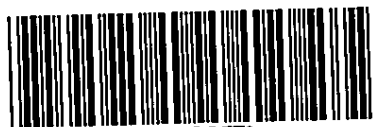


Financial Statements

Lindley Catering Limited

For the year ended 31 May 2012

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COMPANIES HOUSE

Registered number: 04242557

Lindley Catering Limited

Company Information

Directors	A Elliott T Doubleday (appointed 1 April 2012) D Hulme (resigned 23 January 2012)
Company secretary	T Doubleday
Company number	04242557
Registered office	The Mellor Building Queens Road Penkhull Stoke on Trent ST4 7TR
Auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 4 Hardman Square Spinningfields Manchester M3 3EB
Bankers	Lloyds TSB Bank Plc PO Box 908 125 Colmore Row Birmingham B3 3AE
Solicitors	Knight & Sons The Brampton Newcastle Under Lyme Staffordshire ST5 0QW

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Directors' Report

For the year ended 31 May 2012

The directors present their report and the financial statements for the year ended 31 May 2012

Principal activities

The principal activity of the company is the provision of catering services, including trading as licensed victuallers

Results, dividends and outlook

The profit for the year, after taxation, amounted to £93,496 (2011 - loss £58,090)

The directors did not recommend the payment of a dividend (2011 £Nil) during the year

The company operates as part of a wider group headed by Lindley Catering Holdings Limited. The directors report of that company contains a business review that reflects the wider group position including that of Lindley Catering Limited. Reference should be made to those accounts for a full understanding of the group's future prospects.

Directors

The directors who served during the year were

A Elliott

T Doubleday (appointed 1 April 2012)

D Hulme (resigned 23 January 2012)

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

Directors' Report

For the year ended 31 May 2012

Provision of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information

Principal risks and uncertainties

Financial instruments

The company uses financial instruments, these include cash and various items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations.

The existence of these financial instruments exposes the company to a number of financial risks, which are described in more detail below.

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash safely and profitably.

Interest rate risk

The company finances its operations through a mixture of retained profits and a bank overdraft facility. The interest rate exposure of the financial assets and liabilities of the company as at 31 May 2012 is shown below.

Fixed rate - None

Floating rate - None

Zero rate - Trade debtors (note 11) and trade creditors (note 12)

Credit risk

The company's principal financial assets are cash and trade debtors. The credit risk associated with cash is limited. The directors do not consider there to be any material credit risk, as given the nature of the business, cash is received on completion of contract.

Employee involvement

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

Directors' Report

For the year ended 31 May 2012

Disabled employees

The company's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

Creditor Payment Policy

The company's current policy concerning the payment of trade creditors is to

- settle the terms of payment with suppliers when agreeing the terms of each transaction
- ensure that suppliers are made aware of the terms of payment by inclusion of that relevant terms in contracts
- pay in accordance with the company's contractual and other legal obligations

On average, trade creditors at the year end represented 62 (2011: 62) days' purchases.

Auditor

Under section 487(2) of the Companies Act 2006, Grant Thornton UK LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on **27 February 2013** and signed on its behalf



T Doubleday
Director

Independent Auditor's Report to the Members of Lindley Catering Limited

We have audited the financial statements of Lindley Catering Limited for the year ended 31 May 2012, which comprise the Profit and loss account, the Balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Auditing Practices Board's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 May 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.



Independent Auditor's Report to the Members of Lindley Catering Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

A handwritten signature in black ink, appearing to read "Tobias Wilson".

