

2168452

**Catering Partnership Limited**  
**Report and Financial Statements**  
**Year Ended 30 June 2001**



**Blueprint Audit Limited**  
Chartered Accountants and Registered Auditor

# **CATERING PARTNERSHIP LIMITED**

## **Annual report and financial statements for the year ended 30 June 2001**

---

### **Contents**

#### **Page:**

1	Report of the directors
3	Report of the auditor
4	Profit and loss account
5	Balance sheet
6	Cash flow statement
7	Notes forming part of the financial statements

---

### **Directors**

H Gadsden  
A J Coombs

### **Secretary and registered office**

B J Wilkes, CPL House, 33 Leicester Road, Blaby, Leicester LE8 4GR

### **Company number**

2108452

### **Accountants and Business Advisers**

Tenon Limited, Eastgate House, Humberstone Road, Leicester, LE5 3GJ

### **Auditor**

Blueprint Audit Limited, Eastgate House, 19 Humberstone Road, Leicester LE5 3GJ.

## **CATERING PARTNERSHIP LIMITED**

### **Report of the directors for the year ended 30 June 2001**

---

The directors present their report together with the audited financial statements for the year ended 30 June 2001.

#### **Results and dividends**

The profit and loss account is set out on page 4.

The directors recommend an ordinary dividend amounting to £138,000 (2000: £38,000).

#### **Principal activity, trading review and future developments**

The principle activity of the company during the year continued to be the provision of contract catering services.

The directors are satisfied with the results for the year which show improved levels of profitability arising principally through operational efficiencies. The directors are confident of future prospects for the company.

#### **Directors**

The directors of the company during the year were:

H Gadsden  
A J Coombs

No director had any interest in the ordinary shares of the company.

H Gadsden is also a director of the ultimate parent company, Catering Partnership (Holdings) Limited. His interests in the share capital of that company are shown in its financial statements.

#### **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 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.

## **CATERING PARTNERSHIP LIMITED**

### **Report of the directors for the year ended 30 June 2001 (*Continued*)**

---

#### **EMU**

Having reviewed its commercial and accounting transactions the company is managing the impact of the single currency.

#### **Auditor**

Crowfoot and Company resigned as auditor during the year. The directors appointed Blueprint Audit Limited in their place.

Blueprint Audit Limited have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

#### **By order of the Board**



B J Wilkes  
**Secretary**

29 January 2002

## **Independent auditor's report to the shareholders of Catering Partnership Limited**

---

We have audited the financial statements of Catering Partnership Limited for the year ended 30 June 2001 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

### **Respective responsibilities of directors and auditor**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

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 other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### **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 consider 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 30 June 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Blueprint Audit Limited**  
Chartered Accountants and Registered Auditor  
Leicester

29 January 2002

**CATERING PARTNERSHIP LIMITED****Profit and loss account for the year ended 30 June 2001**

	<b>Note</b>	<b>2001 £</b>	<b>2000 £</b>
<b>Turnover</b>	2	6,630,823	6,766,031
Cost of sales		5,509,349	5,832,925
<b>Gross profit</b>		<u>1,121,474</u>	<u>933,106</u>
Administrative expenses		1,025,155	869,599
Other operating income		294,785	139,388
<b>Operating profit</b>	5	<u>391,104</u>	<u>202,895</u>
Interest receivable		4,905	5,441
Interest payable	6	3,470	8,797
<b>Profit on ordinary activities before taxation</b>		<u>392,539</u>	<u>199,539</u>
Taxation on profit on ordinary activities	7	112,092	45,056
<b>Profit on ordinary activities after taxation</b>		<u>280,447</u>	<u>154,483</u>
Dividends	8	138,000	38,000
<b>Retained profit for the year</b>	16	<u>142,447</u>	<u>116,483</u>

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

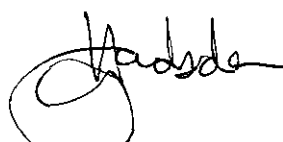
The notes on pages 7 to 15 form part of these financial statements.

