

Registered number 3766617

Eliance UK Limited  
Annual report and financial statements  
for the year ended 30 September 2005



# **Eliance UK Limited**

## **Annual report and financial statements for the year ended 30 September 2005**

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# **Eliance UK Limited**

## **Directors and advisers for the year ended 30 September 2005**

### **Directors**

M S Nelson  
T J Doubleday  
M Audis

### **Secretary**

T J Doubleday

### **Registered Office**

The Courtyard  
Catherine Street  
Macclesfield  
SK11 6ET

### **Auditors**

PricewaterhouseCoopers LLP  
Exchange House  
Central Business Exchange  
Midsummer Boulevard  
Central Milton Keynes  
MK9 2DF

### **Bankers**

Barclays Bank Plc  
15 Colmore Row  
Birmingham  
B3 2BH

### **Solicitors**

Eversheds  
Eversheds House  
70 Great Bridgewater Street  
Manchester  
M1 5ES

# **Eliance UK Limited**

## **Directors' report for the year ended 30 September 2005**

The directors present their report and the audited financial statements of the company for the year ended 30 September 2005.

### **Principal activities**

The principal activities of the company are the provision of quality public concession catering services to three motorway service areas.

### **Business review and future developments**

Eliance UK Limited was responsible for three motorway service businesses in the UK. On 15 February 2005 the company succeeded in exiting from these businesses. Costs incurred were within the provisions established in 2003 and 2004.

### **Results and dividends**

There was a loss for the year of £45,511 (2004: loss of £2,581,395)

The directors do not recommend the payment of a dividend on the equity or non-equity shares for the year (2004: £nil).

### **Directors and their interests**

The directors of the company as at 30 September 2005 are set out on page 1.

The directors who served during the year are as follows:

M S Nelson  
T J Doubleday  
M Audis (appointed 12.07.05)  
T J West (resigned 01.07.05)  
G T Daniel (resigned 11.04.05)

None of the directors had any beneficial interest in, or the right to subscribe to, the issued share capital of the company.

The interests of the directors in the issued share capital of Elior SCA, the most senior and ultimate parent undertaking, are disclosed in the accounts of that company.

### **Share capital**

On 30 June 2005 the company increased the authorised share capital to £9,528,100 by the creation of 3,158,000 new ordinary shares of £1 each. On the same date 3,158,000 ordinary shares of £1 each were allotted at par.

### **Disabled employees**

The company encourages the employment of disabled persons wherever practical and tries to assist existing disabled employees in all possible ways.

### **Statement of directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 30 September 2005 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that 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.

# **Eliance UK Limited**

## **Auditors**

RSM Robson Rhodes LLP resigned as auditors of the Company during the year and confirmed that there were no matters that were required to bring to the attention of the members of the Company or creditors. PricewaterhouseCoopers LLP were appointed in their place.

A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the Annual General Meeting.

The report of the directors was approved by the Board on 22 June 2006 and signed on its behalf by:

  
Secretary

# **Eliance UK Limited**

## **Independent auditors' report to the members of Eliance UK Limited**

We have audited the financial statements of Eliance UK Limited for the year ended 30 September 2005 which comprise the profit and loss account, the balance sheet and the related notes. The financial statements have been prepared under the accounting policies set out therein.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

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 is not disclosed.

### **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 30 September 2005 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers LLP**  
Chartered Accountants and Registered Auditors  
Milton Keynes  
July 2006

## Eliance UK Limited

### Profit and loss account for the year ended 30 September 2005

	Note	2005 £	2004 £
Turnover	2	799,850	2,532,370
Cost of sales		(789,858)	(3,007,181)
Gross profit/(loss)		9,992	(474,811)
Administrative income/expenses		54,084	(3,091,924)
Operating profit/ (loss)	3	64,076	(3,566,735)
Interest receivable and similar income	4	2,029	4,381
Interest payable and similar charges	5	(114,118)	(29,093)
Loss on ordinary activities before taxation		(48,013)	(3,591,447)
Tax on loss on ordinary activities	8	2,902	1,010,052
Loss for the year	14	(45,111)	(2,581,395)

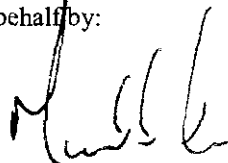
The company has no recognised gains or losses other than those shown above.

