding pension contributions fell within the ranges indicated was:

	<u>1980</u>	<u>1979</u>
£10,001 - £15,000	1	1
£15,001 - £20,000	1	2
£20,001 - £25,000	2	1

(iv) Certain directors (including the Chairman) are remunerated by the parent company and accordingly their emoluments are not included above.

4. TAXATION

As a result of the incidence of losses in the Town & City Properties Limited group, no corporation tax liability arises in respect of the year ended 24th March, 1980. The amount of losses available for surrender to this group are estimated at £1,474,000 (1979: £1,138,000).

Under arrangements for group relief no payments are made between group companies for losses surrendered.

No provision has been made for any deferred tax liability resulting from timing differences, which at 24th March, 1980 at corporation tax rates of 52% are estimated to amount to

	<u>1980</u>	<u>1979</u>
Capital allowances	£411,000	£302,000
Stock appreciation relief	<u>143,000</u>	<u>196,000</u>
	<u>£554,000</u>	<u>£498,000</u>

This does not reflect taxation payable on capital gains which might arise from the sale of properties at the values at which they are stated in the balance sheet.

SUTCLIFFE CATERING GROUP LIMITED  
AND SUBSIDIARY COMPANIES

Page 10.

NOTES ON THE ACCOUNTS  
(continued)

5. FIXED ASSETS

The group:

	Freehold property	Leasehold property	Motor vehicles equipment and furniture	Total
Cost or valuation:				
At 25th March, 1979	£136,707	£31,236	£1,472,000	£1,639,943
Additions	40,915	-	874,083	914,998
Disposals	(12,200)	-	(376,614)	(388,814)
At 24th March, 1980	<u>£165,422</u>	<u>£31,236</u>	<u>£1,969,469</u>	<u>£2,166,127</u>
Depreciation:				
At 25th March, 1979	£ -	£ -	£ 682,264	£ 682,264
Charge for year	-	-	417,456	417,456
Disposals	-	-	(262,310)	(262,310)
At 24th March, 1980	<u>£ -</u>	<u>£ -</u>	<u>£ 837,410</u>	<u>£ 837,410</u>
Net book values:				
At 24th March, 1980	<u>£165,422</u>	<u>£31,236</u>	<u>£1,132,059</u>	<u>£1,328,717</u>
At 24th March, 1979	<u>£136,707</u>	<u>£31,236</u>	<u>£ 789,736</u>	<u>£ 957,679</u>
Comprising:				
Directors' valuation in 1959	£ 12,500			
Subsequent additions less disposals at cost	<u>184,158</u>			
	<u>£196,658</u>			
The company:				
Cost or valuation:				
At 25th March, 1979	£ 22,500	£22,279	£ 49,841	£ 94,620
Additions	-	-	54,740	54,740
Disposals	-	-	(13,858)	(13,858)
At 24th March, 1980	<u>£ 22,500</u>	<u>£22,279</u>	<u>£ 90,723</u>	<u>£ 135,502</u>
Depreciation:				
At 25th March, 1979	£ -	£ -	£ 25,474	£ 25,474
Charge for year	-	-	12,615	12,615
Disposals	-	-	(10,695)	(10,695)
At 24th March, 1980	<u>£ -</u>	<u>£ -</u>	<u>£ 27,394</u>	<u>£ 27,394</u>
Net book values:				
At 24th March, 1980	<u>£ 22,500</u>	<u>£22,279</u>	<u>£ 63,329</u>	<u>£ 108,108</u>
At 24th March, 1979	<u>£ 22,500</u>	<u>£22,279</u>	<u>£ 24,367</u>	<u>£ 69,146</u>
Comprising:				
Directors' valuation in 1959	£ -			
Subsequent additions less disposals at cost	<u>£ 44,779</u>			

SUTCLIFFE CATERING GROUP LIMITED  
AND SUBSIDIARY COMPANIES

NOTES ON THE ACCOUNTS  
(continued)

## 6. SUBSIDIARIES

	<u>1980</u>	<u>1979</u>
Shares at cost less amounts written off at 24th March, 1980		
Amounts due to subsidiaries (less dividends)	£ 13,716 <u>(1,283,397)</u> <u>(£1,269,681)</u>	£ 13,716 <u>(529,120)</u> <u>(£515,404)</u>

(a) Wholly owned subsidiary companies incorporated and trading in the United Kingdom are as follows:

Sutcliffe Catering Company (South) Limited  
Sutcliffe Catering Company (Midlands) Limited  
Sutcliffe Catering Company (West) Limited  
Sutcliffe Catering Company (North) Limited  
Sutcliffe Catering Company (Scotland) Limited

(b) Wholly owned subsidiary companies incorporated in the United Kingdom which did not trade during the year are as follows:

Sutcliffe Catering Company (Wales) Limited  
Sutcliffe Catering Company (Southern) Limited  
Sutcliffe Catering Company (East Anglia) Limited  
Sutcliffe Catering Group Services Limited

## 7. SHARE CAPITAL

	<u>Authorised</u>	<u>Issued and fully paid</u>
At 24th March, 1979 and 1980 Ordinary shares of £1 each	£5,000	£2,500

## 8. RESERVES

	<u>Capital reserve</u>		<u>Profit and loss</u>	
	<u>The company</u>	<u>The group</u>	<u>The company</u>	<u>The group</u>
At 25th March, 1979				
Transferred from	£75,676	£122,500	£193,640	£2,086,154
Profit and loss account	-	28,074	70,083	978,544
Balances carried forward	<u>£75,676</u>	<u>£150,574</u>	<u>£263,723</u>	<u>£3,064,698</u>

The amount credited to Capital Reserve represents a profit on the disposal of a freehold property.

## 9. INTERGROUP BALANCES

Amounts due from other group companies on current account take account of the proposed dividend of £742,000 (1979: £840,000). Amounts due to and from other companies within the Town and City Properties Limited Group have no specific repayment dates and bear interest as agreed between the parties from time to time.

SUTCLIFFE CATERING GROUP LIMITED  
AND SUBSIDIARY COMPANIES

NOTES ON THE ACCOUNTS  
(continued)

## 10. CAPITAL COMMITMENTS

There were outstanding at 24th March, 1980 commitments in respect of capital expenditure not provided for in the accounts as follows:

	<u>Company</u>		<u>Group</u>	
	£ <u>1980</u>	£ <u>1979</u>	£ <u>1980</u>	£ <u>1979</u>
Authorised but not contracted for	<u>11,000</u>	<u>-</u>	<u>189,774</u>	<u>10,000</u>
Contracted for	<u>£11,000</u>	<u>£ -</u>	<u>£189,774</u>	<u>£10,000</u>

## 11. CONTINGENT LIABILITIES

There is a floating charge on the assets and undertaking of the company and certain subsidiaries jointly and severally with other companies, as security for £482,474 7½% Debenture stock 1987/92 issued by Olympia Limited, the company's immediate holding company.

There are future liabilities under leasing agreements some of which are rechargeable to customers.

Under a group registration the company and the group are jointly and severally liable for value added tax due by other group registration companies. At 24th March, 1980 this contingent liability amounted to:

Group £ 257,307 (1979: £221,791)  
Company £1,272,079 (1979: £672,702).

## 12. ULTIMATE HOLDING COMPANY

The ultimate holding company is Town & City Properties Limited, a company incorporated in England.