

Abbreviated Accounts
for the Year Ended 30 June 2006
for
Catering Partnership Limited



Catering Partnership Limited

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for the Year Ended 30 June 2006**

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Catering Partnership Limited

**Company Information
for the Year Ended 30 June 2006**

DIRECTORS:

H Gadsden
A J Coombs
C E Smith

SECRETARY:

Mrs A M Gadsden

REGISTERED OFFICE:

CPL House
33 Leicester Road
Blaby
Leicestershire
LE8 4GU

REGISTERED NUMBER:

2108452 (England and Wales)

AUDITORS:

The Rowleys Partnership LLP
Registered Auditors
Chartered Accountants
6 Dominus Way
Meridian Business Park
Leicester
Leicestershire
LE19 1RP

**Report of the Directors
for the Year Ended 30 June 2006**

The directors present their report with the accounts of the company for the year ended 30 June 2006.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of contract catering services.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed accounts.

We aim to present a balanced, comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and nature of our business and is written in context of the risks and uncertainties we face.

We consider that our key financial performance indicators are those that communicate the financial performance and strength of the company as a whole, these being turnover and margins.

The company has shown significant growth during the year and is in a strong financial position at the end of the year. Turnover has risen in line with expectations, by 13%, which has been through organic growth.

Gross profit has increased to £1,272,966 from £1,135,783, an increase of 12%. Net profit before tax has risen to £386,074 from £351,124 and the margin has been maintained at 4%.

As a business we continue to operate within a highly competitive market and margins have to be carefully monitored.

With these risks in mind, we are aware that any plans for the future development of the business may be affected by unforeseen events outside of our control. Nevertheless, we are confident that the company is well placed to maintain its position regarding the future.

DIVIDENDS

During the financial year, the directors declared and paid interim dividends totalling £261,698.

DIRECTORS

The directors during the year under review were:

H Gadsden
A J Coombs
C E Smith

The directors holding office at 30 June 2006 did not hold any beneficial interest in the issued share capital of the company at 1 July 2005 or 30 June 2006.

Report of the Directors
for the Year Ended 30 June 2006

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.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, The Rowleys Partnership LLP, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:


.....
Mrs A M Gadsden - Secretary

Date: 2/1/07.....

**Report of the Independent Auditors to
Catering Partnership Limited
Under Section 247B of the Companies Act 1985**

We have examined the abbreviated accounts set out on pages five to eighteen, together with the financial statements of Catering Partnership Limited for the year ended 30 June 2006 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The Special Auditor's Report on Abbreviated Accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision.

The Rowleys Partnership LLP

The Rowleys Partnership LLP
Registered Auditors
Chartered Accountants
6 Dominus Way
Meridian Business Park
Leicester
Leicestershire
LE19 1RP

Date: *3 January 2007*

Catering Partnership Limited

Abbreviated Profit and Loss Account for the Year Ended 30 June 2006

	Notes	30.6.06 £	£	30.6.05 £	£
GROSS PROFIT			1,413,142		1,494,638
Distribution costs		(17,600)		(6,000)	
Administrative expenses		<u>1,058,438</u>	<u>1,040,838</u>	<u>1,163,155</u>	<u>1,157,155</u>
OPERATING PROFIT	3		372,304		337,483
Interest receivable and similar income			<u>16,994</u>		<u>17,260</u>
			389,298		354,743
Interest payable and similar charges	4		<u>3,224</u>		<u>3,619</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			386,074		351,124
Tax on profit on ordinary activities	5		<u>79,980</u>		<u>78,271</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			<u><u>306,094</u></u>		<u><u>272,853</u></u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year.

