

**POURSHINS LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2012**

**REGISTERED NUMBER 1576522**



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## **Directors' Report**

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2012. This report has been prepared in accordance with the special provisions relating to medium sized companies within Part 15 of the Companies Act 2006.

## **PRINCIPAL ACTIVITIES**

Pourshins Limited ("Pourshins") provides Business Process Outsourcing (BPO) and Fourth Party Logistics (4PL) services and solutions to the international travel market. The customers are airlines, airline caterers, brokers, food, beverage and equipment manufacturers.

## **BUSINESS REVIEW**

### **Overview of 2012**

During the year rising passenger numbers and new flight schedules generated additional volume and demand for the company's services. In addition, the Company found further supply chain efficiencies to reduce its distribution costs.

### **Operating and retained profits**

The operating profit was £2,228,000 (2011: £2,377,000). The profit for the financial year of £1,546,000 (2011: £1,575,000) has been transferred to reserves.

### **Business Key Performance Indicators**

Service levels (i.e. cases ordered versus cases delivered) for the year again averaged over 99% (2011: 99%), maintaining the performance of the previous year.

### **Risks and uncertainties**

The main risks are financial as outlined in the Financial Risk Management section. The other key uncertainty for the company is the sustainability of passenger volumes in the context of a European wide economic downturn.

## **FUTURE DEVELOPMENTS**

### **Outlook for 2013**

Visibility is difficult beyond the near term. Based on loadings for the busy summer period overall trading conditions are expected to be better than 2012 due to an increase in passengers.

## **PRINCIPAL RISKS AND UNCERTAINTIES**

The company's overall risk management seeks to minimise the impact of potentially adverse market variations on the company.

The Board regularly reviews the exposure to risk of the company, with particular focus on foreign exchange risk, credit risk, interest rate risk and liquidity risk.

## **Directors' Report (Continued)**

### **FINANCIAL RISK MANAGEMENT (continued)**

#### *Foreign Exchange Risk*

The company's sales are primarily denominated in sterling, euros and dollars. There is exchange risk, but this is mitigated by the fact that the company contracts with clients in the same foreign currency and for a number of key customers passes the exchange risk on to the customer.

#### *Credit Risk*

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit. There are no significant deposits with financial institutions other than current accounts. At the balance sheet date there was no significant concentration of credit risk.

#### *Interest Rate Risk*

The company has borrowings where the rate of interest is linked to the base rate. Fluctuations in this rate will increase or decrease the cost of these borrowings. The company has no significant interest-bearing assets, other than current accounts and these are not significantly impacted by interest rates.

#### *Liquidity Risk*

We make use of the support offered by Gate Gourmet Switzerland GmbH to manage liquidity.

### **RESULTS AND DIVIDENDS**

The results for the year are set out in the profit and loss account on page 6.

No dividends have been declared or paid during the year (2011: £nil).

### **DIRECTORS**

The directors who served during the year and up to the date of signing of the financial statements were as follows:

Roy Moed (resigned 16 July 2013)

Andrew Langdale

Andrew Gibson (resigned 16 July 2013)

Joerg Boder (appointed 5<sup>th</sup> April 2012 and resigned 16 July 2013)

Stephen Corr (appointed 16 July 2013)

Rene van Dijk (appointed 16 July 2013)

Joshua Janow (appointed 16 July 2013)

### **DIRECTORS INDEMNITIES**

The company maintains liability insurance for its directors and officers. During the year the directors and officers of the company were covered by liability insurance arranged by Gate Gourmet Switzerland GmbH, of which the ultimate parent company is gategroup Holding AG. The insurance contains qualifying third party indemnity provisions for the purposes of the Companies Act 2006.

