

BET CATERING SERVICES LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 1ST APRIL 1995

REGISTERED NUMBER: 2505731



BET CATERING SERVICES LIMITED
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 1ST APRIL 1995

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DIRECTORS' REPORT

The directors submit their report and audited financial statements for the year ended 1st April 1995.

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 £1,418,000 (1994 : £658,000) has been transferred to reserves.

DIRECTORS

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

Mr J.M. Allan (Resigned 28th September 1994)

Mr J.H.N. Gibson

Mr J.K. Walker

Mr P. Griffiths

Mr P. R. Wakeham (Appointed 28th September 1994)

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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 3rd April 1994 or the date of appointment, if later, and 1st April 1995 were:-

	<u>Ordinary Shares</u>		<u>Executive Option Scheme *</u>		<u>Sharesave Scheme +</u>	
	<u>1995</u>	<u>1994</u>	<u>1995</u>	<u>1994</u>	<u>1995</u>	<u>1994</u>
Mr J.H.N. Gibson	4232	4,232	nil	nil	nil	nil
Mr J.K. Walker	nil	nil	149,654	112,654	nil	nil
Mr P. Griffiths	62	62	78,829	63,829	18,939	18,939
Mr P.R. Wakeham	3326	1526	324,000	234,000	18,351	18,351

Changes in options during the year :	*	Mr J.K. Walker	-	Granted 37,000
	*	Mr P. Griffiths	-	Granted 15,000
	*	Mr P.R. Wakeham	-	Granted 90,000

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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 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

The Company has passed an elective resolution to dispense with the annual re-appointment of auditors.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'P. Griffiths', is written over the printed name and title.

P. GRIFFITHS
SECRETARY

DATE: **19th May 1995**

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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 18.

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.

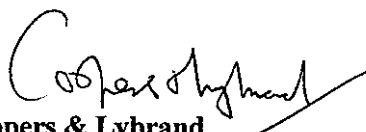
Basis of opinion

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 1st April 1995 and of its profit, 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
Chartered Accountants & Registered Auditors
London

Date 24 May 1995

BET CATERING SERVICES LIMITED
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PROFIT AND LOSS ACCOUNT FOR
THE YEAR ENDED 1ST APRIL 1995

		<u>1995</u> <u>£000</u>	<u>1994</u> <u>£000</u>
	<u>Notes</u>		
Turnover	2	73,264	40,029
Cost of Sales	3	67,197	35,890
		<hr/>	<hr/>
Gross Profit		6,067	4,139
Administrative Expenses		2,983	1,850
Distribution Costs		1,263	1,074
		<hr/>	<hr/>
Operating Profit		1,821	1,215
Interest Receivable	4	17	49
		<hr/>	<hr/>
Profit on ordinary activities before taxation	5	1,838	1,264
Taxation	7	(420)	(606)
		<hr/>	<hr/>
Profit for the year	15	1,418	658
		<hr/> <hr/>	<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.

BET CATERING SERVICES LIMITED
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BALANCE SHEET AS AT 1ST APRIL 1995

	<u>Notes</u>	<u>1995</u> <u>£000</u>	<u>1994</u> <u>£000</u>
Fixed Assets :			
Tangible Assets	8	1,216	655
Current Assets :			
Stock	9	2,345	914
Debtors	10	10,570	3,740
Cash at Bank and in hand		2,731	4,523
		15,646	9,177
Current Liabilities :			
Creditors :			
Amounts falling due within one year	11	14,740	9,159
Net Current Assets		906	18
Provisions for Liabilities & Charges	13	31	-
Net Assets		2,091	673
Capital and Reserves :			
Called up Share Capital	14	100	100
Reserves	15	1,991	573
Equity Shareholders Funds		2,091	673

The financial statements on pages 6 to 18 were approved by the Directors and signed on their behalf by:

Name  **DIRECTOR**

Date: 19th May 1995

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CASH FLOW STATEMENT
YEAR ENDED 1ST APRIL 1995