The notes form part of these abbreviated accounts

Catering Partnership Limited

Abbreviated Balance Sheet
30 June 2006

		30.6.06	30.6.05
	Notes	£	£
FIXED ASSETS			
Intangible assets	7	45,528	-
Tangible assets	8	167,557	65,391
		<u>213,085</u>	<u>65,391</u>
CURRENT ASSETS			
Stocks	9	113,028	78,589
Debtors	10	1,845,905	1,376,955
Cash at bank		391,459	623,289
		<u>2,350,392</u>	<u>2,078,833</u>
CREDITORS			
Amounts falling due within one year	11	1,558,925	1,193,715
		<u>1,558,925</u>	<u>1,193,715</u>
NET CURRENT ASSETS		<u>791,467</u>	<u>885,118</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,004,552</u>	<u>950,509</u>
CREDITORS			
Amounts falling due after more than one year	12	25,110	15,463
		<u>25,110</u>	<u>15,463</u>
NET ASSETS		<u><u>979,442</u></u>	<u><u>935,046</u></u>

The notes form part of these abbreviated accounts

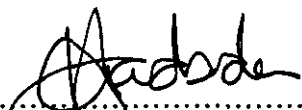
Catering Partnership Limited

Abbreviated Balance Sheet - continued
30 June 2006

		30.6.06		30.6.05	
	Notes	£	£	£	£
CAPITAL AND RESERVES					
Called up share capital	16		8,000		8,000
Profit and loss account	17		971,442		927,046
			<u>979,442</u>		<u>935,046</u>
SHAREHOLDERS' FUNDS	21		<u>979,442</u>		<u>935,046</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The financial statements were approved by the Board of Directors on
.....2 January 2007..... and were signed on its behalf by:


.....
H Gadsden - Director

The notes form part of these abbreviated accounts

Catering Partnership Limited

**Cash Flow Statement
for the Year Ended 30 June 2006**

		30.6.06		30.6.05	
	Notes	£	£	£	£
Net cash inflow from operating activities	1		264,250		701,137
Returns on investments and servicing of finance	2		13,770		13,656
Taxation			(83,378)		(60,796)
Capital expenditure	2		(103,467)		(10,707)
Equity dividends paid			(279,573)		(111,972)
			(188,398)		531,318
Financing	2		(43,432)		(18,150)
(Decrease)/Increase in cash in the period			(231,830)		513,168
<hr/>					
Reconciliation of net cash flow to movement in net funds	3				
(Decrease)/Increase in cash in the period		(231,830)		513,168	
Cash outflow from decrease in debt and lease financing		<u>43,432</u>		<u>21,325</u>	
Change in net funds resulting from cash flows			(188,398)		534,493
New finance leases			<u>(95,989)</u>		<u>-</u>
Movement in net funds in the period			(284,387)		534,493
Net funds at 1 July			589,692		55,199
Net funds at 30 June			<u>305,305</u>		<u>589,692</u>

The notes form part of these abbreviated accounts

Notes to the Cash Flow Statement
for the Year Ended 30 June 2006

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	30.6.06	30.6.05
	£	£
Operating profit	372,304	337,483
Depreciation charges	69,362	75,714
Profit on disposal of fixed assets	(17,600)	(6,000)
Increase in stocks	(34,439)	(3,741)
(Increase)/Decrease in debtors	(476,833)	159,463
Increase in creditors	351,456	138,218
Net cash inflow from operating activities	264,250	701,137

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	30.6.06	30.6.05
	£	£
Returns on investments and servicing of finance		
Interest received	16,994	17,275
Interest paid	(1,637)	(3,109)
Interest element of hire purchase payments	(1,587)	(510)
Net cash inflow for returns on investments and servicing of finance	13,770	13,656
Capital expenditure		
Purchase of intangible fixed assets	(57,509)	-
Purchase of tangible fixed assets	(63,558)	(16,707)
Sale of tangible fixed assets	17,600	6,000
Net cash outflow for capital expenditure	(103,467)	(10,707)
Financing		
Loan repayments in year	(17,983)	(17,515)
Hire purchase repayments in year	(25,449)	(635)
Net cash outflow from financing	(43,432)	(18,150)