# Eliance UK Limited

## Balance sheet as at 30 September 2005

	Note	2005 £	2004 £
<b>Current assets</b>			
Stock	9	-	16,884
Debtors	10	360,822	2,076,441
Cash at bank and in hand		161,135	194,219
		<b>521,957</b>	<b>2,287,544</b>
<b>Creditors - amounts falling due within one year</b>	11	-	(2,378,476)
<b>Net current assets/ (liabilities)</b>		<b>521,957</b>	<b>(90,932)</b>
<b>Total assets less current liabilities</b>		<b>521,957</b>	<b>(90,932)</b>
<b>Provisions for liabilities and charges</b>	12	-	(2,500,000)
<b>Net assets/ (liabilities)</b>		<b>521,957</b>	<b>(2,590,932)</b>
<b>Capital and reserves</b>			
Called up share capital	13	9,528,002	6,370,002
Profit and loss account	14	(9,006,045)	(8,960,934)
<b>Shareholders' funds/(deficit)</b>	15	<b>521,957</b>	<b>(2,590,932)</b>

The financial statements were approved by the Board of directors on 22 June 2006 and were signed on its behalf by:



Director



# Eliaance UK Limited

## Notes to the financial statements for the year ended 30 September 2005

### 1 Accounting policies

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom.

#### Turnover

Turnover consists of the invoiced value or cash takings (excluding VAT) for goods and services supplied to customers in the year, all arising in the United Kingdom.

#### Tangible fixed assets and depreciation

Depreciation is provided evenly on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. The principal annual rates used to calculate depreciation are:

Leases	Length of the lease
Leasehold improvements	10 years
Fixtures and equipment	5 – 6 years
Computer equipment	1 – 3 years
Motor vehicles	5 years

#### Stocks

Stocks are valued at the lower of cost and estimated net realisable value. Cost is determined on a first-in-first-out basis. Net realisable value is based on the estimated sales price after allowing for all further costs of completion and disposal.

#### Deferred revenue expenditure

Certain costs incurred in the establishment of the concession are included in prepayments and are written off to the profit and loss account on a straight line basis over the shorter of the concession agreement and the expected useful life of the assets.

#### Deferred taxation

*The payment of taxation is deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes. Full provision for deferred taxation is made under the liability method, without discounting, on all timing differences that have arisen, but not reversed by the balance sheet date, unless such provision is not permitted by FRS 19.*

#### Related party transactions

The company has taken advantage of the exemption within FRS 8 not to disclose transactions with group undertakings.

#### Cash flow statement

The company has relied upon the exemption in FRS1 not to produce a cash flow statement, as it is a wholly owned subsidiary of Elior SCA which produces consolidated financial statements.

### 2 Turnover

The turnover is attributable to the company's principal activity, being the provision of public concession catering at motorway service areas, all of which is carried out in the United Kingdom.

# Eliance UK Limited

## 3 Operating profit / (loss)

	2005 £	2004 £
<b>Operating profit/ (loss) is arrived at after charging/ (crediting)</b>		
Depreciation of tangible fixed assets	-	177,673
Impairment of tangible fixed assets	-	771,378
Auditors' remuneration		
- for audit services	-	6,000
Contractual loss provision	-	2,250,000
Write back provision	(165,860)	-

In 2005, audit fees were borne by another group company.

## 4 Interest receivable and similar income

	2005 £	2004 £
Other interest receivable	2,029	4,381

## 5 Interest payable and similar charges

	2005 £	2004 £
Interest on intercompany loans	114,118	29,093

## 6 Employees

Average weekly number of employees, excluding directors:	2005 No.	2004 No.
Dining rooms	79	98
Administration and selling	3	3
	82	101

# Eliance UK Limited

## 6 Employees (continued)

Staff costs were as follows:	2005 £	2004 £
Wages and salaries	392,573	812,943
Social security costs	31,857	58,284
	424,430	871,227

## 7 Directors

No director received any remuneration from the company during the year (2004: £nil).