# CATERING PARTNERSHIP LIMITED

Balance sheet at 30 June 2001

	Note	2001	2000
		£	£
<b>Fixed assets</b>			
Tangible assets	9	86,086	72,004
<b>Current assets</b>			
Stocks	10	52,368	84,680
Debtors	11	1,503,584	1,506,241
Cash at bank and in hand		115,007	28,244
		<u>1,670,959</u>	<u>1,619,165</u>
<b>Creditors: amounts falling due within one year</b>	12	<u>1,186,202</u>	<u>1,250,593</u>
<b>Net current assets</b>		484,757	368,572
<b>Total assets less current liabilities</b>		<u>570,843</u>	<u>440,576</u>
<b>Creditors: amounts falling due after more than one year</b>	13	6,548	20,894
<b>Provision for liabilities and charges</b>	14	5,108	2,942
<b>Net assets</b>		<u>559,187</u>	<u>416,740</u>
<b>Capital and reserves</b>			
Called up share capital	15	8,000	8,000
Profit and loss account	16	551,187	408,740
<b>Shareholders' funds</b>	17	<u>559,187</u>	<u>416,740</u>

The financial statements were approved by the Board on 29 January 2002.

  
H. Gadsden  
Director

The notes on pages 7 to 15 form part of these financial statements.

# CATERING PARTNERSHIP LIMITED

## Cash flow statement for the year ended 30 June 2001

	Note	2001	2000
		£	£
<b>Net cash inflow/(outflow) from operating activities</b>	22	347,420	(194,278)
<b>Returns on investments and servicing of finance</b>			
Interest received		4,905	5,441
Interest paid		(2,372)	(6,633)
Interest element of hire purchase agreements		(1,098)	(2,164)
<b>Net cash inflow/(outflow) from returns on investments and servicing of finance</b>		1,435	(3,356)
<b>Taxation</b>			
UK corporation tax paid		(46,772)	(47,782)
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets		(52,036)	(31,682)
Sale of tangible fixed assets		5,400	5,000
		(46,636)	(26,682)
<b>Equity dividends paid</b>		(138,000)	(38,000)
<b>Cash inflow/(outflow) before financing</b>		117,447	(310,098)
<b>Financing</b>			
Bank loan	24	(32,211)	48,489
Capital element of hire purchase agreements	24	(5,278)	(9,899)
		(37,489)	38,590
<b>Increase/(decrease) in cash</b>	24	79,958	(271,508)

The notes on pages 7 to 15 form part of these financial statements.



# CATERING PARTNERSHIP LIMITED

## Notes forming part of the financial statements for the year ended 30 June 2001

---

### 1 Accounting policies

The financial statements have been prepared under the historical cost convention, and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

#### *Turnover*

Turnover represents sales to outside customers at invoiced amounts less value added tax.

#### *Depreciation*

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets over their expected useful lives. It is calculated at the following rates, on a reducing balance basis:

Property improvements	-	10%
Computer equipment	-	25%
Office equipment, fixtures and fittings	-	15%
Motor vehicles	-	30%

#### *Stocks*

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

#### *Hire purchase agreements*

Where assets are financed by hire purchase agreements, the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the payments payable during the agreement term. The corresponding amounts payable are shown as creditors. Depreciation on the relevant assets is charged to the profit and loss account.

Hire purchase payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the agreement and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts shown as creditors.

#### *Operating leases*

Annual rentals under operating leases are charged to the profit and loss account as incurred.

#### *Deferred taxation*

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes to the extent that it is probable that a liability will crystallise.

