

BET CATERING SERVICES LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 2ND APRIL 1994

REGISTERED NUMBER: 2505731



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BET CATERING SERVICES LIMITED
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 2ND APRIL 1994

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BET CATERING SERVICES LIMITED
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DIRECTORS' REPORT

The directors submit their report and audited financial statements for the year ended 2nd April 1994.

BUSINESS AND FINANCIAL REVIEW

The Company's principal activity is 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 6. No dividend is proposed in respect of the financial year and £658,000 (1993: £388,000) has been transferred to reserves.

DIRECTORS

The directors who served during the period under review were:-

Mr J.M. Allan	(Chairman)
Mr K. Barnes	(Resigned 28th April 1993)
Mr N. Dreghorn	(Resigned 21st October 1993)
Mr J.H.N. Gibson	
Mr J.K. Walker	
Mr P. Griffiths	(Appointed 28th April 1993)

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DIRECTORS' REPORT
(continued)

DIRECTORS' INTERESTS

None of the directors had any beneficial interest in the share capital of the Company. The beneficial interest of the directors in the ordinary shares of BET Public Limited Company at 27th March 1993 or the date of appointment, if later, and 2nd April 1994 were:-

	<u>Ordinary Shares</u>		<u>Executive Option Scheme *</u>		<u>Sharesave Scheme +</u>	
	<u>1994</u>	<u>1993</u>	<u>1994</u>	<u>1993</u>	<u>1994</u>	<u>1993</u>
Mr J.H.N. Gibson	4,232	nil	nil	nil	nil	nil
Mr J.K. Walker	nil	nil	112,654	48,654	nil	nil
Mr P. Griffiths	62	62	63,829	63,829	18,939	18,939

Changes in options during the year : Mr J.K. Walker - * Granted 64,000.

Mr J.M. Allan is a director of BET Public Limited Company, the Company's ultimate holding Company, and his interests are set out in the accounts of that Company.

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EMPLOYMENT POLICIES

BET Catering Services Limited 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 work force 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, BET Catering Services Limited maintains a policy of providing secure working conditions and appropriate training standards at all locations.

POST BALANCE SHEET EVENTS

There are no post balance sheet events between the year end and the date the accounts are signed.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires 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 disclosed and explained in the financial statements, and
- 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.

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AUDITORS

An elective resolution will be proposed at the Company's annual general meeting to dispense with the requirement to appoint auditors annually.

BY ORDER OF THE BOARD


P. GRIFFITHS
SECRETARY

DATE 25 May '94

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REPORT OF THE AUDITORS TO THE MEMBERS OF
BET CATERING SERVICES LIMITED

We have audited the financial statements on pages 6 to 19.

Respective responsibilities of directors and auditors

As described on page 3 the Company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of 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 misstatements, 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 affairs of the Company at 2nd April 1994 and the profit and total recognised gains and losses and cash flow for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Coopers & Lybrand

Coopers & Lybrand
Chartered Accountants & Registered Auditors
London

Date *26 May 1994*

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PROFIT AND LOSS ACCOUNT FOR
THE YEAR ENDED 2ND APRIL 1994

		<u>1994</u> £000	<u>1993</u> £000
	<u>Notes</u>		
Turnover	2	40,029	24,375
Cost of Sales		35,890	22,045
		<hr/>	<hr/>
Gross Profit		4,139	2,330
Administrative Expenses		1,850	1,236
Distribution Costs		1,074	497
		<hr/>	<hr/>
Operating Profit		1,215	597
Interest Receivable	3	49	9
Interest Payable	4	-	(13)
		<hr/>	<hr/>
Profit on ordinary activities before taxation	5	1,264	593
Taxation	7	(606)	(205)
		<hr/>	<hr/>
Profit for the year	15	658	388
		<hr/>	<hr/>

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

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HISTORICAL COST PROFIT AND LOSSES

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year, and their historical cost equivalents.

TOTAL RECOGNISED GAINS AND LOSSES

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.

RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

The movement in shareholders' funds in the year is represented by the movement in the profit and loss reserve. This movement is reconciled in note 15.

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YEAR ENDED 2ND APRIL 1994

BALANCE SHEET AS AT 2ND APRIL 1994

	<u>Notes</u>	<u>1994</u> £000	<u>1993</u> £000
Fixed Assets			
Tangible Assets	8	655	168
		—	—
		655	168
Current Assets			
Stock	9	914	865
Debtors	10	3,740	2,698
Cash at Bank and in hand		4,523	2,666
		—	—
		9,177	6,229
Current Liabilities			
Creditors:			
Amounts falling due within one year	11	9,159	6,382
		—	—
Net Current Assets/(Liabilities)		18	(153)
		—	—
Net Assets		673	15
		—	—
Capital and Reserves			
Called up Share Capital	14	100	100
Reserves	15	573	(85)
		—	—
		673	15
		—	—

The financial statements on pages 6 to 19 were approved by the Board of Directors and signed on their behalf by:

Name John. M.

