

INITIAL CATERING SERVICES LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 25 DECEMBER 1999

REGISTERED NUMBER: 2505731



INITIAL CATERING SERVICES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 25 DECEMBER 1999

The directors submit their report and audited financial statements for the year ended 25 December 1999.

BUSINESS AND FINANCIAL REVIEW

The Company's principal activity continues to be the provision of catering services and the directors do not envisage any change in the activity of the Company during the next financial year.

RESULTS AND DIVIDEND

A summary of the results for the year is given in the profit and loss account on page 5. On 7 April 1999 the Company paid a dividend of £2,160,000 (1998 Nil) in respect of the year. The retained profit of £22,000 (1998 £3,028,000) has been transferred to reserves.

CREDITOR PAYMENT POLICY

It is the policy of Rentokil Initial to settle the terms of payment with those with whom Rentokil Initial companies do business when agreeing the terms of a transaction, to ensure that the terms of payment are clear and to abide by the agreed terms. At the year end the balance owing to trade creditors represented 58 days of the total invoiced supplies for the year (1998 44 days).

POST BALANCE SHEET EVENTS

There are no material post balance sheet events between the year-end and the date the financial statements are signed.

YEAR 2000

Many computer systems store or process dates using only the last two digits of the year and this will result in incorrect or unpredictable treatment of dates after the year 2000 in those systems.

The Company has reviewed its computer systems and non-IT business critical systems for compliance with year 2000 requirements and has a programme in place to ensure compliance. The Company has not yet suffered any disruption as a result of the date change, however the directors will continue to monitor the process.

The cost of addressing the year 2000 issues is not anticipated to be significant.

DIRECTORS

The directors who served during the year were: -

Mr JHN Gibson
Mr JK Walker
Mr P Griffiths
Mr IJ Carruthers
Mr SJ Fretwell

INITIAL CATERING SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 25 DECEMBER 1999

DIRECTORS' INTERESTS

None of the directors had any beneficial interest in the share capital of the Company.

The beneficial interests of the directors in the ordinary shares of Rentokil Initial plc at 25 December 1999 and 26 December 1998 were: -

	Ordinary Shares		Share Option Schemes	
	1999	1998	1999	1998
Mr JHN Gibson	-	-	-	-
Mr JK Walker	-	-	62,000	41,500
Mr P Griffiths	54	54	60,845	42,845
Mr IJ Carruthers	3,200	-	-	-
Mr SJ Fretwell	16,166	13,204	233,200	176,845

Mr JK Walker was granted 20,500 options during the year.

Mr P Griffiths was granted 18,000 options during the year.

Mr SJ Fretwell was granted 61,200 options and exercised 4,845 options during the year.

EMPLOYMENT POLICIES

The Company makes its employees aware of the economic and financial factors affecting the Company via memorandums and management briefings. Managers enhance motivation and commitment of their workforce by providing opportunities for involvement and participation at a unit level.

The Company provides equal opportunities regardless of gender, marital status, ethnic origin or nationality. Wherever possible equal consideration is given to the employment of disabled persons.

In order to ensure the health and safety of employees, the Company maintains a policy of providing secure working conditions and appropriate training standards at all locations.

INITIAL CATERING SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 25 DECEMBER 1999

STATEMENT OF 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;
- State whether applicable 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 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 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

Our auditors, PricewaterhouseCoopers, are willing to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the Board



JK WALKER
Director

Date 21 February 2000

**AUDITORS' REPORT TO THE MEMBERS OF
INITIAL CATERING SERVICES LIMITED**

We have audited the financial statements on pages 5 to 18 which have been prepared under the historical cost convention and the accounting policies set out on pages 8 and 9.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 3, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. 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 is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with 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 at 25 December 1999 and of its profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Windsor, Berkshire

Date 21 February 2000

INITIAL CATERING SERVICES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 25 DECEMBER 1999

	Notes	1999 £'000	1998 £'000
Turnover	1b,2	55,554	75,519
Cost of sales		<u>(48,453)</u>	<u>(67,070)</u>
Gross profit		7,101	8,449
Distribution costs		(885)	(687)
Administrative expenses		<u>(3,587)</u>	<u>(3,825)</u>
Operating profit		2,629	3,937
Interest receivable and similar income	3	526	455
Interest payable and similar charges	3	<u>(46)</u>	<u>(41)</u>
Profit on ordinary activities before taxation	4	3,109	4,351
Tax on profit on ordinary activities	7	<u>(927)</u>	<u>(1,323)</u>
Profit for the financial year	18	2,182	3,028
Dividend	8	<u>(2,160)</u>	<u>-</u>
Retained profit	17	<u>22</u>	<u>3,028</u>

All the Company's trading and results are in respect of continuing activities.