## CATERING PARTNERSHIP LIMITED

Notes forming part of the financial statements for the year ended 30 June 2001 (*Continued*)

### 1 Accounting policies (*continued*)

#### *Pension costs*

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

### 2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

### 3 Employees

	2001 £	2000 £
Staff costs, including directors, comprise:		
Wages and salaries	2,870,318	2,944,684
Social security costs	164,400	199,040
Other pension costs	3,347	2,589
	<u>3,038,065</u>	<u>3,146,313</u>

The average weekly number of employees, including directors, during the year was as follows:

	Number	Number
Catering staff	327	359
Head office	26	25
	<u>353</u>	<u>384</u>

### 4 Directors

	2001 £	2000 £
Directors' emoluments consist of:		
Remuneration for management services	62,102	63,265
Payments to defined contribution pension scheme	1,143	926
	<u>63,245</u>	<u>64,191</u>

There was 1 (2000: 1) director in the company's defined contribution pension scheme during the year.

**CATERING PARTNERSHIP LIMITED**Notes forming part of the financial statements for the year ended 30 June 2001 *(Continued)***5 Operating profit**

	2001 £	2000 £
This has been arrived at after charging:		
Depreciation - owned assets	25,799	17,157
- assets held under hire purchase agreements	-	1,903
Operating leases - motor vehicles and equipment	59,335	38,912
Operating leases - land and buildings	26,575	10,000
Auditor's remuneration	6,000	5,000
Loss on disposal of fixed assets	6,755	7,441
	<u>          </u>	<u>          </u>

**6 Interest payable**

Bank	2,372	6,633
Hire purchase	1,098	2,164
	<u>          </u>	<u>          </u>
	3,470	8,797
	<u>          </u>	<u>          </u>

**7 Taxation on profit on ordinary activities**

UK corporation tax:		
Current year	111,000	47,846
Prior year	(1,074)	(3,182)
Transfer to deferred taxation	2,166	392
	<u>          </u>	<u>          </u>
	112,092	45,056
	<u>          </u>	<u>          </u>

**8 Dividends**

Ordinary dividends paid	138,000	38,000
	<u>          </u>	<u>          </u>

# CATERING PARTNERSHIP LIMITED

Notes forming part of the financial statements for the year ended 30 June 2001 (*Continued*)

## 9 Tangible fixed assets

	Property improvements £	Computer equipment £	Office equipment, fixtures and fittings £	Motor vehicles £	Total £
<i>Cost</i>					
At 1 July 2000	-	63,562	51,630	42,015	157,207
Additions	14,508	20,311	17,217	-	52,036
Disposals	-	(12,063)	(370)	(42,015)	(54,448)
At 30 June 2001	14,508	71,810	68,477	-	154,795
<i>Depreciation</i>					
At 1 July 2000	-	36,902	20,191	28,110	85,203
Provided for the year	725	14,205	9,119	1,750	25,799
Disposals	-	(12,063)	(370)	(29,860)	(42,293)
At 30 June 2001	725	39,044	28,940	-	68,709
<i>Net book value</i>					
At 30 June 2001	13,783	32,766	39,537	-	86,086
At 30 June 2000	-	26,660	31,439	13,905	72,004

The net book value of tangible fixed assets includes an amount of £5,569 (2000: £6,552) in respect of assets held under hire purchase agreements.

## 10 Stocks

	2001 £	2000 £
Goods held for resale	52,368	84,680

# CATERING PARTNERSHIP LIMITED

Notes forming part of the financial statements for the year ended 30 June 2001 (Continued)

## 11 Debtors

	2001 £	2000 £
Trade debtors	482,326	559,353
Amounts due from parent company	737,261	810,782
Other debtors	12,241	6,785
Called up share capital not paid	5,000	5,000
Prepayments and accrued income	266,756	124,321
	<u>1,503,584</u>	<u>1,506,241</u>

## 12 Creditors: amounts falling due within one year

Bank loan and overdrafts	114,977	129,474
Trade creditors	468,536	658,298
Obligations under hire purchase agreements	3,437	5,278
Corporation tax	111,000	47,846
Other taxes and social security	203,172	212,864
Other creditors	167,985	136,525
Accruals	117,095	60,308
	<u>1,186,202</u>	<u>1,250,593</u>

## 13 Creditors: amounts falling due after more than one year

Bank loan	5,476	16,385
Obligations under hire purchase agreements	1,072	4,509
	<u>6,548</u>	<u>20,894</u>

The bank loan and overdrafts are secured by a fixed and floating charge over the assets of the company. The bank loan bears interest at 2% above the bank base rate.