## **Directors' Report (Continued)**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

### **DISCLOSURE OF INFORMATION TO AUDITORS**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of the information.

### **INDEPENDENT AUDITORS**

PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

On behalf of the board

Andrew Langdale



**Director**

Date 25 July 2013

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF POURSHINS LIMITED**

We have audited the financial statements of Pourshins Limited for the year ended 31 December 2012 which comprise of the Profit and Loss Account, the Balance Sheet, the Reconciliation of Movements in Shareholders' Funds and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 3 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit and cash flows for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF POURSHINS LIMITED**  
**(continued)**

- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Gavin Crawford (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Reading  
25 July 2013

**Profit and loss account**  
**For the year ended 31 December 2012**

	<b>Note</b>	<b>2012</b>	<b>2011</b>
		<b>£000</b>	<b>£000</b>
<b>Turnover</b>	<b>2</b>	90,503	79,087
Cost of sales		(80,331)	(69,708)
		<hr/>	<hr/>
Gross profit		10,172	9,379
Distribution expenses		(4,248)	(3,947)
Administrative expenses		(3,696)	(3,068)
Other operating income		-	13
		<hr/>	<hr/>
<b>Operating profit</b>	<b>3</b>	2,228	2,377
Interest payable and similar charges	<b>6</b>	(130)	(217)
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>		2,098	2,160
Tax on profit on ordinary activities	<b>7</b>	(552)	(585)
		<hr/>	<hr/>
<b>Profit for the financial year</b>	<b>14</b>	1,546	1,575
		<hr/>	<hr/>

All amounts relate to continuing activities

There is no material difference between the profit on ordinary activities before taxation and the retained profit for the financial year stated above and their historical cost equivalents

The entity had no recognised gains or losses other than those reported in the profit and loss account and therefore a separate statement of total recognised gains and losses has not been prepared



**Balance sheet**  
**As at 31 December 2012**

	Notes	2012 £000	2011 £000
<b>Fixed assets</b>			
Tangible assets	8	5	6
Investments	9	-	-
		<u>5</u>	<u>6</u>
<b>Current assets</b>			
Stocks	10	5,338	2,393
Debtors	11	9,793	8,862
Cash at bank and in hand		2,880	1,220
		<u>18,011</u>	<u>12,475</u>
<b>Creditors' amounts falling due within one year</b>	12	<u>(13,602)</u>	<u>(9,677)</u>
<b>Net current assets</b>		<u>4,409</u>	<u>2,798</u>
<b>Total assets less current liabilities</b>		<u>4,414</u>	<u>2,804</u>
<b>Capital and reserves</b>			
Called up share capital	13	849	849
Share premium account	14	6	6
Capital redemption reserve	14	5	5
Share-based payment reserve	14	350	286
Profit and loss account	14	3,204	1,658
<b>Total shareholders' funds</b>	15	<u>4,414</u>	<u>2,804</u>

The financial statements on pages 6 to 20 were approved by the Board of Directors on 25 July 2013 and were signed on behalf of the board by

Andrew Langdale  
Director



## Notes to the financial statements for the year ended 31 December 2012

### 1 Accounting policies

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

#### Consolidation

The company has taken exemption under Section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are wholly owned subsidiaries of and are included in the consolidated financial statements of gategroup Holding AG, a company incorporated in Switzerland. These consolidated financial statements show information of the company as an individual entity and not as a group.

#### Related Party transactions

As a wholly owned subsidiary, the company has taken advantage of the exemption contained in FRS 8 'Related party disclosures' from disclosing related party transactions with entities that are part of the group or investees of the gategroup Holding AG group.

#### Tangible Fixed Assets and depreciation

Tangible fixed assets are stated at their cost price, together with any incidental expense of acquisition less accumulated depreciation. Cost includes the original purchase price of the asset and the cost attributable to bringing the asset to its working condition for its intended use. Software under development is depreciated when development is completed and the software brought fully into use. Depreciation is provided to write off the cost of tangible fixed assets on a straight-line basis over their expected useful economic lives at the following annual rates:

Leasehold improvements	-	10%
Plant, machinery and fixtures	-	10% to 20%
IT hardware and software	-	20% to 33 3%

#### Leases

Operating lease rentals are charged to the profit and loss account on a straight-line basis over the period of the lease.

#### Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date. All translation differences are included in the profit and loss account.