There are no recognised gains or losses other than those included in the profit and loss account above and, therefore, no separate statement of total recognised gains and losses has been presented.

The notes on pages 8 to 18 form part of these financial statements.

INITIAL CATERING SERVICES LIMITED

BALANCE SHEET AS AT 25 DECEMBER 1999

	Notes	25 December 1999 £'000	26 December 1998 £'000
Tangible fixed assets	9	<u>1,131</u>	<u>1,266</u>
Current assets			
Stock	10	920	881
Debtors	11	7,278	9,311
Cash at bank and in hand		<u>10,773</u>	<u>8,766</u>
		18,971	18,958
Creditors - Amounts falling due within one year	12	<u>(11,705)</u>	<u>(11,774)</u>
Net current assets		<u>7,266</u>	<u>7,184</u>
Total assets less current liabilities		8,397	8,450
Creditors - Amounts falling due after more than one year	13	<u>(362)</u>	<u>(437)</u>
Net assets		<u>8,035</u>	<u>8,013</u>
 Capital and reserves			
Called up share capital	16	100	100
Profit and loss account	17	<u>7,935</u>	<u>7,913</u>
Equity shareholders' funds	18	<u>8,035</u>	<u>8,013</u>

The financial statements were approved by the Directors and signed on their behalf by:


JK WALKER
Director

Date... 21 February 2000

The notes on pages 8 to 18 form part of these financial statements.

INITIAL CATERING SERVICES LIMITED**CASH FLOW STATEMENT****FOR THE YEAR ENDED 25 DECEMBER 1999**

	Notes	1999 £'000	1998 £'000
Net cash inflow from operating activities	19	5,475	3,940
Returns on investments and servicing of finance			
Interest received		526	418
Interest element of finance lease rental payments		<u>(46)</u>	<u>(41)</u>
		<u>480</u>	<u>377</u>
Taxation			
UK corporation tax paid		<u>(1,349)</u>	<u>(754)</u>
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(307)	(194)
Receipts from sales of tangible fixed assets		<u>90</u>	<u>108</u>
		<u>(217)</u>	<u>(86)</u>
Equity dividends paid		<u>(2,160)</u>	<u>—</u>
Financing			
Capital element of finance lease rental payments		<u>(222)</u>	<u>(147)</u>
Increase in cash	20	<u>2,007</u>	<u>3,330</u>

The notes on pages 8 to 18 form part of these financial statements.

INITIAL CATERING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 25 DECEMBER 1999

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

- a) Basis of preparation of financial statements - The financial statements are prepared according to the historical cost convention.
- b) Turnover - Turnover represents amounts receivable for goods and services supplied to customers by the Company, excluding value added tax and net of trade discounts. Turnover includes amounts receivable for goods and management fees where the Company acts as agent.
- c) Fixed assets and depreciation - Fixed assets are depreciated on a straight-line basis by reference to cost, the anticipated useful lives of the assets concerned, and residual value. The following rates have been used:

Motor vehicles	-	25% on cost
Plant and Machinery	-	20% on cost
Fixtures and Fittings	-	20% on cost

- d) Stocks - Stocks are valued at latest purchase prices, which are not materially different from the lower of cost and net realisable value.
- e) Pensions - The Company participates in group pension schemes operated by Rentokil Initial plc. Most of the pension schemes are of the defined benefit type and the assets are held in separate trustee administered independent funds. The funds are valued every three years by a professionally qualified independent actuary, the rates of contribution being determined by the actuary. In the intervening years, the actuary reviews the continuing appropriateness of the rates. Pension costs are accounted for on the basis of charging the expected cost of providing pensions over the period during which the company benefits from the employees' services. The effect of variations from regular costs is spread over the expected remaining working lifetime of members of the scheme after making suitable allowances for further withdrawals. The latest actuarial assessment of the scheme was at 5 April 1996. Particulars of the valuation of the group schemes are contained in the financial statements of Rentokil Initial plc.
- f) Deferred taxation - The charge for corporation tax is based on the profit for the twelve months and takes into account taxation deferred because of differences between the treatment of certain items for taxation and accounting purposes. Provision is made for other timing differences to the extent that it is probable that a liability or asset will crystallise.