The notes form part of these abbreviated accounts

Notes to the Cash Flow Statement
for the Year Ended 30 June 2006

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.7.05 £	Cash flow £	Other non-cash changes £	At 30.6.06 £
Net cash:				
Cash at bank	623,289	(231,830)		391,459
	<u>623,289</u>	<u>(231,830)</u>		<u>391,459</u>
Debt:				
Hire purchase	(635)	25,449	(95,989)	(71,175)
Debts falling due within one year	(17,499)	2,520	-	(14,979)
Debts falling due after one year	(15,463)	15,463	-	-
	<u>(33,597)</u>	<u>43,432</u>	<u>(95,989)</u>	<u>(86,154)</u>
Total	<u>589,692</u>	<u>(188,398)</u>	<u>(95,989)</u>	<u>305,305</u>

The notes form part of these abbreviated accounts

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2006, is being amortised evenly over its estimated useful life of three years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 10% on cost
Plant and machinery	- 33% on cost
Fixtures and fittings	- 25% on cost
Motor vehicles	- 25% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

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.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

Hire purchase and leasing 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 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.

Notes to the Abbreviated Accounts - continued
for the Year Ended 30 June 2006**2. STAFF COSTS**

	30.6.06	30.6.05
	£	£
Wages and salaries	4,366,361	4,034,171
Social security costs	301,265	275,084
Other pension costs	24,400	36,176
	<u>4,692,026</u>	<u>4,345,431</u>

The average monthly number of employees during the year was as follows:

	30.6.06	30.6.05
Catering staff	312	303
Head office	39	37
	<u>351</u>	<u>340</u>

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	30.6.06	30.6.05
	£	£
Depreciation - owned assets	57,381	75,714
Profit on disposal of fixed assets	(17,600)	(6,000)
Goodwill amortisation	11,981	-
Auditors' remuneration	7,450	6,875
	<u>117,238</u>	<u>166,239</u>
Directors' emoluments	22,190	32,190
Directors' pension contributions to money purchase schemes	<u>22,190</u>	<u>32,190</u>

The number of directors to whom retirement benefits were accruing was as follows:

	1	1
Money purchase schemes	<u>1</u>	<u>1</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	30.6.06	30.6.05
	£	£
Bank interest	1,637	3,109
Hire purchase	1,587	510
	<u>3,224</u>	<u>3,619</u>

Notes to the Abbreviated Accounts - continued
for the Year Ended 30 June 2006

5. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	30.6.06 £	30.6.05 £
Current tax:		
UK corporation tax	72,093	83,374
Prior year under/over charge	4	-
Total current tax	<u>72,097</u>	<u>83,374</u>
Deferred tax	<u>7,883</u>	<u>(5,103)</u>
Tax on profit on ordinary activities	<u><u>79,980</u></u>	<u><u>78,271</u></u>

6. DIVIDENDS

	30.6.06 £	30.6.05 £
Ordinary shares of £1 each		
Final	-	17,875
Interim	<u>261,698</u>	<u>111,972</u>
	<u><u>261,698</u></u>	<u><u>129,847</u></u>

7. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
Additions	<u>57,509</u>
At 30 June 2006	<u>57,509</u>
AMORTISATION	
Amortisation for year	<u>11,981</u>
At 30 June 2006	<u>11,981</u>
NET BOOK VALUE	
At 30 June 2006	<u><u>45,528</u></u>

Notes to the Abbreviated Accounts - continued
for the Year Ended 30 June 2006

8. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 July 2005	14,508	136,835	68,906	170,050	390,299
Additions	-	15,194	28,894	115,459	159,547
Disposals	-	-	-	(83,372)	(83,372)
At 30 June 2006	14,508	152,029	97,800	202,137	466,474
DEPRECIATION					
At 1 July 2005	6,496	118,808	65,545	134,059	324,908
Charge for year	1,440	16,056	5,905	33,980	57,381
Eliminated on disposal	-	-	-	(83,372)	(83,372)
At 30 June 2006	7,936	134,864	71,450	84,667	298,917
NET BOOK VALUE					
At 30 June 2006	6,572	17,165	26,350	117,470	167,557
At 30 June 2005	8,012	18,027	3,361	35,991	65,391

Included in the net book value above are assets held on hire purchase contracts totalling £85,449 (2005 £3,464). The depreciation charged in the year on these assets totals £10,540 (2005 £3,198).