DIRECTOR

Date 25 May '94

BET CATERING SERVICES LIMITED

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YEAR ENDED 2ND APRIL 1994

CASH FLOW STATEMENT

YEAR ENDED 2ND APRIL 1994

	<u>Notes</u>	<u>1994</u> <u>£000</u>	<u>1993</u> <u>£000</u>
Net cash flow from operating activities			
Operating profit		1,215	597
Depreciation		151	58
Loss on disposal of tangible fixed assets		-	6
Increase in stocks		(49)	(686)
Increase in debtors		(1,220)	(1,783)
Increase in creditors		2,646	4,455
Net cash inflow from operating activities		<u>2,743</u>	<u>2,647</u>
Returns on investments and servicing of finance		<u> </u>	<u> </u>
Interest received		49	9
Interest paid		-	(13)
Net cash inflow from returns on investments and servicing of finance		<u>49</u>	<u>(4)</u>
Taxation		<u> </u>	<u> </u>
Taxation (paid)/received		(388)	229
Investing activities		<u> </u>	<u> </u>
Purchase of tangible fixed assets		(551)	(127)
Proceeds from sale of tangible fixed assets		4	14
Net cash outflow from investing activities		<u>(547)</u>	<u>(113)</u>
Net cash inflow before financing		<u>1,857</u>	<u>2,759</u>
Financing		<u> </u>	<u> </u>
Repayment of group funding	19(b)	-	(951)
Net cash inflow/(outflow) after financing		<u>1,857</u>	<u>(951)</u>
Increase in cash and cash equivalents		<u> </u>	<u> </u>
Increase in cash at bank and in hand	19(a)	1,857	1,808

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REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 2ND APRIL 1994

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 2ND APRIL 1994

1. PRINCIPLE 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 the amount 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 BET Public Limited Company. The pension schemes are of the defined benefit type and the assets are held in separate trustee administered qualified 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. The latest actuarial assessment of the scheme was at 1st October 1991. Particulars of the valuation of the group schemes are contained in the financial statements of BET Public Limited Company.

The total pension cost for the Company during the year was £83,000 (1993 - £29,000).

- f) Deferred taxation - the charge for corporation tax is based on the profit for the year and takes into account taxation deferred because of differences between the treatment of certain items for taxation and accounting purposes. Full provision under the liability method is made in respect of accelerated capital allowances. Provision is made for other timing differences to the extent that it is probable that a liability or asset will crystallise.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 2ND APRIL 1994
(continued)

- g) Transfer of Undertakings Provision - where contracts are entered into for a period of a year or more, a half yearly review is carried out to ensure the provision is adequate to meet any termination costs.
- h) Operating leases - operating leases are charged to the profit and loss account on a straight line basis irrespective of when the payments are due.

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2. **TURNOVER**

Turnover, which excludes value added tax and trade discounts, represents the invoiced value of catering services provided in the United Kingdom.

3. **INTEREST RECEIVABLE**

	<u>1994</u> £000	<u>1993</u> £000
Other interest receivable	49	9
	<u> </u>	<u> </u>

4. **INTEREST PAYABLE**

	<u>1994</u> £000	<u>1993</u> £000
Inter-group interest payable	-	13
	<u> </u>	<u> </u>

5. **PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

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

	<u>1994</u> £000	<u>1993</u> £000
Equipment hire under operating leases	174	134
Depreciation charge for the year	151	58
Auditors' remuneration	32	31
	<u> </u>	<u> </u>

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6. DIRECTORS AND EMPLOYEES

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

	<u>1994</u> Number	<u>1993</u> Number
By activity:		
Catering	6,166	4,145
Administration	154	103
	<hr/>	<hr/>
	6,320	4,248
	<hr/>	<hr/>

The aggregate payroll of these persons was as follows:

	<u>1994</u> £000	<u>1993</u> £000
Wages and salaries	16,921	10,673
Pension scheme costs	83	29
Social security costs	816	516
	<hr/>	<hr/>
	17,820	11,218
	<hr/>	<hr/>

DIRECTORS' EMOLUMENTS

	<u>1994</u> £000	<u>1993</u> £000
Fees	-	-
Other emoluments (including pension contributions and benefits in kind)	83	57
Directors' emoluments (excluding pension contributions) include amounts paid to:		
The Chairman	-	-
The highest paid Director	83	57

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The number of directors (including the Chairman and the highest paid Director) who received fees and other emoluments (excluding pension contributions) in the following ranges was:

			<u>1994</u>	<u>1993</u>
			No. of Directors	No. of Directors
£0	-	£ 5,000	5	5
£55,001	-	£60,000	-	1
£80,001	-	£85,000	1	-

7. **TAXATION**

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

	<u>1994</u>	<u>1993</u>
	£000	£000
UK corporation tax at 33%	(417)	(383)
Deferred tax (Note 13)	(178)	178
Other	(11)	-
	<hr/>	<hr/>
	(606)	(205)
	<hr/>	<hr/>

The deferred tax asset arose as a result of providing for termination costs not yet paid and is now considered unlikely to crystallise.

