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Registration number 2108452

**Catering Partnership Limited**  
**Directors' report and financial statements**  
**for the year ended 30 June 2004**



## **Catering Partnership Limited**

### **Company information**

Directors	H Gadsden A J Coombs C E Smith A C Tilbrook	appointed 19/07/04
Secretary	A C Tilbrook	
Company number	2108452	
Registered office	33 Leicester Road Blaby Leicester LE8 4GR	
Auditors	The Rowleys Partnership LLP 20 Friar Lane Leicester LE1 5RA	
Business address	33 Leicester Road Blaby Leicester LE8 4GR	
Bankers	National Westminster Bank Plc 75 High Street Erdington Birmingham B23 6SB	

## **Catering Partnership Limited**

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## **Catering Partnership Limited**

### **Directors' report for the year ended 30 June 2004**

The directors present their report and the financial statements for the year ended 30 June 2004.

#### **Principal activity and review of the business**

The principal activity of the company during the year was that of the provision of contract catering services.

The directors are satisfied with the results for the year and year end position but are aware that margins are very competitive and trading in the future will be challenging.

#### **Results and dividends**

The results for the year are set out on page 5.

The directors have paid an interim dividend amounting to £91,451 and they do not recommend payment of a final dividend.

#### **Employment policy**

Regular meetings are held with contract managers to discuss sales, financial position and prospects. Opportunity is given to discuss matters which concern employees. The company has continued its policy regarding employment of disabled persons. Full and fair consideration is given to applications for employment. Appropriate training is given to any disabled person and retraining should anyone become disabled.

#### **Directors and their interests**

The directors who served during the year and their interests in the company are as stated below:

	Ordinary shares		A Ordinary shares	
	30/06/04	01/07/03	30/06/04	01/07/03
H Gadsden	-	-	-	-
A J Coombs	-	-	-	-
C E Smith	-	-	-	-
A C Tilbrook      appointed 19/07/04	-	-	-	-

#### **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 the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and 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.

**Catering Partnership Limited**

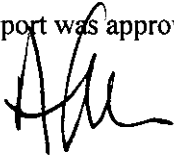
**Directors' report  
for the year ended 30 June 2004**

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 Rowleys Partnership LLP were appointed auditors to the company and in accordance with Section 385 of the Companies Act 1985, a resolution proposing their reappointment will be put to the Annual General Meeting.

This report was approved by the Board on 22/11/04 and signed on its behalf by



**A C Tilbrook  
Secretary**

## **Catering Partnership Limited**

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

We have audited the financial statements of Catering Partnership Limited for the year ended 30 June 2004 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.

This report is made solely to the company's shareholders, 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 shareholders those matters we are required to state to them in an auditors' 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 shareholders 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.

**Catering Partnership Limited**

**Independent auditors' report to the shareholders of Catering Partnership Limited continued**

**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 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*The Rowleys Partnership LLP*

**The Rowleys Partnership LLP  
Chartered Accountants and  
Registered Auditors  
20 Friar Lane  
Leicester  
LE1 5RA**

**23 November 2004**

# Catering Partnership Limited

## Profit and loss account for the year ended 30 June 2004

		Continuing operations	
		2004	2003
	Notes	£	£
<b>Turnover</b>	<b>2</b>	8,446,172	7,953,067
Cost of sales		(7,297,061)	(6,970,361)
<b>Gross profit</b>		1,149,111	982,706
Administrative expenses		(1,260,441)	(1,130,263)
Other operating income		389,962	424,670
<b>Operating profit</b>	<b>3</b>	278,632	277,113
Other interest receivable and similar income	<b>4</b>	8,114	3,716
Interest payable and similar charges	<b>5</b>	(5,220)	(4,846)
<b>Profit on ordinary activities before taxation</b>		281,526	275,983
Tax on profit on ordinary activities	<b>8</b>	(55,690)	(54,736)
<b>Profit on ordinary activities after taxation</b>		225,836	221,247
Dividends	<b>9</b>	(91,451)	(128,000)
<b>Retained profit for the year</b>		134,385	93,247
Retained profit brought forward		649,655	556,408
<b>Retained profit carried forward</b>		784,040	649,655

There are no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 8 to 17 form an integral part of these financial statements.