Bank loan and hire purchase agreement obligations fall due as follows:

	2001		2000	
	Bank loan £	Hire purchase agreements £	Bank loan £	Hire purchase agreements £
Within one year	10,802	3,437	32,104	5,278
Between one and two years	2,346	1,072	10,908	3,437
Between two and five years	3,130	-	5,477	1,072
	<u>16,278</u>	<u>4,509</u>	<u>48,489</u>	<u>9,787</u>

# CATERING PARTNERSHIP LIMITED

Notes forming part of the financial statements for the year ended 30 June 2001 (*Continued*)

## 14 Provision for liabilities and charges

### Deferred taxation

	2001 £	2000 £
Accelerated capital allowances	5,108	2,942
	<u>          </u>	<u>          </u>
Deferred taxation movements are:		£
At 1 July 2000		2,942
Transfer from profit and loss account		2,166
		<u>          </u>
At 30 June 2001		5,108
		<u>          </u>

There are no amounts of unprovided deferred taxation.

## 15 Share capital

	Authorised			
	2001 Number	2000 Number	2001 £	2000 £
Ordinary shares of £1 each	5,000	5,000	5,000	5,000
'A' ordinary shares of £1 each	5,000	5,000	5,000	5,000
	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	Allotted, called up and fully paid			
	2001 Number	2000 Number	2001 £	2000 £
Ordinary shares of £1 each	3,000	3,000	3,000	5,000
'A' ordinary shares of £1 each	5,000	5,000	5,000	5,000
	<u>8,000</u>	<u>8,000</u>	<u>8,000</u>	<u>8,000</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

The "A" ordinary shares carry no voting rights and no rights in the event of any winding up of the company other than repayment of capital.

# CATERING PARTNERSHIP LIMITED

Notes forming part of the financial statements for the year ended 30 June 2001 (*Continued*)

## 16 Profit and loss account

	£
At 1 July 2000	408,740
Profit for the year	142,447
At 30 June 2001	<u>551,187</u>

2001	2000
£	£

## 17 Reconciliation of movements in shareholders' funds

Profit on ordinary activities after taxation	280,447	154,483
Dividends	138,000	38,000
	<u>142,447</u>	<u>116,483</u>
Opening shareholders' funds	416,740	300,257
	<u>559,187</u>	<u>416,740</u>
	<u>559,187</u>	<u>416,740</u>
Equity interests	554,187	411,740
Non-equity interests	5,000	5,000
	<u>559,187</u>	<u>416,740</u>

## 18 Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

## 19 Capital commitments

	2001 £	2000 £
Contracted but not provided	<u>73,596</u>	<u>-</u>

## CATERING PARTNERSHIP LIMITED

### Notes forming part of the financial statements for the year ended 30 June 2001 (Continued)

#### 20 Commitments under operating leases

At 30 June, the company had annual commitments under non-cancellable operating leases as set out below:

	2001 £	2000 £
Operating leases which expire:		
Within one year	3,460	12,245
In two to five years	2,592	22,385
	<u>6,052</u>	<u>34,630</u>

#### 21 Related Party Transactions

During the year, the company purchased goods and services of £75,561 (2000: £45,659) from Midland Catering Equipment, a business owned by Mr H Gadsden. Also during the year the company charged Midland Catering Equipment for services to the sum of £22,900 (2000: £Nil). At 30 June 2001 the company owed Midland Catering Equipment £7,266 (2000: £8,953). The company also had loans outstanding to Midland Catering Equipment of £3,102 (2000: £2,852). All transactions were conducted on an arms length basis on normal trading terms.

A balance due to Mr H Gadsden of £906 (2000: £3,650) is included within other creditors at 30 June 2001.