## 8 Taxation

Taxation credit for the year:	2005 £	2004 £
<b>Current tax</b>		
United Kingdom corporation tax	(203,997)	(856,397)
Adjustments in respect of prior periods	4,516	10,917
<b>Current taxation</b>	<b>(199,481)</b>	<b>(845,480)</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	195,964	(164,572)
Adjustments in respect of prior periods	615	-
<b>Deferred tax</b>	<b>196,579</b>	<b>(164,572)</b>
<b>Tax on loss on ordinary activities</b>	<b>(2,902)</b>	<b>(1,010,052)</b>
<b>Current tax reconciliation</b>		
Loss on ordinary activities before taxation	(48,013)	(3,591,447)
Theoretical tax at UK corporation tax rate of 30%	(14,404)	(1,077,434)
Effects of:		
- adjustments in respect of prior years	4,516	10,917
- other expenditure that is not tax deductible	6,371	7,550
- accelerated capital allowances	(195,964)	213,487
<b>Actual current taxation credit</b>	<b>(199,481)</b>	<b>(845,480)</b>

# Eliance UK Limited

## 9 Stocks

	2005 £	2004 £
Finished goods and goods for resale	-	16,884

## 10 Debtors

	2005 £	2004 £
Trade debtors	193	5,932
Prepayments and accrued income	-	43,042
Group relief receivable	196,204	845,480
Deferred taxation	-	196,579
Amounts owed by group undertakings	164,425	985,408
	360,822	2,076,441

Amounts owed by group undertakings carry no interest charges and are repayable on demand by Eliance Restaurants Limited.

## 11 Creditors: Amounts falling due within one year

	2005 £	2004 £
Trade creditors	-	206,361
Other taxation and social security	-	85,685
Accruals and deferred income	-	69,031
Amounts owed to group undertakings	-	1,996,023
Other creditors	-	21,376
	-	2,378,476

# Eliance UK Limited

## 12 Provisions for liabilities and charges

	2005 £	2004 £
<b>Contractual loss provision</b>		
At 1 October	2,500,000	1,500,000
Provided in the year	-	2,000,000
Costs incurred	(2,500,000)	(1,000,000)
At 30 September	-	2,500,000
	2005 £	2004 £
<b>Deferred taxation</b>		
At 1 October	(196,579)	(32,007)
Transferred to / (from) profit and loss account	196,579	(164,572)
At 30 September	-	(196,579)
This is represented by		
Excess of depreciation and impairment provision over capital allowances	-	(196,579)

## 13 Share capital

	2005 £	2004 £
<b>Authorised</b>		
5,728,100 ordinary shares of £1 each	5,728,100	2,570,100
3,800,000 preference shares of £1 each	3,800,000	3,800,000
	9,528,100	6,370,100
<b>Allotted and fully paid</b>		
5,728,002 ordinary shares of £1 each	5,728,002	2,570,002
3,800,000 preference shares of £1 each	3,800,000	3,800,000
	9,528,002	6,370,002

# Eliance UK Limited

## 13 Share capital (continued)

### Preference shareholders' rights

Preference shareholders have no entitlement in respect of income. The preference shares are redeemable at par at any time at the option of the company and at any time after the second anniversary of their issue at the option of the holder of any preference shares. On an earlier winding up the preference shares carry priority over the ordinary shares to the extent of their par value. The preference shares normally carry no votes or rights to attend general meetings of the company. If however the company has failed to redeem preference shares by a due date, proposals to change the rights of the preference shareholder in any way, if the business of the meeting includes the consideration of any resolution for winding up the company or reducing its share capital or share premium, then the preference shareholders are entitled to attend meetings and each share will carry one vote.

## 14 Reserves

	2005 £	2004 £
Profit and loss account		
At 1 October	(8,960,934)	(6,379,539)
Loss for the year	(45,111)	(2,581,395)
At 30 September	(9,006,045)	(8,960,934)

## 15 Reconciliation of movements in shareholders' funds

	2005 £	2004 £
Opening shareholders' deficit	(2,590,932)	(9,537)
Loss for the year	(45,111)	(2,581,395)
Issue of ordinary share capital	3,158,000	-
Closing shareholders' funds /(deficit)	521,957	(2,590,932)
Non-equity – preference	3,800,000	3,800,000
Equity	(3,278,043)	(6,390,932)
Total	521,957	(2,590,932)

## 16 Contingent liabilities

The company is registered for VAT purposes in a group of undertakings that shares a common registration number. As a result it has jointly guaranteed the VAT liability of the group and failure by other members of the group to meet their VAT liabilities would give rise to additional liabilities for the company. The group liability at 30 September 2005 amounted to £1,346,796. The directors are of the opinion that no liability is likely to arise from the failure of those companies.

## **Eliance UK Limited**

### **17 Parent undertaking**

The immediate parent undertaking is Elicor UK Limited, a company incorporated in England and Wales.

The company considers Elicor SCA, a company incorporated in France, to be the most senior and ultimate parent undertaking of the company.