

Registration number 3461641

Catering Partnership (Holdings) Limited

Directors' report and financial statements

for the year ended 30 June 2003



Catering Partnership (Holdings) Limited

Company information

Directors	H Gadsden
Secretary	A M Gadsden
Company number	3461641
Registered office	33 Leicester Road Blaby Leicester LE8 4GR
Auditors	Rowley's 20 Friar Lane Leicester LE1 5RA
Bankers	National Westminster Bank plc 75 High Street Erdington Birmingham B23 6SB

Catering Partnership (Holdings) Limited

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Catering Partnership (Holdings) Limited

Directors' report for the year ended 30 June 2003

The directors present their report and the financial statements for the year ended 30 June 2003.

Principal activity and review of the business

The company continued to act as a holding company of Catering Partnership Limited, whose principal activity is the provision of contract catering services.

Results and dividends

The results for the year are set out on page 4. The directors are satisfied with the results for the year and the year end position and are reasonably confident concerning the future.

The directors have paid interim dividends amounting to £130,000 and they do not recommend payment of a final dividend.

Directors and their interests

The directors who served during the year and their interests in the company are as stated below:

	Ordinary shares	
	30/06/03	01/07/02
H Gadsden (and family interest)	950,000	950,000

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.

This report was approved by the Board on 27/11/03 and signed on its behalf by



**A M Gadsden
Secretary**

Catering Partnership (Holdings) Limited

Independent auditors' report to the shareholders of Catering Partnership (Holdings) Limited

We have audited the financial statements of Catering Partnership (Holdings) Limited for the year ended 30 June 2003 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an 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 and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

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.

Catering Partnership (Holdings) Limited

Independent auditors' report to the shareholders of Catering Partnership (Holdings) Limited continued

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 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Rowley's
Chartered Accountants and
Registered Auditors
20 Friar Lane
Leicester
LE1 5RA**

8 December 2003

Catering Partnership (Holdings) Limited

Profit and loss account for the year ended 30 June 2003

		Continuing operations	
		2003	2002
	Notes	£	£
Turnover	2	-	219,740
Administrative expenses		-	(54,219)
Operating profit	3	-	165,521
Investment income	4	128,000	168,000
Interest payable and similar charges	5	-	(10,790)
Profit on ordinary activities before taxation		128,000	322,731
Tax on profit on ordinary activities	8	(1,676)	(20,780)
Profit on ordinary activities after taxation		126,324	301,951
Dividends	9	(130,000)	(168,000)
(Loss)/retained profit for the year		(3,676)	133,951
Retained profit brought forward		406,939	272,988
Retained profit carried forward		403,263	406,939

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 13 form an integral part of these financial statements.

Catering Partnership (Holdings) Limited

Balance sheet as at 30 June 2003

		2003		2002	
	Notes	£	£	£	£
Fixed assets					
Investments	10		2,014,945		2,014,945
Current assets					
Debtors	11	-		40,655	
Cash at bank and in hand		-		159,254	
		-		199,909	
Creditors: amounts falling due within one year	12	(661,682)		(857,915)	
Net current liabilities			(661,682)		(658,006)
Net assets			1,353,263		1,356,939
Capital and reserves					
Called up share capital	13		950,000		950,000
Profit and loss account			403,263		406,939
Shareholders' funds	14		1,353,263		1,356,939

The financial statements were approved by the Board on 27/11/03 and signed on its behalf by


H Gadsden
Director

The notes on pages 7 to 13 form an integral part of these financial statements.

Catering Partnership (Holdings) Limited

Cash flow statement for the year ended 30 June 2003

	Notes	2003 £	2002 £
Reconciliation of operating profit to net cash outflow from operating activities			
Operating profit		-	165,521
Depreciation		-	(7,553)
Decrease in debtors		40,655	(40,655)
(Decrease) in creditors		(51,511)	(66,913)
Net cash outflow from operating activities		<u>(10,856)</u>	<u>50,400</u>
Cash flow statement			
Net cash outflow from operating activities		(10,856)	50,400
Returns on investments and servicing of finance	17	128,000	157,210
Taxation	17	(22,784)	24,671
Capital expenditure	17	-	195,632
Equity dividends paid		(130,000)	(168,000)
Decrease in cash in the year		<u>(35,640)</u>	<u>210,571</u>
Reconciliation of net cash flow to movement in net debt (Note 18)			
Decrease in cash in the year		(35,640)	210,571
Net at 1 July 2002		<u>35,640</u>	<u>174,931</u>
Net at 30 June 2003		<u>-</u>	<u>35,640</u>

Catering Partnership (Holdings) Limited

Notes to the financial statements for the year ended 30 June 2003

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:

Land and buildings	-	2.5% on cost
Motor vehicles	-	25% on reducing balance

1.4. Leasing

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. Investments

Fixed asset investments are stated at cost less provision for diminution in 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

Deferred tax is recognised in respect of all timing differences as 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.

Deferred tax is measured on an undiscounted basis at the 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.

1.8. Group accounts

The company is entitled to the exemption under Section 248 of the Companies Act 1985 from the obligation to prepare group accounts.

