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Catering Partnership (Holdings) Limited

Report and Financial Statements

Year Ended 30 June 2001



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Blueprint Audit Limited
Chartered Accountants and Registered Auditor

CATERING PARTNERSHIP (HOLDINGS) LIMITED

Annual report and financial statements for the year ended 30 June 2001

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Director

H Gadsden

Secretary and registered office

A M Gadsden, CPL House, 33 Leicester Road, Blaby, Leicester LE8 4GR

Company number

3461641

Accountants and business advisers

Tenon Limited, Eastgate House, Humberstone Road, Leicester, LE5 3GJ

Auditor

Blueprint Audit Limited, Eastgate House, Humberstone Road, Leicester, LE5 3GJ

CATERING PARTNERSHIP (HOLDINGS) LIMITED

Report of the director for the year ended 30 June 2001

The director presents his report together with the audited financial statements for the year ended 30 June 2001.

Results and dividends

The profit and loss account is set out on page 4.

The director recommends an ordinary dividend amounting to £48,000 (2000: £38,000).

Principal activity, trading review and future developments

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

The director is pleased with the result for the year and remains confident for the future prospects of the company.

Director

The director of the company during the year, together with his beneficial interest in the shares of the company was as follows:

	Ordinary shares of £1 each	
	30 June 2001	30 June 2000
H Gadsden	950,000	950,000

Director's responsibilities

Company law requires the director 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 director is required to:

- select suitable accounting policies and then 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 director is 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. He is 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.

CATERING PARTNERSHIP (HOLDINGS) LIMITED

Report of the director for the year ended 30 June 2001 (*Continued*)

Auditor

Crowfoot and Company resigned as auditor during the year. The director appointed Blueprint Audit Limited in their place.

Blueprint Audit Limited have expressed their willingness to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

By order of the Board



A M Gadsden
Secretary

29 January 2002

Independent auditor's 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 2001 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.

Respective responsibilities of director and auditor

The director's responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Director's Responsibilities.

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 Director's 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 director's remuneration and transactions with the company is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Director's Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

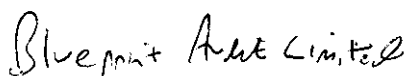
Basis of audit opinion

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 director 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 consider 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 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Blueprint Audit Limited
Chartered Accountants and Registered Auditor
Leicester

29 January 2002

CATERING PARTNERSHIP (HOLDINGS) LIMITED

Profit and loss account for the year ended 30 June 2001

	Note	2001 £	2000 £
Turnover	2	196,771	118,000
Administrative expenses		93,184	41,047
Operating profit	5	<u>103,587</u>	<u>76,953</u>
Income from interests in subsidiary undertakings		138,000	38,000
Interest payable	6	18,848	14,747
Profit on ordinary activities before taxation		<u>222,739</u>	<u>100,206</u>
Taxation on profit on ordinary activities	7	25,000	12,015
Profit on ordinary activities after taxation		<u>197,739</u>	<u>88,191</u>
Dividends	8	48,000	38,000
Retained profit for the year	14	<u>149,739</u>	<u>50,191</u>

All amounts relate to continuing activities.

All recognised gains or losses are included in the profit and loss account.

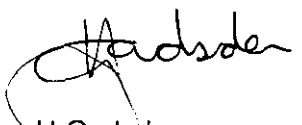
The notes on pages 7 to 14 form part of these financial statements.

CATERING PARTNERSHIP (HOLDINGS) LIMITED

Balance sheet at 30 June 2001

	Note	2001	2000
		£	£
Fixed assets			
Tangible assets	9	188,080	-
Investment	10	2,014,945	2,014,945
		<u>2,203,025</u>	<u>2,014,945</u>
Creditors: amounts falling due within one year	11	831,230	926,140
Net current liabilities		<u>831,230</u>	<u>926,140</u>
Total assets less current liabilities		<u>1,371,795</u>	<u>1,088,805</u>
Creditors: amounts falling due after more than one year	12	148,807	15,556
Net assets		<u>1,222,988</u>	<u>1,073,249</u>
Capital and reserves - equity			
Called up share capital	13	950,000	950,000
Profit and loss account	14	272,988	123,249
Shareholders' funds	15	<u>1,222,988</u>	<u>1,073,249</u>

The financial statements were approved by the Board on 29 January 2002.


H Gadsden
Director

The notes on pages 7 to 14 form part of these financial statements.

CATERING PARTNERSHIP (HOLDINGS) LIMITED

Cash flow statement for the year ended 30 June 2001

	Note	2001	2000
		£	£
Net cash (outflow)/inflow from operating activities	18	(2,698)	469,798
Returns on investments and servicing of finance			
Dividend received		138,000	38,000
Interest paid		(15,613)	(14,747)
Interest element of hire purchase agreements		(3,235)	-
Net cash inflow from returns on investments and servicing of finance		119,152	23,253
Taxation			
UK corporation tax paid		(12,441)	(6,161)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		149,402	-
		(149,402)	-
Equity dividends paid		(48,000)	(38,000)
Cash (outflow)/inflow before financing		(93,389)	448,890
Financing			
Bank loan	20	128,318	-
Capital element of hire purchase agreements	20	(3,832)	-
Loan notes	20	(31,112)	-
		93,374	-
(Decrease)/increase in cash	20	(15)	448,890

The notes on pages 7 to 14 form part of these financial statements.