	<u>Notes</u>	<u>1995</u> £000	<u>1994</u> £000
Net cash flow from operating activities :			
Operating profit		1,821	1,215
Depreciation		254	151
Profit on disposal of tangible fixed assets		(2)	-
Increase in stocks		(1,431)	(49)
Increase in debtors		(6,830)	(1,220)
Increase in creditors		5,616	2,646
		-----	-----
Net cash (outflow)/inflow from operating activities		(572)	2,743
		=====	=====
Returns on investments and servicing of finance :			
Interest received		17	49
		-----	-----
Net cash inflow from returns on investments and servicing of finance		17	49
		=====	=====
Taxation :			
Taxation paid		(424)	(388)
		=====	=====
Investing activities :			
Purchase of tangible fixed assets		(821)	(551)
Proceeds from sale of tangible fixed assets		8	4
		-----	-----
Net cash outflow from investing activities		(813)	(547)
		=====	=====
Net cash (outflow)/inflow		(1,792)	1,857
		=====	=====
(Decrease)/Increase in cash and cash equivalents:			
(Decrease)/Increase in cash at bank and in hand	19	(1,792)	1,857
		=====	=====

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 1ST APRIL 1995

1. PRINCIPAL 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. Most of 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. 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 are 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 30th September 1994. 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 : £226,000 (1994 - £83,000).
- 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. 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 STATEMENT
FOR THE YEAR ENDED 1ST APRIL 1995

1. **Principal Accounting Policies** (continued)

- g) **Operating leases** - Operating leases are charged to the profit and loss account on a straight line basis irrespective of when the payments are due.

2. **TURNOVER**

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

3. **EXCEPTIONAL ITEMS**

	<u>1995</u> <u>£000</u>	<u>1994</u> <u>£000</u>
The following item included within operating profit qualifies as exceptional by virtue of its size:		
Release of prior year TUPE provision no longer required (included within cost of sales)	471	-

4. **INTEREST RECEIVABLE**

	<u>1995</u> <u>£000</u>	<u>1994</u> <u>£000</u>
Other interest receivable	17	49
	<u> </u>	<u> </u>

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5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

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

	<u>1995</u>	<u>1994</u>
	£000	£000
Equipment hire under operating leases:		
Plant & Machinery	20	87
Other Equipment	378	87
Depreciation charge for the year	254	151
Auditors' remuneration	49	32
Maintenance and repair costs	330	-
Other hire of equipment	10	-
Profit on sale of fixed assets	2	-
	<u> </u>	<u> </u>

6. DIRECTORS AND EMPLOYEES

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

	<u>1995</u>	<u>1994</u>
	Number	Number
By activity:		
Catering	9,991	6,166
Administration	229	154
	<u> </u>	<u> </u>
	10,220	6,320
	<u> </u>	<u> </u>

The aggregate payroll of these persons was as follows:

	<u>1995</u>	<u>1994</u>
	£000	£000
Wages and salaries	33,400	16,921
Pension scheme costs	226	83
Social security costs	1,479	816
	<u> </u>	<u> </u>
	35,105	17,820
	<u> </u>	<u> </u>

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DIRECTORS' EMOLUMENTS

	<u>1995</u> £000	<u>1994</u> £000
Fees		-
Other emoluments (including pension contributions and benefits in kind)	116	83
Directors' emoluments (excluding pension contributions) include amounts paid to:		
The Chairman	-	-
The highest paid Director	100	83

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>1995</u> Number of Directors	<u>1994</u> Number of Directors
£ 0 - £ 5,000	4	5
£80,001 - £ 85,000	-	1
£95,001 - £100,000	1	-

7. TAXATION

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

	<u>1995</u> £000	<u>1994</u> £000
UK corporation tax at 33%	(389)	(417)
Deferred tax (Note 13)	(31)	(178)
Other	-	(11)
	<hr/>	<hr/>
	(420)	(606)
	<hr/>	<hr/>

The difference between the taxation charge of £420,000 and the 33% (the stated tax rate) of pre tax profits was due to the release of prior year provisions, totalling £619,000; which were previously disallowed. The tax effect of this is a £204,000 credit to the tax charge.