Tobias Wilson (Senior statutory auditor)

for and on behalf of

Grant Thornton UK LLP

Chartered Accountants

Statutory Auditor

Manchester

Date 28/2/13

Profit and Loss Account

For the year ended 31 May 2012

	Note	2012 £	2011 £
Turnover	1,2	44,327,707	36,849,169
Cost of sales		<u>(16,409,730)</u>	<u>(13,167,984)</u>
Gross profit		27,917,977	23,681,185
Administrative expenses		(29,338,204)	(24,785,948)
Other operating income	3	<u>1,574,850</u>	<u>1,232,360</u>
Operating profit	4	154,623	127,597
Interest receivable and similar income		<u>4,168</u>	<u>3,119</u>
Profit on ordinary activities before taxation		158,791	130,716
Tax on profit on ordinary activities	7	<u>(65,295)</u>	<u>(188,806)</u>
Profit/(loss) for the financial year	15	<u>93,496</u>	<u>(58,090)</u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the Profit and loss account

The notes on pages 8 to 17 form part of these financial statements

Balance Sheet

As at 31 May 2012

	Note	£	2012 £	2011 £
Fixed assets				
Tangible assets	8		1,022,388	954,288
Investments	9		5,676,951	5,676,951
			<u>6,699,339</u>	<u>6,631,239</u>
Current assets				
Stocks	10	1,014,138	1,555,411	
Debtors	11	16,123,448	12,108,835	
Cash at bank		2,748,467	3,105,690	
		<u>19,886,053</u>	<u>16,769,936</u>	
Creditors amounts falling due within one year	12	(14,240,821)	(11,150,100)	
Net current assets			<u>5,645,232</u>	<u>5,619,836</u>
Net assets			<u><u>12,344,571</u></u>	<u><u>12,251,075</u></u>
Capital and reserves				
Called up share capital	14		2,984,548	2,984,548
Share premium account	15		553,979	553,979
Profit and loss account	15		8,806,044	8,712,548
Shareholders' funds	16		<u><u>12,344,571</u></u>	<u><u>12,251,075</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

27 FEBRUARY 2013.



T Doubleday
Director

The notes on pages 8 to 17 form part of these financial statements

Notes to the Financial Statements

For the year ended 31 May 2012

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with UK Generally Accepted Accounting Practice

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

The directors have reviewed the accounting policies in accordance with FRS 18 "Accounting Policies" and have concluded that no changes were required from the previous year.

1.2 Going concern

The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current facilities. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements. The company operates as part of a group headed by Lindley Catering Holdings Limited. Reference should also be made to the financial statements of that company for further information regarding the context within which the company operates.

1.3 Revenue recognition

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Income from direct sales is recognised in the period in which services are provided in accordance with the terms of the contractual relationships with third parties.

1.4 Contract Advances

Allowances paid to customers at a contract's inception are amortised on a straight line basis over the contract term.

1.5 Other Income

Includes rebates awarded by suppliers, the income is recognised in line with agreed contractual terms.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures & fittings	- 33% straight line/life of contract
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Notes to the Financial Statements

For the year ended 31 May 2012

1. Accounting Policies (continued)

1.7 Investments

Investments held as fixed assets are shown at cost less provision for impairment

Investments are reviewed for impairment if circumstances indicate that their carrying value may not be recoverable. To the extent that the carrying amount exceeds the recoverable amount, the carrying value of the investment is impaired. The impairment loss is recognised immediately in the profit and loss account.

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.9 Cash and Liquid resources

Cash, for the purposes of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand. Liquid resources consist of short term deposits which may be withdrawn only at more than 24 "working" hours notice.

1.10 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

1.11 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

1.12 Leased assets

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their useful lives. The interest element of leasing payments represent a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the year of the lease.

All other leases are regarded as operating leases and the payment made under them are charged to the profit and loss account on a straight line basis over the lease terms.