CATERING PARTNERSHIP (HOLDINGS) LIMITED

Notes forming part of the financial statements for the year ended 30 June 2001

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

Turnover

Turnover represents sales to outside customers at invoiced amounts less value added tax.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets, except freehold land, over their expected useful lives. It is calculated at the following rates:

Freehold buildings	- 2.5% on cost
Motor vehicles	- 25% on reducing balance

Hire purchase agreements

Where assets are financed by hire purchase agreements, the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the payments payable during the agreement term. The corresponding amounts payable are shown as creditors. Depreciation on the relevant assets is charged to the profit and loss account.

Hire purchase payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the agreement and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts shown as creditors.

Operating leases

Annual rentals under operating leases are charged to the profit and loss account as incurred

Deferred taxation

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes, to the extent that it is probable that a liability will crystallise.

Pension costs

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

CATERING PARTNERSHIP (HOLDINGS) LIMITED

Notes forming part of the financial statements for the year ended 30 June 2001

3 Employees

	2001 £	2000 £
Staff costs consist of:		
Wages and salaries	30,012	28,330
Social security costs	2,676	2,496
Other pension costs	44,170	10,008
	<u>76,858</u>	<u>40,834</u>

The average weekly number of employees, including the director, during the year was as follows:

	Number	Number
Management	2	2
	<u>2</u>	<u>2</u>

4 Director

	2001 £	2000 £
Director's emoluments consist of:		
Remuneration for management services	26,520	27,116
Payments to defined contribution pension scheme	44,170	10,008
	<u>70,690</u>	<u>37,124</u>

5 Operating profit

This has been arrived at after charging:

Depreciation - owned assets	2,495	-
- assets held under hire purchase agreements	9,257	-
Auditor's remuneration	500	180
	<u>12,252</u>	<u>180</u>

6 Interest payable

Bank	5,164	-
Hire purchase	3,235	-
Loan notes	2,204	6,891
Director's loan account	8,245	7,856
	<u>18,848</u>	<u>14,747</u>

CATERING PARTNERSHIP (HOLDINGS) LIMITED

Notes forming part of the financial statements for the year ended 30 June 2001

7 Taxation on profit on ordinary activities

	2001 £	2000 £
UK corporation tax	25,000	12,441
Prior year adjustment	-	(426)
	<u>25,000</u>	<u>12,015</u>

8 Dividends

Ordinary dividends paid	<u>48,000</u>	<u>38,000</u>
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9 Tangible fixed assets

	Freehold land and buildings £	Motor vehicles £	Total £
<i>Cost</i>			
Additions and at 30 June 2001	<u>147,318</u>	<u>52,514</u>	<u>199,832</u>
<i>Depreciation</i>			
Charge for the year and at 30 June 2001	<u>2,148</u>	<u>9,604</u>	<u>11,752</u>
<i>Net book value</i>			
At 30 June 2001	<u>145,170</u>	<u>42,910</u>	<u>188,080</u>
At 30 June 2000	<u>-</u>	<u>-</u>	<u>-</u>

The net book value of tangible fixed assets includes an amount of £41,174 (2000: £nil) in respect of assets held under hire purchase agreements.

10 Investment

	Subsidiary undertaking £
<i>Cost</i>	
At 1 July 2000 and 30 June 2001	<u>2,014,945</u>

Catering Partnership (Holdings) Limited owns the entire issued ordinary shares of £1 each and "A" ordinary shares of £1 each of Catering Partnership Limited, a company which is incorporated in Great Britain. The following figures have been extracted from the audited financial statements of Catering Partnership Limited for the year ended 30 June 2001.

CATERING PARTNERSHIP (HOLDINGS) LIMITEDNotes forming part of the financial statements for the year ended 30 June 2001 (*Continued*)**10 Investment (*continued*)**

	2001 £	2000 £
Profit for the period	142,447	116,483
Paid up share capital	8,000	8,000
Accumulated reserves	551,187	408,740
Net assets	559,187	416,740

11 Creditors: amounts falling due within one year

	2001 £	2000 £
Bank loan and overdraft	6,540	-
Loan notes	-	15,556
Obligations under hire purchase agreements	19,584	-
Amounts owed to subsidiary undertakings	737,261	810,782
Corporation tax	25,000	12,441
Other taxes and social security	494	-
Director's current account	690	82,445
Accruals	41,661	4,916
	831,230	926,140

12 Creditors: amounts falling due after more than one year

Bank loan	121,793	-
Loan notes	-	15,556
Obligations under hire purchase agreements	27,014	-
	148,807	15,556

The bank loan is secured on the company's freehold land and buildings. The bank loan is repaid by monthly instalments and is due to be fully paid by November 2020. The loan bears interest at 1.5% above the bank's base rate.