INITIAL CATERING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 25 DECEMBER 1999

1. ACCOUNTING POLICIES (CONTINUED)

- g) Finance and Operating leases - Operating leases are charged to the profit and loss account on a straight-line basis irrespective of when the payments are due. Leasing agreements that transfer substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit in proportion to the reducing capital element outstanding. Assets held under finance leases are depreciated over the shorter of the lease terms and the useful lives of equivalent owned assets.
- h) Group Accounts - The company has not prepared consolidated accounts on the basis that it is exempt from having to do so under Section 228 of the Companies Act 1985 as it is a majority owned subsidiary of Rentokil Initial plc, a company registered in England and Wales. These financial statements present information about the company as an individual undertaking and not about its group.

2. TURNOVER

Turnover is attributable to catering services provided in the United Kingdom.

3. INTEREST

	1999 £'000	1998 £'000
Bank interest receivable	<u>526</u>	<u>455</u>
Finance lease interest payable	<u>46</u>	<u>41</u>

INITIAL CATERING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 25 DECEMBER 1999

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging the following: -

	1999 £'000	1998 £'000
Operating leases		
Hire of plant & machinery	-	-
Other operating leases	253	273
Depreciation - owned assets	356	482
- leased assets	187	145
Auditors' remuneration	49	48
Profit on sale of fixed assets	<u>47</u>	<u>73</u>

Non-audit fees paid to the auditors in the year amounted to £2,000 (1998 £5,000).

5. EMPLOYEES

The average number of persons (including directors) employed by the Company during the year was: -

By activity	1999 Number	1998 Number
Catering	5,764	9,155
Administration	<u>44</u>	<u>29</u>
	<u>5,808</u>	<u>9,184</u>

INITIAL CATERING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 25 DECEMBER 1999

5. EMPLOYEES (CONTINUED)

The aggregate payroll of these persons was as follows

	1999 £'000	1998 £'000
Wages and salaries	23,594	34,327
Social security costs	802	1,324
Other pension costs	<u>381</u>	<u>650</u>
	<u>24,777</u>	<u>36,301</u>

6. DIRECTORS' EMOLUMENTS

	1999 £'000	1998 £'000
Aggregate emoluments	<u>127</u>	<u>127</u>

Retirement benefits are accruing for one director (1998 one) under a defined benefit pension scheme.

7. TAXATION

The taxation charge based on the profit for the year comprises:

	1999 £'000	1998 £'000
UK corporation tax at 30.25% (1998 31%)		
- current year	893	1,315
- prior year	<u>34</u>	<u>8</u>
	<u>927</u>	<u>1,323</u>

INITIAL CATERING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 25 DECEMBER 1999

8. DIVIDEND

	1999 £'000	1998 £'000
Paid in year		
"A" ordinary shares	540	-
"B" ordinary shares	<u>1,620</u>	<u>-</u>
	<u>2,160</u>	<u>-</u>

9. TANGIBLE FIXED ASSETS

	Motor Vehicles £'000	Plant & Machinery £'000	Fixtures & Fittings £'000	Total £'000
Cost				
26 December 1998	977	1,879	332	3,188
Additions	174	258	19	451
Disposals	(233)	(513)	(77)	(823)
Reclassification	<u>-</u>	<u>12</u>	<u>(12)</u>	<u>-</u>
25 December 1999	<u>918</u>	<u>1,636</u>	<u>262</u>	<u>2,816</u>
Depreciation				
26 December 1998	355	1,324	243	1,922
Charge for the year	200	277	66	543
Disposals	(195)	(512)	(73)	(780)
Reclassification	<u>-</u>	<u>7</u>	<u>(7)</u>	<u>-</u>
25 December 1999	<u>360</u>	<u>1,096</u>	<u>229</u>	<u>1,685</u>
Net Book Value				
25 December 1999	<u>558</u>	<u>540</u>	<u>33</u>	<u>1,131</u>
26 December 1998	<u>622</u>	<u>555</u>	<u>89</u>	<u>1,266</u>

The net book value of tangible fixed assets includes an amount of £535,000 (1998 £616,000) in respect of assets held under finance leases.