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8. TANGIBLE FIXED ASSETS

<u>Cost or Valuation</u>	<u>Motor Vehicles £000</u>	<u>Plant & Machinery £000</u>	<u>Fixtures & Fittings £000</u>	<u>Total £000</u>
At 3rd April 1994	337	501	74	912
Additions	269	390	162	821
Disposals	(60)	-	(19)	(79)
	<hr/>	<hr/>	<hr/>	<hr/>
	546	890	218	1,654
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Depreciation</u>				
At 3rd April 1994	128	101	28	257
Charge for the year	105	128	21	254
Disposals	(60)	-	(13)	(73)
	<hr/>	<hr/>	<hr/>	<hr/>
	173	229	36	438
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Net Book Value</u>				
At 1st April 1995	373	661	182	1,216
	<hr/>	<hr/>	<hr/>	<hr/>
At 2nd April 1994	209	400	46	655
	<hr/>	<hr/>	<hr/>	<hr/>

9. STOCK

	<u>1995 £000</u>	<u>1994 £000</u>
Raw materials and consumables	1,976	735
Garments in use	326	83
Work in progress	43	96
	<hr/>	<hr/>
	2,345	914
	<hr/>	<hr/>

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10. DEBTORS: Amounts falling due within one year :

	<u>1995</u>	<u>1994</u>
	<u>£000</u>	<u>£000</u>
Trade debtors	8,293	3,232
Amounts owed by group companies	65	60
Other debtors	1,314	399
Prepayments and accrued income	898	49
	<hr/>	<hr/>
	10,570	3,740
	<hr/>	<hr/>

11. CREDITORS: Amounts falling due within one year

	<u>1995</u>	<u>1994</u>
	<u>£000</u>	<u>£000</u>
Trade creditors	8,188	4,713
Amounts owed to Group Companies	26	86
Tax payable	425	460
Other taxation and social security	3,729	1,774
Provisions for contract termination's	41	617
Accruals	2,331	1,509
	<hr/>	<hr/>
	14,740	9,159
	<hr/>	<hr/>

12. OPERATING LEASES

	<u>1995</u>	<u>1994</u>	<u>1995</u>	<u>1994</u>
	<u>Land &</u>	<u>Land &</u>	<u>Other</u>	<u>Other</u>
	<u>Buildings</u>	<u>Buildings</u>	<u>Assets</u>	<u>Assets</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
Payments due in the following years under operating leases :				
Within one year	-	94	13	78
Between one and two years	-	-	32	19
Between two and five years	166	-	56	15
After five years	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	166	94	101	112
	<hr/>	<hr/>	<hr/>	<hr/>

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13. DEFERRED TAXATION

	<u>Amount Provided</u>		<u>Total Potential Asset</u>	
	<u>1995</u> £000	<u>1994</u> £000	<u>1995</u> £000	<u>1994</u> £000
Tax effect of timing differences :				
Excess of depreciation over Capital allowances	45	-	45	-
Other	(14)	-	(14)	-
	<hr/>	<hr/>	<hr/>	<hr/>
	31	-	31	-
	<hr/>	<hr/>	<hr/>	<hr/>

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

	£000
Balance at 3rd April 1994	-
Deferred tax charge in Profit & Loss Account	31
	<hr/>
Balance at 1st April 1995	31
	<hr/>

14. SHARE CAPITAL

	<u>1995</u> £000	<u>1994</u> £000
<u>Authorised</u>		
75,000 "B" Ordinary Shares of £1 each	75	75
25,000 "A" Ordinary Shares of £1 each	25	25
	<hr/>	<hr/>
	100	100
	<hr/>	<hr/>

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SHARE CAPITAL (continued)

	<u>1995</u> £000	<u>1994</u> £000
<u>Allotted called up and fully paid:</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> £000
At 3rd April 1994	573
Profit for year	1,418
	—
At 1st April 1995	1,991
	==

16. CAPITAL COMMITMENTS

As at 1st April 1995 there were no capital commitments.

17. CONTINGENT LIABILITIES

	<u>1995</u> £000	<u>1994</u> £000
Amount of bonds, guarantees and Indemnities for Contract performance	1,305	-