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 (Holdings) Limited

Notes to the financial statements for the year ended 30 June 2003

..... continued

3. Operating profit	2003	2002
	£	£
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible assets	-	16,811
and after crediting:		
Profit on disposal of tangible fixed assets	-	24,364
4. Income from investments	2003	2002
	£	£
Income from subsidiary undertakings	128,000	168,000
5. Interest payable and similar charges	2003	2002
	£	£
Interest payable on loans < 1 yr	-	7,869
Hire purchase interest	-	2,921
	-	10,790
6. Employees		
Number of employees	2003	2002
The average monthly numbers of employees (including the directors) during the year were:		
Management	-	2
Employment costs	2003	2002
	£	£
Wages and salaries	-	35,211
Social security costs	-	3,191
Other pension costs	-	22,900
	-	61,302

Catering Partnership (Holdings) Limited

Notes to the financial statements for the year ended 30 June 2003

..... continued

6.1. Directors' emoluments	2003	2002
	£	£
Remuneration and other emoluments	-	31,467
Pension contributions	-	22,900
	<u>-</u>	<u>54,367</u>
	<u>-</u>	<u>54,367</u>
	Number	Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme	<u>-</u>	<u>1</u>

7. Pension costs

The company operates a defined contribution pension scheme in respect of the director. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £- (2002 - £22,900).

Catering Partnership (Holdings) Limited

Notes to the financial statements for the year ended 30 June 2003

..... continued

8. Tax on profit on ordinary activities

Analysis of charge in period	2003 £	2002 £
Current tax		
UK corporation tax	-	21,108
Adjustments in respect of previous periods	1,676	(328)
	<u>1,676</u>	<u>20,780</u>

Factors affecting tax charge for period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK (19 per cent). The differences are explained below:

	2003 £	2002 £
Profit on ordinary activities before taxation	<u>128,000</u>	<u>322,731</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (30 June 2002 : 19%)	24,320	61,319
Effects of:		
Expenses not deductible for tax purposes (primarily goodwill amortisation)	-	120
Capital allowances for period in excess of depreciation	-	(1,613)
Group dividend	(24,320)	(31,920)
Previously disallowed pension contributions	-	(7,600)
Rate change effect	-	802
Current tax charge for period	<u>-</u>	<u>21,108</u>

9. Dividends

	2003 £	2002 £
Dividends on equity shares:		
Ordinary shares - interim paid	<u>130,000</u>	<u>168,000</u>

Catering Partnership (Holdings) Limited

Notes to the financial statements for the year ended 30 June 2003

..... continued

10. Fixed asset investments	Subsidiary undertakings shares £	Total £
Cost		
At 1 July 2002		
At 30 June 2003	2,014,945	2,014,945
Net book values		
At 30 June 2003	2,014,945	2,014,945
At 30 June 2002	2,014,945	2,014,945

10.1. Holdings of 20% or more

The company holds 20% or more of the share capital of the following companies:

Company	Country of registration or incorporation	Nature of business	Shares held class	Proportion of shares held
Subsidiary undertaking				
Catering Partnership Limited	Great Britain	Contract catering	Ordinary	100%

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves £	Profit for the year £
Catering Partnership Limited	657,655	93,247

11. Debtors	2003 £	2002 £
Other debtors	-	40,655

Catering Partnership (Holdings) Limited

Notes to the financial statements for the year ended 30 June 2003

..... continued

12. Creditors: amounts falling due within one year	2003	2002
	£	£
Bank loan	-	123,614
Amounts owed to group undertaking	658,992	706,209
Corporation tax	-	21,108
Other taxes and social security costs	-	5,437
Directors' accounts	956	690
Other creditors	1,734	-
Accruals and deferred income	-	857
	<u>661,682</u>	<u>857,915</u>
13. Share capital	2003	2002
	£	£
Authorised		
950,000 Ordinary shares of £1 each	<u>950,000</u>	<u>950,000</u>
Allotted, called up and fully paid		
950,000 Ordinary shares of £1 each	<u>950,000</u>	<u>950,000</u>
14. Reconciliation of movements in shareholders' funds	2003	2002
	£	£
Profit for the year	126,324	301,951
Dividends	(130,000)	(168,000)
	<u>(3,676)</u>	<u>133,951</u>
Opening shareholders' funds	1,356,939	1,222,988
Closing shareholders' funds	<u>1,353,263</u>	<u>1,356,939</u>
15. Contingent liabilities		

The company has entered into a cross guarantee with its wholly owned subsidiary, Catering Partnership Limited, in respect of bank borrowings.

Catering Partnership (Holdings) Limited

Notes to the financial statements for the year ended 30 June 2003

..... continued

16. Controlling interest

The controlling party is considered to be H Gadsden, by virtue of his holding in the entire issued share capital of the company.

17. Gross cash flows

	2003 £	2002 £
Returns on investments and servicing of finance		
Interest paid	-	(10,790)
Dividends received	128,000	168,000
	<u>128,000</u>	<u>157,210</u>
Taxation		
Corporation tax paid	(22,784)	21,108
	<u>(22,784)</u>	<u>21,108</u>
Capital expenditure		
Payments to acquire tangible assets	-	(19,584)
Receipts from sales of tangible assets	-	195,632
	<u>-</u>	<u>176,048</u>

18. Analysis of changes in net funds

	Opening balance £	Cash flows £	Closing balance £
Cash at bank and in hand	159,254	(159,254)	-
Net funds	<u>159,254</u>	<u>(159,254)</u>	<u>-</u>