Management charges payable to Catering Partnership (Holdings) Limited amounting to £165,000 (2000: £118,000) have been included in these financial statements. Catering Partnership (Holdings) Limited charged the company rent at £18,515 (2000: £Nil) during the year. These transactions were co-ordinated on an arms length basis on normal trading terms.

#### 22 Reconciliation of operating profit to net cash inflow/(outflow) from operating activities

	2001 £	2000 £
Operating profit	391,104	202,895
Depreciation	25,799	19,060
Loss on sale of fixed assets	6,755	7,441
Decrease/(increase) in stocks	32,312	(11,454)
Decrease/(increase) in debtors	2,657	(390,394)
(Decrease) in creditors	(111,207)	(21,826)
Net cash inflow/(outflow) from operating activities	<u>347,420</u>	<u>(194,278)</u>



## CATERING PARTNERSHIP LIMITED

Notes forming part of the financial statements for the year ended 30 June 2001 (*Continued*)

### 23 Reconciliation of net cash inflow/(outflow) to movement in net debt

	2001 £	2000 £
Increase/(decrease) in cash in the year	79,958	(271,508)
Cash outflow/(inflow) from decrease/(increase) in debt and hire purchase agreements	37,489	(37,701)
Change in net debt resulting from cash flows	117,447	(309,209)
New hire purchase agreements	-	(12,817)
Movement in net debt in the year	117,447	(322,026)
Opening net debt	(127,402)	194,624
Closing net debt	(9,955)	(127,402)

### 24 Analysis of net debt

	At 1 July 2000 £	Cash flow £	At 30 June 2001 £
Cash in hand and at bank	28,244	86,763	115,007
Overdraft	(97,370)	(6,805)	(104,175)
	(69,126)	79,958	10,832
Debt due within one year	(32,104)	21,302	(10,802)
Debt due after one year	(16,385)	10,909	(5,476)
Obligations under hire purchase agreements	(9,787)	5,278	(4,509)
Net debt	(127,402)	117,447	(9,955)

### 25 Contingent liability

The company has entered into a cross guarantee with its parent company, Catering Partnership (Holdings) Limited in respect of bank borrowings.

### 26 Ultimate parent company

At 30 June 2001 the company's ultimate parent company was Catering Partnership (Holdings) Limited, a company registered in England and Wales.

### 27 Controlling party

The company is controlled by H Gadsden, by virtue of his interest in the entire issued equity share capital of Catering Partnership (Holdings) Limited.

## CATERING PARTNERSHIP LIMITED

Notes forming part of the financial statements for the year ended 30 June 2001 (*Continued*)

### 23 Reconciliation of net cash inflow/(outflow) to movement in net debt

	2001 £	2000 £
Increase/(decrease) in cash in the year	79,958	(271,508)
Cash outflow/(inflow) from decrease/(increase) in debt and hire purchase agreements	37,489	(37,701)
Change in net debt resulting from cash flows	117,447	(309,209)
New hire purchase agreements	-	(12,817)
Movement in net debt in the year	117,447	(322,026)
Opening net debt	(127,402)	194,624
Closing net debt	(9,955)	(127,402)

### 24 Analysis of net debt

	At 1 July 2000 £	Cash flow £	At 30 June 2001 £
Cash in hand and at bank	28,244	86,763	115,007
Overdraft	(97,370)	(6,805)	(104,175)
	(69,126)	79,958	10,832
Debt due within one year	(32,104)	21,302	(10,802)
Debt due after one year	(16,385)	10,909	(5,476)
Obligations under hire purchase agreements	(9,787)	5,278	(4,509)
Net debt	(127,402)	117,447	(9,955)

### 25 Contingent liability

The company has entered into a cross guarantee with its parent company, Catering Partnership (Holdings) Limited in respect of bank borrowings.

### 26 Ultimate parent company

At 30 June 2001 the company's ultimate parent company was Catering Partnership (Holdings) Limited, a company registered in England and Wales.

### 27 Controlling party

The company is controlled by H Gadsden, by virtue of his interest in the entire issued equity share capital of Catering Partnership (Holdings) Limited.