Notes to the Financial Statements

For the year ended 31 May 2012

2. Turnover

The turnover and profit on ordinary activities before taxation is attributable to the principal activity of the company

All turnover arose within the United Kingdom

3. Other operating income

	2012	2011
	£	£
Other operating income	<u>1,574,850</u>	<u>1,232,360</u>

4. Operating profit

The operating profit is stated after charging

	2012	2011
	£	£
Depreciation of tangible fixed assets		
- owned by the company	641,471	406,948
Auditor's remuneration	20,775	19,750
Operating lease rentals		
- other	151,838	156,543
- land and buildings	<u>31,160</u>	<u>20,000</u>

Fees paid to the company's auditor for services other than the statutory audit of the company are not disclosed since the consolidated accounts of the company's parent, Lindley Catering Holdings Limited, are required to disclose non-audit fees on a consolidated basis

Notes to the Financial Statements

For the year ended 31 May 2012

5. Staff costs

Staff costs, including directors' remuneration, were as follows

	2012 £	2011 £
Wages and salaries	11,758,780	12,326,659
Other pension costs	12,962	18,800
	<u>11,771,742</u>	<u>12,345,459</u>

The average monthly number of employees, including the directors, during the year was as follows

	2012 No.	2011 No.
Management and administration	305	281
Catering staff	2,727	2,416
	<u>3,032</u>	<u>2,697</u>

6. Directors' remuneration

	2012 £	2011 £
Emoluments	<u>509,086</u>	<u>268,256</u>
Company pension contributions to defined contribution pension schemes	<u>12,962</u>	<u>18,800</u>
Compensation for loss of office	<u>76,500</u>	<u>84,658</u>

During the year retirement benefits were accruing to 2 directors (2011 - 2) in respect of defined contribution pension schemes

The highest paid director received remuneration of £179,821 (2011 - £352,914)

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £12,962 (2011 - £18,800)

Notes to the Financial Statements

For the year ended 31 May 2012

7. Taxation

	2012 £	2011 £
Analysis of tax charge/(credit) in the year		
Current tax (see note below)		
Adjustments in respect of prior periods	-	(27,531)
	-	(27,531)
Group taxation relief	32,112	-
Total current tax	32,112	(27,531)
Deferred tax (see note 13)		
Origination and reversal of timing differences	33,183	216,337
Tax on profit on ordinary activities	65,295	188,806

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2011 - lower than) the standard rate of corporation tax in the UK of 25.67% (2011 - 27.67%). The differences are explained below

	2012 £	2011 £
Profit on ordinary activities before tax	158,791	130,716
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25.67% (2011 - 27.67%)	40,762	36,169
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	10,147	3,102
Capital allowances for year in excess of depreciation	55,978	(11,255)
Utilisation of tax losses	(82,083)	-
Adjustments to tax charge in respect of prior periods	-	(27,531)
Short term timing difference leading to an increase (decrease) in taxation	10,663	22,173
Other timing differences leading to an increase (decrease) in taxation	-	2,043
Unrelieved tax losses carried forward	-	(52,232)
Group relief	(35,467)	-
Payment for group relief	32,112	-
Current tax charge/(credit) for the year (see note above)	32,112	(27,531)

Notes to the Financial Statements

For the year ended 31 May 2012

8. Tangible fixed assets

	Fixtures & fittings £
Cost	
At 1 June 2011	3,551,826
Additions	711,748
Disposals	(30,505)
At 31 May 2012	<u>4,233,069</u>
Depreciation	
At 1 June 2011	2,597,538
Charge for the year	641,471
On disposals	(28,328)
At 31 May 2012	<u>3,210,681</u>
Net book value	
At 31 May 2012	<u>1,022,388</u>
At 31 May 2011	<u>954,288</u>

9. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 June 2011 and 31 May 2012	<u>5,676,951</u>

During the year ended 30 May 2004, the entire trade and assets of the company's subsidiary undertaking, Lindley Catering Investments Limited, were transferred to the company at their book value. No adjustment has been made to the carrying value of the company's investment in the subsidiary undertaking. This represents a departure from accounting principles, which require assets to be written down to the lower of cost and net realisable value. If an adjustment had been made, it would require a write off in relation to Lindley Catering Limited through the company profit and loss account. As there has been no overall loss to the group because the trade and assets are retained within the group, the directors consider this policy is necessary in order that the financial statements may give a true and fair view. The directors will continue to review this treatment, to consider whether it is the most appropriate.

