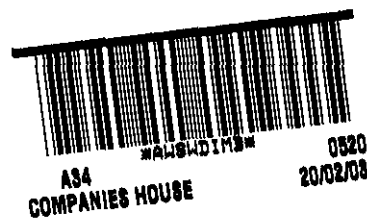


Companies
House

Registration number 2108452

Catering Partnership Limited
Directors' report and financial statements
for the year ended 30 June 2002



Catering Partnership Limited

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Catering Partnership Limited

Company information

Directors	H Gadsden A J Coombs
Secretary	B J Wilkes
Company number	2108452
Registered office	33 Leicester Road Blaby Leicester LE8 4GR
Auditors	Rowley's Chartered Accountants 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

Directors' report for the year ended 30 June 2002

The directors present their report and the financial statements for the year ended 30 June 2002.

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 results for the year are considered to be satisfactory despite difficult trading conditions. The directors are optimistic about future opportunities.

Results and dividends

The results for the year are set out on page 4.

The directors have paid an interim dividend amounting to £168,000 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	
	30/06/02	01/07/01	30/06/02	01/07/01
H Gadsden	-	-	-	-
A J Coombs	-	-	-	-

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.

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

Rowley's 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.

Catering Partnership Limited

**Directors' report
for the year ended 30 June 2002**

This report was approved by the Board on 17 December 2002 and signed on its behalf by

X *B J Wilkes* X

**B J Wilkes
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 2002 which comprise the profit and loss account, the balance sheet 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 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.

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 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Rowley's
Rowley's
Registered Auditors

20 Friar Lane
Leicester
LE1 5RA

17 December 2002

Catering Partnership Limited

Profit and loss account for the year ended 30 June 2002

		Continuing operations	
		2002	2001
	Notes	£	£
Turnover	2	6,756,109	6,630,823
Cost of sales		(5,809,639)	(5,509,349)
Gross profit		946,470	1,121,474
Administrative expenses		(1,096,256)	(1,025,155)
Other operating income		381,372	294,785
Operating profit	3	231,586	391,104
Other interest receivable and similar income		2,457	4,905
Interest payable and similar charges	5	(1,207)	(3,470)
Profit on ordinary activities before taxation		232,836	392,539
Tax on profit on ordinary activities	8	(59,615)	(112,092)
Profit on ordinary activities after taxation		173,221	280,447
Dividends	9	(168,000)	(138,000)
Retained profit for the year		5,221	142,447
Retained profit brought forward		551,187	408,740
Retained profit carried forward		556,408	551,187

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

The notes on pages 7 to 16 form an integral part of these financial statements.

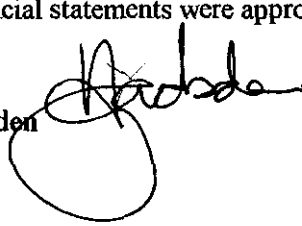
Catering Partnership Limited

Balance sheet as at 30 June 2002

		2002		2001	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	10		217,558		86,086
Stocks	11	66,370		52,368	
Debtors	12	1,406,166		1,503,584	
Cash at bank and in hand		22,979		115,007	
		<u>1,495,515</u>		<u>1,670,959</u>	
Creditors: amounts falling due within one year	13	<u>(1,143,557)</u>		<u>(1,186,202)</u>	
Net current assets			<u>351,958</u>		<u>484,757</u>
Total assets less current liabilities			569,516		570,843
Creditors: amounts falling due after more than one year	14		-		(6,548)
Provisions for liabilities and charges	15		<u>(5,108)</u>		<u>(5,108)</u>
Net assets			<u><u>564,408</u></u>		<u><u>559,187</u></u>
Capital and reserves					
Called up share capital	17		8,000		8,000
Profit and loss account			556,408		551,187
Equity shareholders' funds	18		<u><u>564,408</u></u>		<u><u>559,187</u></u>

The financial statements were approved by the Board on 17 December 2002 and signed on its behalf by

H Gadsden
Director



The notes on pages 7 to 16 form an integral part of these financial statements.

Catering Partnership Limited

Cash flow statement for the year ended 30 June 2002

	Notes	2002 £	2001 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		231,586	391,104
Depreciation		64,043	32,554
(Increase) in stocks		(14,002)	32,312
Decrease in debtors		97,418	2,657
Increase in creditors		1,867	(111,207)
Net cash inflow from operating activities		<u>380,912</u>	<u>347,420</u>
Cash flow statement			
Net cash inflow from operating activities		380,912	347,420
Returns on investments and servicing of finance	25	1,250	1,435
Taxation	25	(110,956)	(46,772)
Capital expenditure	25	(170,866)	(48,477)
		100,340	253,606
Equity dividends paid		(168,000)	(138,000)
Increase in cash in the year		<u>(67,660)</u>	<u>115,606</u>
Reconciliation of net cash flow to movement in net debt (Note 26)			
Increase in cash in the year		(67,660)	115,606
New finance leases and hire purchase contracts		(24,650)	1,841
Movement in net debt in the year		(92,310)	117,447
Net funds at 1 July 2001		(9,955)	(127,402)
Net debt at 30 June 2002		<u>(102,265)</u>	<u>(9,955)</u>

Catering Partnership Limited

Notes to the financial statements for the year ended 30 June 2002

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:

Property improvements	-	10% per annum of written down value
Plant and machinery	-	25% per annum of written down value
Fixtures, fittings and equipment	-	15% per annum of written down value
Motor vehicles	-	30% per annum of written down value

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

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes.