CATERING PARTNERSHIP (HOLDINGS) LIMITED

Notes forming part of the financial statements for the year ended 30 June 2001 (*Continued*)

12 Creditors: amounts falling due after more than one year (*continued*)

The bank loan, hire purchase agreement obligations and loan notes fall due as follows:

	2001		2000	
	Bank Loan £	Hire purchase agreements £	Bank loan £	Loan notes £
Within 1 year	6,525	19,584	-	15,556
Within 1 or 2 years	6,525	21,154	-	15,556
Within 2 or 5 years	19,575	5,860	-	-
After 5 years	95,693	-	-	-
	<u>128,318</u>	<u>46,598</u>	<u>-</u>	<u>31,112</u>

13 Share capital

	Authorised			
	2001 Number	2000 Number	2001 £	2000 £
Ordinary shares of £1 each	950,000	950,000	950,000	950,000
Redeemable 'A' preference shares of £1 each	650,000	650,000	650,000	650,000
	<u>1,600,000</u>	<u>1,600,000</u>	<u>1,600,000</u>	<u>1,600,000</u>

	Allotted, called up and fully paid			
	2001 Number	2000 Number	2001 £	2000 £
Ordinary shares of £1 each	950,000	950,000	950,000	950,000

If the 'A' preference shares are issued, they will carry seven votes for each share, compared to one vote per share for the ordinary shares. The 'A' preference shares bear the right to a fixed cumulative net cash dividend of 10 pence per annum. Repayment of the 'A' preference shares plus any arrears of dividends thereon is to be given first priority on any winding up of the company. Any 'A' preference shares in issue are redeemable in full by 31 December 2010.

14 Profit and loss account

	£
At 1 July 2000	123,249
Profit for the year	149,739
At 30 June 2001	<u>272,988</u>

CATERING PARTNERSHIP (HOLDINGS) LIMITED

Notes forming part of the financial statements for the year ended 30 June 2001 (*Continued*)

15 Reconciliation of movements in shareholders' funds

	2001 £	2000 £
Profit on ordinary activities after taxation	197,739	88,191
Dividends	48,000	38,000
	<u>149,739</u>	<u>50,191</u>
Opening shareholders' funds	1,073,249	1,023,058
	<u>1,222,988</u>	<u>1,073,249</u>
Closing shareholders' funds		

16 Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

17 Related party transactions

Management charges to Catering Partnership Limited, amounting to £165,000 (2000: £118,000) have been included in these financial statements. In addition the company has charged £18,515 (2000: £Nil) and £13,256 (2000: £Nil) for the rental and lease of its freehold building and motor vehicles respectively. Amounts owed to its subsidiary undertaking are detailed in note 11. All transactions have been conducted on an arms length basis on normal trading terms.

18 Reconciliation of operating profit to net cash (outflow)/inflow from operating activities

	2001 £	2000 £
Operating profit	103,587	76,953
Depreciation	11,752	-
Decrease in debtors	-	135,001
(Decrease)/increase in creditors	(118,037)	257,844
	<u>(2,698)</u>	<u>469,798</u>
Net cash (outflow)/inflow from operating activities		

CATERING PARTNERSHIP (HOLDINGS) LIMITED

Notes forming part of the financial statements for the year ended 30 June 2001 (*Continued*)

19 Reconciliation of net cash inflow to movement in net debt

	2001 £	2000 £
(Decrease)/increase in cash in the year	(15)	448,890
Cash inflow from increase in debt and hire purchase agreements	(93,374)	-
Change in net debt resulting from cashflows	<u>(93,389)</u>	<u>448,890</u>
New hire purchase agreements	(50,430)	-
Movement in net debt	<u>(143,819)</u>	<u>448,890</u>
Opening net debt	(31,112)	(480,002)
Closing net debt	<u>(174,931)</u>	<u>(31,112)</u>

20 Analysis of net debt

	At 1 July 2000 £	Cash flow £	Other non-cash changes £	At 30 June 2001 £
Overdraft	-	(15)	-	(15)
	<u>-</u>	<u>(15)</u>	<u>-</u>	<u>(15)</u>
Debt due within one year	-	(6,525)	-	(6,525)
Debt due after one year	-	(121,793)	-	(121,793)
Loan notes	(31,112)	31,112	-	-
Obligations under hire purchase agreements	-	3,832	(50,430)	(46,598)
Net debt	<u>(31,112)</u>	<u>(93,389)</u>	<u>(50,430)</u>	<u>(174,931)</u>

21 Contingent liability

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

22 Controlling party

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

CATERING PARTNERSHIP (HOLDINGS) LIMITED

Notes forming part of the financial statements for the year ended 30 June 2001 (*Continued*)

23 Group financial statements

The financial statements contain information about Catering Partnership (Holdings) Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken advantage of the exemption conferred by Section 248 of the Companies Act 1985 not to produce consolidated financial statements as the group it heads qualifies as a medium group.