#### Pension costs

Contributions to the defined contribution pension schemes operated by the company are charged to the profit and loss account in the period in which they become payable. The assets of the schemes are held separately from those of the company in an independently administered fund.

#### Stock

Stock is stated at the lower of cost and net realisable value. In general cost is determined on a first in first out basis. Net realisable value is the price at which stock can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stock. Stock comprises principally goods held for resale.

## Notes to the financial statements for the year ended 31 December 2012 (continued)

### 1 Accounting policies (continued)

#### Investments in subsidiary undertakings

Investments are held at cost less any provision for impairment

#### Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis

#### Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to third party customers. Turnover is measured at the fair value of the consideration received or receivable. Revenue arising from the sale of goods is recognised when the entity transfers the risks and rewards of ownership and collectability of the related receivable is reasonably assured. Revenue arising from services rendered is recognised in the period in which the services are rendered

The company accrues expected amounts due under rebate agreements and these are recognised against turnover

#### Other operating income

Other operating income relates to rent received. Rent received under operating leases is recognised on a straight line basis over the period of the lease

#### Cash flow statement

The company is a wholly owned subsidiary company of a group headed by gategroup Holding AG, and is included in the consolidated financial statements of that company, which are publicly available. Consequently, the company has taken advantage of the exemption within FRS 1 (revised 1996) 'Cash flow statements' from preparing a cash flow statement

#### Share-based compensation

The company provides equity participation plans to employees in the form of share plans. If gategroup Holding AG, the ultimate parent company, grants rights to its equity instruments to employees of the company, the plan is accounted for as equity-settled share-based payment compensation. If the company grants rights to equity instruments of its ultimate parent company, the plan is accounted for as cash-settled share-based payment compensation

## Notes to the financial statements for the year ended 31 December 2012 (continued)

### 1 Accounting policies (continued)

#### Equity-settled share-based payment plans (EIP 2011-2013)

The fair value of share awards with service conditions is determined at grant date based on observable market data. The fair values of share awards and share option awards with performance conditions are determined at grant date by using a Monte Carlo and binomial model respectively. Some of the model inputs are not observable in a market and therefore have to be estimated or derived from available data. Use of different estimates would produce different option and share values, which in turn would result in higher or lower compensation expense recognized. The cost of equity participation plans is recognized as personnel expense in the income statement with a corresponding increase in equity over the vesting period taking into account the company's estimate of the number of equity instruments that will eventually vest. At each reporting date the company revises its estimate of the number of equity instruments expected to vest. An expense is recognized for awards with a market condition irrespective of whether that market condition is met provided that all other vesting conditions are satisfied. Market conditions are taken into account when determining the fair value of the equity instruments granted.

#### Cash-settled share-based payment plans (KERP)

For cash-settled share-based payment compensation, a liability is recognized for services received, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is re-measured, with any changes in fair value recognized as personnel expense in the profit and loss account.

### 2 Turnover

All turnover arose from the company's principal activities

	2012 £000	2011 £000
<b>Geographical analysis of turnover</b>		
Europe (including United Kingdom)	90,503	79,087
	<hr/>	<hr/>
	90,503	79,087
	<hr/>	<hr/>

All turnover originates from airline, caterer and broker customer relationships, principally with customers operating in Europe (including the United Kingdom)

## Notes to the financial statements for the year ended 31 December 2012 (continued)

### 3 Operating profit

	2012 £000	2011 £000
<b>Operating profit is stated after charging/(crediting)</b>		
Depreciation on tangible fixed assets - owned	3	3
Operating lease charges - other	72	96
Services provided by the company's auditor		
Fees payable for the audit	50	50
Fees payable for other services – tax compliance	25	18
Rent received	-	(13)
	<u>          </u>	<u>          </u>

### 4 Staff numbers and costs

The monthly average number of people employed by the company (including directors) during the year was as follows

	Number of Employees	
By activity:	2012	2011
Sales and operational	24	18
Administration and finance	30	16
	<u>          </u>	<u>          </u>
	54	34
	<u>          </u>	<u>          </u>