INITIAL CATERING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 25 DECEMBER 1999

10. STOCK

	25 December 1999	26 December 1998
	£'000	£'000
Raw materials and consumables	891	793
Garments in use	<u>29</u>	<u>88</u>
	<u>920</u>	<u>881</u>

11. DEBTORS

	25 December 1999	26 December 1998
	£'000	£'000
Amounts falling due within one year		
Trade debtors	3,836	5,457
Amounts owed by group undertakings	408	501
Prepayments and accrued income	<u>3,034</u>	<u>3,353</u>
	<u>7,278</u>	<u>9,311</u>

12. CREDITORS – Amounts falling due within one year

	25 December 1999	26 December 1998
	£'000	£'000
Trade creditors	5,532	4,499
Amounts owed to group undertakings	1,763	1,329
Corporation tax	893	1,315
Other taxation and social security	1,506	1,643
Accruals and deferred income	1,835	2,809
Obligations under finance leases	<u>176</u>	<u>179</u>
	<u>11,705</u>	<u>11,774</u>

INITIAL CATERING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTIUED)

FOR THE YEAR ENDED 25 DECEMBER 1999

13. CREDITORS – Amounts falling due after more than one year

	25 December 1999 £'000	26 December 1998 £'000
Obligations under finance leases	<u>362</u>	<u>437</u>

The net finance lease obligations to which the Company is committed are

	25 December 1999 £'000	26 December 1998 £'000
Repayable		
Within one year	176	179
Between one and five years	359	420
After five years	<u>3</u>	<u>17</u>
	<u>538</u>	<u>616</u>

14. OPERATING LEASES

At 25 December 1999 the Company had annual commitments under non-cancellable operating leases as follows

	<u>Land & Buildings</u>		<u>Other</u>	
	25 December 1999 £'000	26 December 1998 £'000	25 December 1999 £'000	26 December 1998 £'000
Leases expiring				
Within one year	100	12	6	-
Between one and five years	<u>19</u>	<u>211</u>	<u>10</u>	<u>12</u>
	<u>119</u>	<u>223</u>	<u>16</u>	<u>12</u>

15. DEFERRED TAXATION

	<u>Amount Provided</u>		<u>Total Potential Asset</u>	
	25 December 1999 £'000	26 December 1998 £'000	25 December 1999 £'000	26 December 1998 £'000
Tax effect of timing differences				
Excess of depreciation over capital allowances	-	-	71	66
Short term timing differences	<u>-</u>	<u>-</u>	<u>33</u>	<u>75</u>
	<u>-</u>	<u>-</u>	<u>104</u>	<u>141</u>

INITIAL CATERING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 25 DECEMBER 1999

16. SHARE CAPITAL

	25 December 1999 £'000	26 December 1998 £'000
Authorised		
75,000 "B" Ordinary Shares of £1 each	75	75
25,000 "A" Ordinary Shares of £1 each	<u>25</u>	<u>25</u>
	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
75,000 "B" Ordinary Shares of £1 each	75	75
25,000 "A" Ordinary Shares of £1 each	<u>25</u>	<u>25</u>
	<u>100</u>	<u>100</u>

"A" and "B" ordinary shares rank equally in respect of dividend rights, voting rights and priority on winding up.

The number of shares held by the immediate parent undertaking BET Developments Limited is 75,000 "B" ordinary shares.