# Catering Partnership Limited

## Balance sheet as at 30 June 2004

		2004		2003	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	10		127,573		175,719
<b>Current assets</b>					
Stocks	11	74,848		82,732	
Debtors	12	1,523,693		1,577,513	
Cash at bank and in hand		110,121		76,998	
		<u>1,708,662</u>		<u>1,737,243</u>	
<b>Creditors: amounts falling due within one year</b>	13	<u>(1,018,966)</u>		<u>(1,204,750)</u>	
<b>Net current assets</b>			<u>689,696</u>		<u>532,493</u>
<b>Total assets less current liabilities</b>			817,269		708,212
<b>Creditors: amounts falling due after more than one year</b>	14		(32,851)		(53,067)
<b>Provisions for liabilities and charges</b>	15		7,622		2,510
<b>Net assets</b>			<u>792,040</u>		<u>657,655</u>
<b>Capital and reserves</b>					
Called up share capital	17		8,000		8,000
Profit and loss account			784,040		649,655
<b>Equity shareholders' funds</b>	18		<u>792,040</u>		<u>657,655</u>

The financial statements were approved by the Board on 22/11/04 and signed on its behalf by

X   
H Gadsden  
Director

The notes on pages 8 to 17 form an integral part of these financial statements.

# Catering Partnership Limited

## Cash flow statement for the year ended 30 June 2004

	Notes	2004 £	2003 £
Operating profit		278,632	277,113
Depreciation		85,152	92,238
Decrease in stocks		7,884	(16,362)
Decrease in debtors		53,820	(171,347)
(Decrease) in creditors		(177,547)	154,972
<b>Net cash inflow from operating activities</b>		<b>247,941</b>	<b>336,614</b>
<b>Cash flow statement</b>			
Net cash inflow from operating activities		247,941	336,614
Returns on investments and servicing of finance	24	2,894	(1,130)
Taxation	24	(61,288)	(60,712)
Capital expenditure	24	(42,362)	(64,371)
		147,185	210,401
Equity dividends paid		(91,451)	(128,000)
		55,734	82,401
Financing	24	32,216	48,754
<b>Increase in cash in the year</b>		<b>87,950</b>	<b>131,155</b>
<b>Reconciliation of net cash flow to movement in net (Note 25)</b>			
<b>Increase in cash in the year</b>		<b>87,950</b>	<b>131,155</b>
Cash inflow from decrease in debts and lease financing		(32,216)	(48,754)
Change in net resulting from cash flows		55,734	82,401
New finance leases and hire purchase contracts		5,357	13,972
<b>Movement in net in the year</b>		<b>61,091</b>	<b>96,373</b>
<b>Net at 1 July 2003</b>		<b>(5,892)</b>	<b>102,265</b>
<b>Net at 30 June 2004</b>		<b>55,199</b>	<b>(5,892)</b>

## **Catering Partnership Limited**

### **Notes to the financial statements for the year ended 30 June 2004**

#### **1. Accounting policies**

##### **1.1. Accounting convention**

The financial statements are prepared under the historical cost convention .

##### **1.2. Turnover**

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

##### **1.3. Tangible fixed assets and depreciation**

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Land and buildings	-	10% per annum of cost
Plant and machinery	-	25% per annum of cost
Fixtures, fittings and equipment	-	15% per annum of cost
Motor vehicles	-	30% per annum of cost

##### **1.4. Leasing and hire purchase commitments**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

##### **1.5. Stock**

Stock is valued at the lower of cost and net realisable value.

##### **1.6. Pensions**

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

##### **1.7. 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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

Deferred tax assets are recognised only to the extent that the directors consider 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.

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

# Catering Partnership Limited

## Notes to the financial statements for the year ended 30 June 2004

..... continued

### 2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

### 3. Operating profit

	2004	2003
	£	£
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible assets	84,766	93,339
Loss on disposal of tangible fixed assets	386	(1,101)
Auditors' remuneration	6,300	6,300
	<u>          </u>	<u>          </u>

### 4. Interest receivable and similar income

	2004	2003
	£	£
Bank interest	8,114	3,716
	<u>          </u>	<u>          </u>

### 5. Interest payable and similar charges

	2004	2003
	£	£
Interest payable on loans	4,498	2,181
Hire purchase interest	722	2,665
	<u>          </u>	<u>          </u>
	5,220	4,846
	<u>          </u>	<u>          </u>

# Catering Partnership Limited

## Notes to the financial statements for the year ended 30 June 2004

..... continued

### 6. Employees

Number of employees	2004	2003
The average monthly numbers of employees (including the directors) during the year were:		
Catering staff	324	365
Head office	34	33
	<u>358</u>	<u>398</u>

Employment costs	2004 £	2003 £
Wages and salaries	3,993,215	3,775,224
Social security costs	261,757	223,501
Other pension costs	27,329	29,916
	<u>4,282,301</u>	<u>4,028,641</u>

6.1. Directors' emoluments	2004 £	2003 £
Remuneration and other emoluments	187,077	101,468
Pension contributions	22,190	26,946
	<u>209,267</u>	<u>128,414</u>

	Number	Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme	<u>2</u>	<u>2</u>

### 7. Pension costs

The company operates a defined contribution pension scheme in respect of the employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £27,329 (2003 - £29,916).