The aggregate payroll costs of these persons were as follows

	2012 £000	2011 £000
Wages and salaries	3,734	1,835
Social security costs	320	246
Other pension costs (see note 17)	88	99
Share-based payments (see note 19)	98	54
	<u>          </u>	<u>          </u>
	4,240	2,234
	<u>          </u>	<u>          </u>

## Notes to the financial statements for the year ended 31 December 2012 (continued)

### 5 Remuneration of directors

	2012 £000	2011 £000
Aggregate emoluments	300	298
Pension contributions	21	23
	<u>321</u>	<u>321</u>

There was one director in the company's defined contribution pension scheme during the year (2011 one) The company also made no contribution to a private pension of any director (2011 one) One director was granted shares under long term incentive schemes (2011 one)

Highest paid director		
Aggregate emoluments	251	257
Pension contributions	21	11
	<u>272</u>	<u>268</u>

### 6 Interest payable and similar charges

	2012 £000	2011 £000
On bank loans and overdrafts	39	183
Group interest and similar charges	91	34
	<u>130</u>	<u>217</u>

## Notes to the financial statements for the year ended 31 December 2012 (continued)

### 7 Tax on profit on ordinary activities

Analysis of charges in the year

	2012 £000	2011 £000
Current tax		
UK corporation tax on profits of the years	518	546
Adjustments in respect of previous years	-	-
Overseas withholding tax	12	-
	<hr/>	<hr/>
Total current tax	530	546
Deferred tax		
- Origination and reversal of timing differences	20	28
- Prior year adjustments	-	(1)
- Adjustment to opening balance re change in future CT rates	2	12
	<hr/>	<hr/>
Total deferred tax	22	39
	<hr/>	<hr/>
Tax on profit on ordinary activities	552	585

Factors affecting the tax charge for the current year

The tax charge for the year is higher (2011 lower) than the standard rate of corporation tax in the United Kingdom of 24.5% (2011 26.5%). The differences are explained below

	2012 £000	2011 £000
Current tax reconciliation		
Profit on ordinary activities before tax	2,098	2,160
	<hr/>	<hr/>
Profit on ordinary activities multiplied by standard rate of corporation tax at 24.5% (2011 26.5%)	514	573
Effects of		
Expenses not deductible for tax purposes	1	17
Capital items expensed	10	-
Shares vested	19	(14)
Accelerated capital allowances	(26)	(25)
Other timing differences	-	(4)
Adjustment re change in deferred tax rate	-	(1)
Overseas withholding tax	12	-
	<hr/>	<hr/>
Total current tax charge	530	546

#### Factors that may affect future tax charges

During the year, as a result of the changes in the UK main corporation tax rate to 24% that was substantively enacted on 29 March 2012 and that was effective from 1 April 2012, the relevant deferred tax balances have been re-measured

Further reductions to the UK corporation tax rate were announced in the March 2013 budget. The changes propose to reduce the rate to 20% per annum by 1 April 2015

## Notes to the financial statements for the year ended 31 December 2012 (continued)

### 7 Tax on profit on ordinary activities (continued)

At year-end a deferred tax asset of £97,000 (2011 £119,000) is recognised. This deferred tax asset is recognised as the directors believe that the company's position has continued to improve in the last year, and with current performance and projections anticipate profits for 2013 and 2014 against which the deferred tax asset can be utilised. The directors therefore believe that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. The overall effect of the further reductions to 23%, if these are applied to the deferred tax balance at 31 December 2012, would be immaterial.

### 8 Tangible fixed assets

	Leasehold Improvements £000	Plant, machinery and fixtures £000	IT hardware and software £000	Total £000
<b>Cost</b>				
1 January 2012 and 31 December 2012	229	120	2,778	3,127
<b>Accumulated depreciation</b>				
At 1 January 2012	229	117	2,775	3,121
Charge for the year	-	1	-	1
At 31 December 2012	229	118	2,775	3,122
<b>Net book value</b>				
At 31 December 2012	-	2	3	5
At 31 December 2011	-	3	3	6



## Notes to the financial statements for the year ended 31 December 2012 (continued)

### 9 Fixed Asset Investments

During the year the company held the following subsidiary investments. These investments are carried at a £nil (2011: £nil) net book value.