2. Turnover

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

Catering Partnership Limited

Notes to the financial statements for the year ended 30 June 2002

..... continued

3. Operating profit	2002	2001
	£	£
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible assets	64,043	25,799
Loss on disposal of tangible fixed assets	-	6,755
Auditors' remuneration	5,950	7,880
	<u> </u>	<u> </u>
4. Interest receivable and similar income	2002	2001
	£	£
Bank interest	2,457	4,905
	<u> </u>	<u> </u>
5. Interest payable and similar charges	2002	2001
	£	£
On bank loans and overdrafts	568	2,372
Hire purchase interest	639	1,098
	<u> </u>	<u> </u>
	1,207	3,470
	<u> </u>	<u> </u>
6. Employees		
Number of employees		
The average monthly numbers of employees (including the directors) during the year were:	2002	2001
Catering staff	329	327
Head office	25	26
	<u> </u>	<u> </u>
	354	353
	<u> </u>	<u> </u>
Employment costs	2002	2001
	£	£
Wages and salaries	3,079,803	2,870,318
Social security costs	175,549	164,400
Other pension costs	31,378	3,347
	<u> </u>	<u> </u>
	3,286,730	3,038,065
	<u> </u>	<u> </u>

Catering Partnership Limited

**Notes to the financial statements
for the year ended 30 June 2002**

..... continued

6.1. Directors' emoluments	2002	2001
	£	£
Remuneration and other emoluments	63,164	62,102
Pension contributions	28,561	1,143
	<u>91,725</u>	<u>63,245</u>
	Number	Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme	<u>1</u>	<u>1</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 £31,378 (2001 - £3,347).

Catering Partnership Limited

Notes to the financial statements for the year ended 30 June 2002

..... continued

8. Tax on profit on ordinary activities

Analysis of charge in period	2002	2001
	£	£
UK corporation tax	59,658	111,000
Prior period adjustments	(43)	(1,074)
	<u>59,615</u>	<u>109,926</u>
Total current tax charge	<u>59,615</u>	<u>109,926</u>
Deferred tax		
Timing differences, origination and reversal	-	2,166
Total deferred tax	<u>-</u>	<u>2,166</u>
Tax on profit on ordinary activities	<u>59,615</u>	<u>112,092</u>

Factors affecting tax charge for period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (30 per cent). The differences are explained below:

	2002	2001
	£	£
Profit on ordinary activities before taxation	<u>(232,836)</u>	<u>(392,539)</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (30 June 2001 : 30%)	(69,851)	(117,762)
Expenses not deductible for tax purposes	(1,162)	(3,256)
Capital allowances for period in excess of depreciation	(2,143)	1,225
Marginal rate effect	12,970	8,773
Rounding	528	20
Current tax charge for period	<u>(59,658)</u>	<u>(111,000)</u>

9. Dividends

	2002	2001
	£	£
Dividends on equity shares:		
Ordinary shares - interim paid	<u>168,000</u>	<u>138,000</u>

Catering Partnership Limited

Notes to the financial statements for the year ended 30 June 2002

..... continued

10. Tangible fixed assets	Property improvements £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost					
At 1 July 2001	14,508	71,810	68,477	-	154,795
Additions	-	28,615	6,246	160,655	195,516
Disposals	-	(13,255)	-	-	(13,255)
At 30 June 2002	<u>14,508</u>	<u>87,170</u>	<u>74,723</u>	<u>160,655</u>	<u>337,056</u>
Depreciation					
At 1 July 2001	725	39,044	28,940	-	68,709
On disposals	-	(13,255)	-	-	(13,255)
Charge for the year	1,451	22,276	15,995	24,322	64,044
At 30 June 2002	<u>2,176</u>	<u>48,065</u>	<u>44,935</u>	<u>24,322</u>	<u>119,498</u>
Net book values					
At 30 June 2002	<u>12,332</u>	<u>39,105</u>	<u>29,788</u>	<u>136,333</u>	<u>217,558</u>
At 30 June 2001	<u>13,783</u>	<u>32,766</u>	<u>39,537</u>	<u>-</u>	<u>86,086</u>

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

Asset description	2002		2001	
	Net book value £	Depreciation charge £	Net book value £	Depreciation charge £
Motor vehicles	<u>44,832</u>	<u>1,392</u>	<u>5,569</u>	<u>1,427</u>
11. Stocks			2002	2001
			£	£
Finished goods and goods for resale			<u>66,370</u>	<u>52,368</u>