# Catering Partnership Limited

## Notes to the financial statements for the year ended 30 June 2004

..... continued

### 8. Tax on profit on ordinary activities

Analysis of charge in period	2004 £	2003 £
<b>Current tax</b>		
UK corporation tax	60,781	61,300
Adjustments in respect of previous periods	21	1,054
	<u>60,802</u>	<u>62,354</u>
Total current tax charge	<u>60,802</u>	<u>62,354</u>
<b>Deferred tax</b>		
Timing differences, origination and reversal	(5,112)	(7,618)
Total deferred tax	<u>(5,112)</u>	<u>(7,618)</u>
Tax on profit on ordinary activities	<u>55,690</u>	<u>54,736</u>

### Factors affecting tax charge for period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK (19 per cent). The differences are explained below:

	2004 £	2003 £
Profit on ordinary activities before taxation	<u>281,526</u>	<u>275,983</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (30 June 2003 : 19%)	53,490	52,437
<b>Effects of:</b>		
Expenses not deductible for tax purposes	223	492
Capital allowances for period in excess of depreciation	5,631	5,980
Rounding	1,437	2,391
Current tax charge for period	<u>60,781</u>	<u>61,300</u>

### 9. Dividends

	2004 £	2003 £
<b>Dividends on equity shares:</b>		
Ordinary shares - interim paid	<u>91,451</u>	<u>128,000</u>

# Catering Partnership Limited

## Notes to the financial statements for the year ended 30 June 2004

..... continued

10. Tangible fixed assets	Land and buildings freehold £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 July 2003	14,508	110,244	68,605	167,243	360,600
Additions	-	23,909	301	12,800	37,010
Disposals	-	-	-	(750)	(750)
At 30 June 2004	14,508	134,153	68,906	179,293	396,860
<b>Depreciation</b>					
At 1 July 2003	3,616	71,886	48,777	60,600	184,879
On disposals	-	-	-	(359)	(359)
Charge for the year	1,440	25,751	9,937	47,639	84,767
At 30 June 2004	5,056	97,637	58,714	107,880	269,287
<b>Net book values</b>					
At 30 June 2004	9,452	36,516	10,192	71,413	127,573
At 30 June 2003	10,892	38,358	19,828	106,643	175,721

Included above are assets held under finance leases or hire purchase contracts as follows:

Asset description	2004		2003	
	Net	Depreciation	Net	Depreciation
	book value £	charge £	book value £	charge £
Motor vehicles	6,662	3,198	27,215	12,366
11. Stocks			2004 £	2003 £
Finished goods and goods for resale			74,848	82,732

# Catering Partnership Limited

## Notes to the financial statements for the year ended 30 June 2004

..... continued

<b>12. Debtors</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Trade debtors	758,044	757,384
Amounts owed by group undertakings	659,059	658,992
Other debtors	10,987	45,565
Prepayments and accrued income	95,603	115,572
	<u>1,523,693</u>	<u>1,577,513</u>
 <b>13. Creditors: amounts falling due within one year</b>	 <b>2004</b>	 <b>2003</b>
	<b>£</b>	<b>£</b>
Bank loan	18,261	20,021
Net obligations under finance leases and hire purchase contracts	3,810	9,802
Trade creditors	305,511	594,893
Corporation tax	60,781	61,300
Other taxes and social security costs	305,524	294,643
Directors' accounts	91	2,895
Other creditors	222,678	172,068
Accruals and deferred income	102,310	49,128
	<u>1,018,966</u>	<u>1,204,750</u>

**Catering Partnership Limited**

**Notes to the financial statements  
for the year ended 30 June 2004**

..... continued

<b>14. Creditors: amounts falling due after more than one year</b>	<b>2004 £</b>	<b>2003 £</b>
Bank loan	32,216	48,754
Net obligations under finance leases and hire purchase contracts	635	4,313
	<u>32,851</u>	<u>53,067</u>
<b>Loans</b>		
Repayable in one year or less, or on demand (Note 13)	18,261	20,021
Repayable between one and two years	17,500	17,500
Repayable between two and five years	14,716	31,254
	<u>50,477</u>	<u>68,775</u>

The bank loan and overdrafts are secured by a fixed and floating charge over the assets of the company.