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8. TANGIBLE FIXED ASSETS

	<u>Motor Vehicles</u> £000	<u>Plant & Machinery</u> £000	<u>Fixtures & Fittings</u> £000	<u>Total</u> £000
<u>Cost or Valuation</u>				
At 28th March 1993	112	116	51	279
Additions	222	385	23	630
Additions from other group companies	26	-	-	26
Disposals	(23)	-	-	(23)
	<u>337</u>	<u>501</u>	<u>74</u>	<u>912</u>
<u>Depreciation</u>				
At 28th March 1993	75	23	13	111
Charge for the year	58	78	15	151
Depreciation on assets from other group companies	14	-	-	14
Disposals	(19)	-	-	(19)
	<u>128</u>	<u>101</u>	<u>28</u>	<u>257</u>
<u>Net Book Value</u>				
At 2nd April 1994	<u>209</u>	<u>400</u>	<u>46</u>	<u>655</u>
At 27th March 1993	<u>37</u>	<u>93</u>	<u>38</u>	<u>168</u>

9. STOCK

	<u>1994</u> £000	<u>1993</u> £000
Raw materials and consumables	735	715
Garments in use	83	127
Work in progress	96	23
	<u>914</u>	<u>865</u>

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10. DEBTORS: Amounts falling due within one year

	<u>1994</u>	<u>1993</u>
	£000	£000
Trade debtors	3,232	1,594
Amounts owed by group companies	60	44
Other debtors	399	201
Deferred taxation	-	178
Prepayments and accrued income	49	681
	<hr/>	<hr/>
	3,740	2,698
	<hr/>	<hr/>

11. CREDITORS: Amounts falling due within one year

	<u>1994</u>	<u>1993</u>
	£000	£000
Trade creditors	4,713	2,877
Amounts owed to group companies	86	146
Tax payable	460	420
Other taxation and social security	1,774	1,209
Provisions for contract terminations	617	505
Accruals	1,509	1,225
	<hr/>	<hr/>
	9,159	6,382
	<hr/>	<hr/>

12. OPERATING LEASES

	<u>1994</u>	<u>1993</u>	<u>1994</u>	<u>1993</u>
	Land & Buildings £000	Land & Buildings £000	Other Assets £000	Other Assets £000
Payments due in the following years under operating leases:				
Within one year	94	-	78	4
Between one and two years	-	59	19	12
Between two and five years	-	-	15	22
After five years	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	94	59	112	38
	<hr/>	<hr/>	<hr/>	<hr/>

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13. DEFERRED TAXATION

	<u>Amount Provided</u>		<u>Total Potential Asset</u>	
	<u>1994</u>	<u>1993</u>	<u>1994</u>	<u>1993</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
Tax effect of timing differences because of:				
Excess of depreciation over capital allowances	-	1	-	1
Other	-	177	-	177
	<u>-</u>	<u>177</u>	<u>-</u>	<u>177</u>
	-	178	-	178
	<u>-</u>	<u>178</u>	<u>-</u>	<u>178</u>

The movements on the provision for deferred taxation account are as follows:-

	<u>£000</u>
Balance at 28th March 1993	178
Reversal of deferred tax asset - Profit and Loss Account	(178)
	<u>-</u>
Balance at 2nd April 1994	-
	<u>-</u>

14. SHARE CAPITAL

	<u>1994</u>	<u>1993</u>
	<u>£000</u>	<u>£000</u>
<u>Authorised</u>		
75,000 "B" Ordinary Shares of £1 each	75	75
25,000 "A" Ordinary Shares of £1 each	25	25
	<u>100</u>	<u>100</u>
	<u>100</u>	<u>100</u>

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SHARE CAPITAL (continued)

	1994	1993
<u>Allotted called up and fully paid:</u>	<u>£000</u>	<u>£000</u>
75,000 "B" Ordinary shares of £1 each	75	75
25,000 "A" Ordinary Shares of £1 each	25	25
	—	—
	100	100
	—	—

'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 parent company BET Developments Ltd is 75,000 'B' ordinary shares.

15. RESERVES

	<u>Profit & Loss</u> <u>Account</u> <u>£000</u>
At 28th March 1993	(85)
Profit for year	658
	—
At 2nd April 1994	573
	—

16. CAPITAL COMMITMENTS

As at 2nd April 1994 there were no capital commitments.

17. CONTINGENT LIABILITIES

As at 2nd April 1994 there were no contingent liabilities.

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18. ULTIMATE HOLDING COMPANY

The Company is a subsidiary of BET Public Limited Company, a company incorporated in Great Britain and registered in England and Wales. Copies of the ultimate holding company's financial statements may be obtained from:- The Secretary, BET Public Limited Company, Stratton House, Piccadilly, London W1X 6AS.

19. NOTES TO THE CASH FLOW STATEMENT

- a) Analysis of changes in cash and cash equivalents during the year.

	£000
Balance at 28th March 1993	2,666
Net cash inflow	1,857
	<hr/>
Balance at 2nd April 1994	4,523
	<hr/>

- b) Analysis of changes in financing during the year.

	<u>Share Capital</u>
	£
Balance at 28th March 1993	100
Cash outflow	-
	<hr/>
Balance at 2nd April 1994	100
	<hr/>