Name of Undertaking	Proportion of nominal value of issued ordinary share capital held	Country of incorporation or registration	Principal activity	Aggregate capital & reserves £'000
Pourshins International Limited	100%	UK	Dormant	13
Pourshins Logistics Limited	100%	UK	Dormant	-

Pax Snacks was dissolved on 23 September 2011.

The directors believe that the book value of investments is supported by their underlying net assets.

### 10 Stocks

	2012 £000	2011 £000
Goods for resale	5,338	2,393

### 11 Debtors

	2012 £000	2011 £000
Trade debtors	3,900	3,238
Amounts owed by group undertakings	5,373	5,283
Other debtors	29	29
Other Taxes	45	-
Prepayments and accrued income	349	193
Deferred tax asset recognised	97	119
	<u>9,793</u>	<u>8,862</u>

Other debtors include an amount of £25,000 (2011: £26,000) that is repaid at £1,000 per year and therefore does not all fall due within one year. Prepayments and accrued income also include an amount of £22,000 (2011: nil) that is a rent deposit and is not repayable within one year. The remaining debtor balances are due within one year.

## Notes to the financial statements for the year ended 31 December 2012 (continued)

### 11 Debtors (continued)

Amounts owed by group undertakings are interest free, unsecured and repayable on demand. However short-term inter-company loans incur an interest charge of Libor +1% spread (but not less than 2%)

#### Deferred tax reconciliation

	£'000
At 1 January 2012	119
Charged to profit and loss account (note 7)	(22)
<b>At 31 December 2012</b>	<b>97</b>

Deferred taxation recognised in the financial statements and the amount not recognised of the total potential asset/(liability), are as follows

	2012 recognised £'000	2012 not recognised £'000	2011 recognised £'000	2011 not recognised £'000
Accelerated capital allowances	97	-	119	-
Short term timing differences	-	-	-	-
<b>Deferred tax asset</b>	<b>97</b>	<b>-</b>	<b>119</b>	<b>-</b>

### 12 Creditors, amounts falling due within one year

	2012 £000	2011 £000
Trade creditors	10,667	8,306
Amounts owed to group undertakings	1,732	69
Other taxes and social security	140	387
Other creditors	164	128
Accruals and deferred income	517	507
Corporation tax payable	382	280
	<hr/>	<hr/>
	13,602	9,677
	<hr/>	<hr/>

## Notes to the financial statements for the year ended 31 December 2012 (continued)

### 13 Called up share capital

	2012 £000	2011 £000
<b>Authorised.</b>		
20,000,000 'A' ordinary shares of 10p each	2,000	2,000
7,220,000 'B' ordinary shares of EURO 15 cents each	722	722
	<hr/>	<hr/>
	2,722	2,722
	<hr/>	<hr/>
<b>Allotted and fully paid</b>		
917,500 'A' ordinary shares of 10p each	92	92
7,220,000 'B' ordinary shares of EURO 15 cents each	722	722
	<hr/>	<hr/>
<b>Allotted and unpaid</b>		
350,000 'A' ordinary shares of 10p each	35	35
	<hr/>	<hr/>
	849	849
	<hr/>	<hr/>

Each 'B' ordinary share of EURO 15 cent has the same rights, privileges and restrictions as each 'A' ordinary share of 10p each to the intent that each 'A' ordinary share and each 'B' ordinary share shall rank equally in all respects notwithstanding any change in exchange rates between Sterling and the EURO or any other factor

The 'B' ordinary shares of EURO 15 cents each were previously denominated in French Francs and were re-denominated upon the introduction of the single currency in participating countries

The exchange rate for "B" ordinary shares stated in EURO was EUR 1 50 to GBP 1 00

### 14 Reserves

	Share Premium Account £000	Capital Redemption Reserve £000	Share-based Payment Reserve £000	Profit and Loss Account £000
At 1 January 2012	6	5	286	1,658
Profit for the financial year	-	-	-	1,546
Movement	-	-	64	-
At 31 December 2012	<hr/> 6	<hr/> 5	<hr/> 350	<hr/> 3,204