**15. Provisions for liabilities and charges**

	<b>Deferred taxation (Note 16) £</b>	<b>Total £</b>
At 1 July 2003	2,510	2,510
Movements in the year	5,112	5,112
At 30 June 2004	<u>7,622</u>	<u>7,622</u>

# Catering Partnership Limited

## Notes to the financial statements for the year ended 30 June 2004

..... continued

<b>16. Provision for deferred taxation</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Accelerated capital allowances	<u>(7,622)</u>	<u>(2,510)</u>
Provision at 1 July 2003	(2,510)	
Deferred tax charge in profit and loss account	<u>(5,112)</u>	
Provision (asset) at 30 June 2004	<u>(7,622)</u>	
 <b>17. Share capital</b>	 <b>2004</b>	 <b>2003</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
5,000 Ordinary shares of £1 each	5,000	5,000
5,000 A Ordinary shares of £1 each	5,000	5,000
	<u>10,000</u>	<u>10,000</u>
 <b>Allotted, called up and fully paid</b>		
3,000 Ordinary shares of £1 each	3,000	3,000
5,000 A Ordinary shares of £1 each	5,000	5,000
	<u>8,000</u>	<u>8,000</u>
The A Ordinary shares carry no voting rights in the event of any winding up of the company other than that of repayment of capital.		
 <b>18. Reconciliation of movements in shareholders' funds</b>	 <b>2004</b>	 <b>2003</b>
	<b>£</b>	<b>£</b>
Profit for the year	225,836	221,247
Dividends	<u>(91,451)</u>	<u>(128,000)</u>
	134,385	93,247
Opening shareholders' funds	657,655	564,408
Closing shareholders' funds	<u>792,040</u>	<u>657,655</u>

# Catering Partnership Limited

## Notes to the financial statements for the year ended 30 June 2004

..... continued

### 19. Contingent liabilities

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

### 20. Transactions with directors

The following directors had interest free loans during the year. The movements on these loans are as follows:

	Amount owing		Maximum in year
	2004	2003	
	£	£	£
A J Coombs	5,000	5,000	5,000

### 21. Related party transactions

During the year the company purchased goods and services of £157,377 (2003: £132,531) from Midland Catering Equipment, a business owned by Mr H Gadsden. Also during the year the company charged Midland Catering Equipment for services the sum of £0 (2003: £2,000). At the year end the company was owed by Midland Catering Equipment £0 (2003: £27,852). All transactions were carried out on an arms length basis on normal trading terms.

### 22. Ultimate parent undertaking

The company's ultimate parent company is Catering Partnership (Holdings) Limited, a company registered in England and Wales.

### 23. Controlling interest

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 to the financial statements for the year ended 30 June 2004

..... continued

### 24. Gross cash flows

	2004 £	2003 £
<b>Returns on investments and servicing of finance</b>		
Interest received	8,114	3,716
Interest paid	(5,220)	(4,846)
	<u>2,894</u>	<u>(1,130)</u>
<b>Taxation</b>		
Corporation tax paid	<u>(61,288)</u>	<u>(60,712)</u>
<b>Capital expenditure</b>		
Payments to acquire tangible assets	(42,367)	(84,721)
Receipts from sales of tangible assets	5	20,350
	<u>(42,362)</u>	<u>(64,371)</u>
<b>Financing</b>		
New long term bank loan	<u>32,216</u>	<u>48,754</u>

### 25. Analysis of changes in net funds

	Opening balance £	Cash flows £	Other changes £	Closing balance £
Cash at bank and in hand	76,998	33,123		110,121
Debt due within one year	(20,021)	1,760	-	18,261
Debt due after one year	(48,754)	16,538	-	32,216
Finance leases and hire purchase contracts	(14,115)	-	9,670	4,445
	<u>(82,890)</u>	<u>18,298</u>	<u>9,670</u>	<u>54,922</u>
<b>Net funds</b>	<u>(5,892)</u>	<u>51,421</u>	<u>9,670</u>	<u>55,199</u>