Catering Partnership Limited

Notes to the financial statements for the year ended 30 June 2002

..... continued

12. Debtors	2002	2001
	£	£
Trade debtors	568,462	482,326
Amounts owed by group undertakings	706,209	737,261
Other debtors	32,371	12,241
Called up share capital not paid	5,000	5,000
Prepayments and accrued income	94,124	266,756
	<u>1,406,166</u>	<u>1,503,584</u>
 13. Creditors: amounts falling due within one year	 2002	 2001
	£	£
Bank overdraft	91,492	114,977
Bank loan	5,665	-
Net obligations under finance leases and hire purchase contracts	28,087	3,437
Trade creditors	494,072	468,536
Corporation tax	59,658	111,000
Other taxes and social security costs	251,174	203,172
Other creditors	147,105	167,985
Accruals and deferred income	66,304	117,095
	<u>1,143,557</u>	<u>1,186,202</u>
 14. Creditors: amounts falling due after more than one year	 2002	 2001
	£	£
Bank loan	-	5,476
Net obligations under finance leases and hire purchase contracts	-	1,072
	<u>-</u>	<u>6,548</u>

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

Catering Partnership Limited

**Notes to the financial statements
for the year ended 30 June 2002**

..... continued

15 Provisions for liabilities and charges

	Deferred taxation (Note 16) £	Total £
At 1 July 2001	5,108	5,108
At 30 June 2002	<u>5,108</u>	<u>5,108</u>

16. Provision for deferred taxation

	2002 £	2001 £
Accelerated capital allowances	5,108	5,108
Undiscounted provision for deferred tax	<u>5,108</u>	<u>5,108</u>
 Provision at 1 July 2001	 5,108	
Provision at 30 June 2002	<u>5,108</u>	

Catering Partnership Limited

Notes to the financial statements for the year ended 30 June 2002

..... continued

17. Share capital	2002 £	2001 £
Authorised equity		
5000 Ordinary shares of £1 each	5,000	5,000
5000 A Ordinary shares of £1 each	5,000	5,000
	<u>10,000</u>	<u>10,000</u>
Allotted, called up and fully paid equity		
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.

18. Reconciliation of movements in shareholders' funds	2002 £	2001 £
Profit for the year	173,221	280,447
Dividends	(168,000)	(138,000)
	<u>5,221</u>	<u>142,447</u>
Opening shareholders' funds	559,187	416,740
Closing shareholders' funds	<u>564,408</u>	<u>559,187</u>

19. Capital commitments	2002 £	2001 £
Details of capital commitments at the accounting date are as follows:		
Contracted for but not provided in the financial statements	<u>-</u>	<u>73,596</u>

20. Contingent liabilities

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

Catering Partnership Limited

**Notes to the financial statements
for the year ended 30 June 2002**

..... continued

21. Transactions with directors

The company has made a short term loan of £29,000 to a pension scheme in which Mr H Gadsden is a member.

22. Related party transactions

During the year the company purchased goods and services of £100,948 (2001: £75,561) 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 £12,000 (2001: £22,900). At the year end the company was owed by Midland Catering Equipment £31,783 (2001: £3,102). Management charges payable to Catering Partnership (Holdings) Limited amounting to £170,000 (2001: £165,000), have been included in these financial statements together with a rent charge of £31,740 (2001: £18,515 for the property and £18,000 (2001: £13,256) for vehicles. All transactions were carried out on an arms length basis on normal trading terms.

23. Ultimate parent undertaking

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

24. 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 2002**

..... continued

25. Gross cash flows

	2002	2001
	£	£
Returns on investments and servicing of finance		
Interest received	2,457	4,905
Interest paid	(1,207)	(3,470)
	<u>1,250</u>	<u>1,435</u>
Capital expenditure		
Payments to acquire tangible assets	(170,866)	(53,877)
Receipts from sales of tangible assets	-	5,400
	<u>(170,866)</u>	<u>(48,477)</u>

26. Analysis of changes in net funds

	Opening balance	Cash flows	Other changes	Closing balance
	£	£	£	£
Cash at bank and in hand	115,007	(92,028)		22,979
Overdrafts	(114,977)	23,485		(91,492)
	<u>30</u>	<u>(68,543)</u>		<u>(68,513)</u>
Debt due within one year	(5,476)	(189)	-	(5,665)
Finance leases and hire purchase contracts	(4,509)	1,072	(24,650)	(28,087)
	<u>(9,985)</u>	<u>883</u>	<u>(24,650)</u>	<u>(33,752)</u>
Net funds	<u>(9,955)</u>	<u>(67,660)</u>	<u>(24,650)</u>	<u>(102,265)</u>

Catering Partnership Limited

The following pages do not form part of the statutory accounts.