Notes to the Financial Statements

For the year ended 31 May 2012

9. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the company

Name	Class of shares	Holding
K&S (408) Limited	Ordinary	100%
Lindley Catering Investments Limited	Ordinary	100%
Stadia Catering Services Limited	Ordinary	100%

The above are holdings of ordinary shares in dormant undertakings which are registered in England and Wales

10. Stocks

	2012	2011
	£	£
Goods for resale	1,014,138	1,555,411

11. Debtors

	2012	2011
	£	£
Trade debtors	7,354,361	4,052,570
Amounts owed by group undertakings	6,594,598	5,823,244
Other debtors	635,170	438,758
Prepayments and accrued income	453,845	521,091
Contract advances	875,000	1,000,000
Tax recoverable	-	29,515
Deferred tax asset (see note 13)	210,474	243,657
	16,123,448	12,108,835

Contract advances relate to initial payments made at the inception of certain new contracts which are amortised over the length of the contract on a straight-line basis

Notes to the Financial Statements

For the year ended 31 May 2012

12. Creditors:

Amounts falling due within one year

	2012 £	2011 £
Trade creditors	7,830,413	6,168,545
Amounts owed to group undertakings	712,268	351,605
Social security and other taxes	1,854,142	1,502,121
Other creditors	3,204,692	3,084,564
Accruals and deferred income	639,306	43,265
	<u>14,240,821</u>	<u>11,150,100</u>

13. Deferred tax asset

	2012 £	2011 £
At beginning of year	243,657	459,994
Charged for year	(33,183)	(216,337)
At end of year	<u>210,474</u>	<u>243,657</u>

The deferred tax asset is made up as follows

	2012 £	2011 £
Excess of capital allowances over book depreciation of fixed assets	(155,949)	(116,511)
Other timing differences	(54,525)	(48,268)
Losses and other deduction	-	(78,878)
	<u>(210,474)</u>	<u>(243,657)</u>

14. Share capital

	2012 £	2011 £
Authorised		
10,000,000 Ordinary shares of shares of £1 each	<u>10,000,000</u>	<u>10,000,000</u>
Allotted, called up and fully paid		
2,984,548 Ordinary shares of shares of £1 each	<u>2,984,548</u>	<u>2,984,548</u>

Notes to the Financial Statements

For the year ended 31 May 2012

15. Reserves

	Share premium account £	Profit and loss account £
At 1 June 2011	553,979	8,712,548
Profit for the year	-	93,496
At 31 May 2012	<u>553,979</u>	<u>8,806,044</u>

16. Reconciliation of movement in shareholders' funds

	2012 £	2011 £
Opening shareholders' funds	12,251,075	12,309,165
Profit/(loss) for the year	<u>93,496</u>	<u>(58,090)</u>
Closing shareholders' funds	<u>12,344,571</u>	<u>12,251,075</u>

17. Pension commitments

The company operates a defined contributions 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 and amounted to £14,630 (2011 - £18,800). No contributions are outstanding at the balance sheet date (2011 £Nil).

18. Operating lease commitments

At 31 May 2012 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2012 £	2011 £	2012 £	2011 £
Expiry date:				
Within 1 year	-	-	15,444	35,762
Between 2 and 5 years	<u>31,160</u>	<u>20,000</u>	<u>136,394</u>	<u>92,660</u>

Notes to the Financial Statements

For the year ended 31 May 2012

19. Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard No 8 "Related party disclosures" and has not disclosed transactions with group undertakings

There are no other related party transactions

20. Ultimate parent undertaking and controlling party

The company's immediate and ultimate parent undertaking is Lindley Catering Holdings Limited, a company registered in England and Wales. Copies of the group accounts for the ultimate parent undertaking may be obtained from its registered office. The ultimate controlling party is considered to be Sovereign Capital Partners LLP.