17. PROFIT AND LOSS ACCOUNT

	£'000
26 December 1998	7,913
Retained profit	<u>22</u>
25 December 1999	<u>7,935</u>

18. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	25 December 1999 £'000	26 December 1998 £'000
Profit for the financial year	2,182	3,028
Dividends	(2,160)	-
Opening equity shareholders' funds	<u>8,013</u>	<u>4,985</u>
Closing equity shareholders' funds	<u>8,035</u>	<u>8,013</u>

INITIAL CATERING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 25 DECEMBER 1999

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

	1999	1998
	£'000	£'000
Operating profit	2,629	3,937
Depreciation	543	627
Profit on disposal of tangible fixed assets	(47)	(73)
(Increase) / decrease in stocks	(39)	674
Decrease in debtors	2,033	2,280
Increase / (decrease) in creditors	<u>356</u>	<u>(3,505)</u>
Net cash inflow from operating activities	<u>5,475</u>	<u>3,940</u>

20. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	1999	1998
	£'000	£'000
Increase in cash in the year	2,007	3,330
Cash flow from movement in lease financing	<u>222</u>	<u>147</u>
Change in net funds resulting from cash flows	2,229	3,477
New finance leases	<u>(144)</u>	<u>(270)</u>
Movement in net funds in the year	2,085	3,207
Net funds at 26 December 1998	<u>8,150</u>	<u>4,943</u>
Net funds at 25 December 1999	<u>10,235</u>	<u>8,150</u>

21. ANALYSIS OF CHANGES IN NET FUNDS

	26	Cash	Other non-cash	25
	December	flow	Movements	December
	1998			1999
	£'000	£'000	£'000	£'000
Cash at bank and in hand	8,766	2,007	-	10,773
Finance leases	<u>(616)</u>	<u>222</u>	<u>(144)</u>	<u>(538)</u>
	<u>8,150</u>	<u>2,229</u>	<u>(144)</u>	<u>10,235</u>

INITIAL CATERING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 25 DECEMBER 1999

22. SUBSIDIARY UNDERTAKING

The Company's subsidiary, BET Catering Limited, which is 100% owned is registered in England and Wales. The principal activity of BET Catering Limited is the provision of administrative and other services.

In the opinion of the directors, the value of the Company's interest in the subsidiary is not less than the £100 of share capital disclosed in the BET Catering Limited financial statements. The amount, due to its size, is not stated on the face of the balance sheet of the Company.

Financial information in respect of BET Catering Limited at 25 December 1999 is as follows:

	£'000
Capital and reserves	1,065
Profit for the year	<u>372</u>

23. RELATED PARTY TRANSACTIONS

The Company provides catering services for a fellow subsidiary undertaking, Rentokil Initial Management Services Limited. The amount credited in respect of the year was £1,300,774 (1998 £1,311,160). The amount due from the related party as at 25 December 1999 was £158,763 (1998 £170,170).

The Company provides catering services for a fellow subsidiary undertaking, Initial Healthcare Services Limited. The amount credited in respect of the year was £352,601 (1998 £361,164). The amount due from the related party as at 25 December 1999 was £28,444 (1998 £30,026).

The Company provides catering services for its ultimate parent undertaking, Rentokil Initial plc. The amount credited in respect of the year was £616,431 (1998 £437,301). The amount due from the related party as at 25 December 1999 was £90,007 (1998 £144,745).

The Company receives insurance services from its ultimate parent undertaking, Rentokil Initial plc. The amount charged in respect of the year was £415,279 (1998 £554,114). The amount due from the related party as at 25 December 1999 was £119,513 (1998 £138,822).

The Company receives administration and other services from its subsidiary undertaking, BET Catering Limited. The amount charged in respect of the year was £2,773,666 (1998 £2,507,026). The amount due to the related party as at 25 December 1999 was £1,742,411 (1998 £1,309,787).

INITIAL CATERING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 25 DECEMBER 1999

24. ULTIMATE PARENT UNDERTAKING

The Company's immediate parent undertaking is BET Developments Limited. The Company's ultimate parent undertaking is Rentokil Initial plc, a company registered in England and Wales and copies of their financial statements may be obtained from: - The Secretary, Rentokil Initial plc, Felcourt, East Grinstead, West Sussex RH19 2JY.

25. CAPITAL COMMITMENTS

As at 25 December 1999 the Company had no capital commitments.

26. CONTINGENT LIABILITIES

	25 December 1999	26 December 1998
	£'000	£'000
Amount of bonds, guarantees and indemnities for contract performance	<u>244</u>	<u>244</u>