9. STOCKS

	30.6.06 £	30.6.05 £
Finished goods	113,028	78,589

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.6.06 £	30.6.05 £
Trade debtors	1,073,329	618,079
Amounts owed by group undertakings	659,059	659,059
Other debtors	3,955	6,519
Directors' current accounts	5,000	5,000
Deferred tax asset	4,842	12,725
Prepayments and accrued income	99,720	75,573
	1,845,905	1,376,955

Notes to the Abbreviated Accounts - continued
for the Year Ended 30 June 2006

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.6.06 £	30.6.05 £
Bank loans and overdrafts (see note 13)	14,979	17,499
Hire purchase contracts (see note 14)	46,065	635
Trade creditors	633,108	423,899
Corporation tax	72,093	83,374
Social security and other taxes	419,967	314,555
Proposed dividends	-	17,875
Other creditors	290,063	235,418
Directors' current accounts	92	92
Accrued expenses	82,558	100,368
	<u>1,558,925</u>	<u>1,193,715</u>

The bank loan is secured by a fixed and floating charge over all the current and future assets of the company.

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	30.6.06 £	30.6.05 £
Bank loans (see note 13)	-	15,463
Hire purchase contracts (see note 14)	25,110	-
	<u>25,110</u>	<u>15,463</u>

13. LOANS

An analysis of the maturity of loans is given below:

	30.6.06 £	30.6.05 £
Amounts falling due within one year or on demand:		
Bank loans	<u>14,979</u>	<u>17,499</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>-</u>	<u>15,463</u>

Notes to the Abbreviated Accounts - continued
for the Year Ended 30 June 2006

14. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

	30.6.06 £	30.6.05 £
Net obligations repayable:		
Within one year	46,065	635
Between one and five years	25,110	-
	<u>71,175</u>	<u>635</u>

15. DEFERRED TAX

	£
Balance at 1 July 2005	(12,725)
Deferred tax movement	<u>7,883</u>
Balance at 30 June 2006	<u>(4,842)</u>

16. CALLED UP SHARE CAPITAL

Authorised:			30.6.06	30.6.05
Number:	Class:	Nominal value:	£	£
5,000	Ordinary	£1	5,000	5,000
5,000	Ordinary A	£1	5,000	5,000
			<u>10,000</u>	<u>10,000</u>

Allotted, issued and fully paid:			30.6.06	30.6.05
Number:	Class:	Nominal value:	£	£
3,000	Ordinary	£1	3,000	3,000
5,000	Ordinary A	£1	5,000	5,000
			<u>8,000</u>	<u>8,000</u>

The Ordinary A shares carry no voting rights in the events of any winding up of the company other than that of repayment of capital.

Notes to the Abbreviated Accounts - continued
for the Year Ended 30 June 2006

17. RESERVES

	Profit and loss account £
At 1 July 2005	927,046
Profit for the year	306,094
Dividends	(261,698)
	<u>971,442</u>
At 30 June 2006	<u>971,442</u>

18. ULTIMATE PARENT COMPANY

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

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 loan to directors subsisted during the years ended 30 June 2006 and 30 June 2005:

	30.6.06 £	30.6.05 £
A J Coombs		
Balance outstanding at start of year	5,000	5,000
Balance outstanding at end of year	5,000	5,000
Maximum balance outstanding during year	<u>5,000</u>	<u>5,000</u>

Notes to the Abbreviated Accounts - continued
for the Year Ended 30 June 2006

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	30.6.06	30.6.05
	£	£
Profit for the financial year	306,094	272,853
Dividends	(261,698)	(129,847)
Net addition to shareholders' funds	44,396	143,006
Opening shareholders' funds	935,046	792,040
Closing shareholders' funds	979,442	935,046
Equity interests	979,442	935,046