## Notes to the financial statements for the year ended 31 December 2012 (continued)

### 15 Reconciliation of movements in shareholders' funds

	2012 £000	2011 £000
Opening shareholders' funds	2,804	1,187
Profit for the financial year	1,546	1,575
Share-based payment reserve	64	42
	<hr/>	<hr/>
Closing shareholders' funds	4,414	2,804
	<hr/>	<hr/>

### 16 Commitments under operating leases

At 31 December 2012, the company's annual commitments under non-cancellable operating leases were as follows

	2012 £000	2011 £000
Operating leases which expire in the second to fifth years inclusive (all relating to Land and buildings)	92	92
	<hr/>	<hr/>

### 17 Pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the fund amounting to £87,532 (2011: £98,857).

There are no outstanding or prepaid contributions at the end of the financial year (2011: £nil).

### 18 Ultimate parent company

The directors regard gategroup Holding AG, a company which is incorporated in Switzerland, as the ultimate parent company and controlling party.

The largest group in which the results of the company for the year ended 31 December 2012 are consolidated is headed by gategroup Holding AG, which is incorporated in Switzerland. Copies of the Group financial statements may be obtained from gategroup Holding AG, Balz-Zimmermannstrasse 7, CH - 8058 Zurich-Airport, Switzerland or on the website [www.gategroup.com](http://www.gategroup.com).

The company's immediate parent, in which the results for the year ended 31 December 2012 are consolidated, is Gate Gourmet Holding S C A, which is incorporated in Luxembourg.

## Notes to the financial statements for the year ended 31 December 2012 (continued)

### 19 Share-based Payments

The Group has made available equity participation plans to members of the Board, key employees and formerly to consultants of the Group. The following table shows the share-based payment expense recognized in the profit and loss account for each plan.

	2012 £'000	2011 £'000
Equity Incentive Plan 2011 – 2013	98	54
Total share-based payment expense	98	54

#### Equity Incentive Plan 2010 - 2013

Under this plan, members of the Board and key employees have been granted share awards in the Company. The plan is accounted for as equity-settled share-based payment compensation. The share awards vest in instalments if the volume weighted average share price of all trades of shares on the SIX Swiss Stock Exchange in a 360-day period is met at any time within the measurement period, except of the instalment with grant date November 2011 where the share awards vest if the volume-weighted average share price of all trades of shares on the SIX Swiss Stock Exchange in a 90-day period is met at any time within the measurement period. The table below shows the number of shares that will vest if the share price target is met within the measurement period and the fair values of the shares granted.

Number of shares	Share price target (in CHF)	Measurement period	Fair value at grant date Nov 2009 (in CHF)	Fair value at grant date Nov 2011 (in CHF)	Fair value at grant date Dec 2011 (in CHF)	Vested in Year
3,400	15.00	21.12.2011 - 30.12.2013	21.62			2011
10,275	20.00	18.12.2012 - 30.12.2013	17.88		18.97	2012
10,275	25.00	17.12.2013 - 30.12.2013	14.67		13.06	-
9,500	48.50	14.02.2012 - 30.12.2014		19.60		-

The fair values of the share awards granted were determined using a Monte Carlo simulation. The main parameters used in the model were the share price targets and the measurement period shown above, for grant date November 2009 an expected volatility of 54.2% and a discount rate of 2.1%, for grant date November 2011 an expected volatility of 61.0% and a discount rate of 0.69% and for grant date December 2011 an expected volatility of 47.1% and a discount rate of 0.4%. The expected volatility is based on the historical volatility of a peer group of quoted businesses. Shares will be made available through conditional capital by gategroup Holding AG, the ultimate parent company.

Movements in the number of shares were as follows:

	2012 Number of shares
Outstanding as at 1 January 2012	12,800
Transferred	17,250
Granted	
Vested	(10,275)
Forfeited	
<b>Outstanding at 31 December 2012</b>	<b>19,775</b>