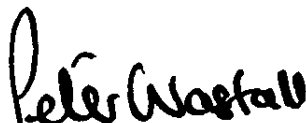


Certified as signed original

**The Annual Report and Financial Statements
of Watford Catering Limited
for the year ended 30th June 2008**



**P. J. Wastall
(Company Secretary)
3rd March 2009**

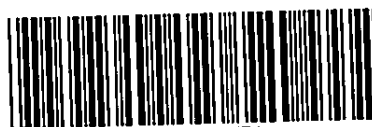
Chantrey Vellacott DFKLLP

Watford Catering Limited

Financial statements

30 June 2008

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Watford Catering Limited

Financial statements

Year ended 30 June 2008

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Watford Catering Limited

Officers and professional advisers

The board of directors

J Winter

Company secretary

P J Wastall

Registered office

Vicarage Road Stadium
Vicarage Road
Watford
Herts WD18

Auditor

Chantrey Vellacott DFK LLP
Chartered Accountants
Registered Auditor
Russell Square House
10 - 12 Russell Square
London
WC1B 5LF

Bankers

Barclays Bank plc
32 Clarendon Road
Watford
Herts
WD17 1GT

Solicitors

Matthew Arnold & Baldwin
21 Station Road
Watford
Herts
WD17 1HT

Chantrey Vellacott DFK LLP

Watford Catering Limited

Directors' report

Year ended 30 June 2008

The directors have pleasure in presenting their report and the audited financial statements of the company for the year ended 30 June 2008.

Principal activities

The principal activity of the company is the provision of catering services.

Directors

The directors who served the company during the year were as follows:

G M Simpson
M A Ashton

G M Simpson retired as a director on 1 December 2008.
M A Ashton retired as a director on 12 December 2008.

J Winter was appointed as a director on 12 December 2008.

Directors' responsibilities

The directors are responsible for preparing the annual 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). The financial statements are required by law to 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 judgements 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 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.

Insofar as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

A resolution to re-appoint Chantrey Vellacott DFK LLP as auditor for the ensuing year will be proposed at the Annual General Meeting in accordance with section 385 of the Companies Act 1985.

Watford Catering Limited

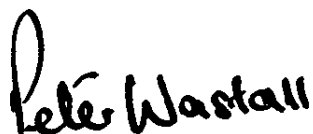
Directors' report *(continued)*

Year ended 30 June 2008

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Signed by order of the directors



P J Wastall
Company Secretary

Approved by the directors on 18 February 2009

Chantrey Vellacott DFKLLP

Watford Catering Limited

Independent auditor's report to the shareholder of Watford Catering Limited

Year ended 30 June 2008

We have audited the financial statements of Watford Catering Limited for the year ended 30 June 2008 which comprise the profit and loss account, balance sheet, cash flow statement and the related notes. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's shareholder, 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 shareholder 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 shareholder as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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.

Watford Catering Limited

Independent auditor's report to the shareholder of Watford Catering Limited (*continued*)

Year ended 30 June 2008

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 June 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.



CHANTREY VELLACOTT DFK LLP
Chartered Accountants
Registered Auditor

London

27.2.09

Chantrey Vellacott DFK LLP

Watford Catering Limited**Profit and loss account****Year ended 30 June 2008**

	Note	2008 £	2007 £
Turnover	2	1,412,230	1,346,932
Cost of sales		<u>1,004,015</u>	<u>1,203,325</u>
Gross profit		408,215	143,607
Administrative expenses		<u>314,386</u>	<u>158,862</u>
Operating profit/(loss)	3	93,829	(15,255)
Interest payable and similar charges	5	—	605
Profit/(loss) on ordinary activities before taxation		<u>93,829</u>	<u>(15,860)</u>
Tax on profit/(loss) on ordinary activities	6	—	—
Profit/(loss) for the financial year		<u>93,829</u>	<u>(15,860)</u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 9 to 14 form part of these financial statements.

Watford Catering Limited

Balance sheet

As at 30 June 2008

	Note	2008 £	2007 £
Fixed assets			
Tangible assets	7	<u>22,040</u>	<u>35,645</u>
Current assets			
Stocks	8	21,649	22,998
Debtors	9	358,572	218,681
Cash at bank and in hand		<u>14,502</u>	<u>21,066</u>
		394,723	262,745
Creditors: amounts falling due within one year	10	<u>74,533</u>	<u>49,989</u>
Net current assets		<u>320,190</u>	<u>212,756</u>
Total assets less current liabilities		<u>342,230</u>	<u>248,401</u>
Capital and reserves			
Called up equity share capital	12	1	1
Profit and loss account	13	<u>342,229</u>	<u>248,400</u>
Shareholder's funds	14	<u>342,230</u>	<u>248,401</u>

These financial statements were approved by the directors and authorised for issue on 18.02.09, and are signed on their behalf by:

J Winter

The notes on pages 9 to 14 form part of these financial statements.

Watford Catering Limited**Cash flow statement****Year ended 30 June 2008**

	Note	2008 £	2007 £
Net cash inflow/(outflow) from operating activities	15(a)	2,436	(55,586)
Returns on investments and servicing of finance			
Interest paid		—	(605)
Net cash outflow from returns on investments and servicing of finance		—	(605)
Capital expenditure			
Payments to acquire tangible fixed assets		(9,000)	(41,628)
Net cash outflow from capital expenditure		(9,000)	(41,628)
Cash outflow before financing		(6,564)	(97,819)
Financing			
Net outflow from other short-term creditors		—	(1,017)
Net cash outflow from financing		—	(1,017)
Decrease in cash	15(c)	(6,564)	(98,836)

Chantrey Vellacott DFK LLP

The notes on pages 9 to 14 form part of these financial statements.

Watford Catering Limited

Notes to the financial statements

Year ended 30 June 2008

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable United Kingdom accounting standards.

Turnover

The turnover shown in the profit and loss account represents cash and invoiced sales during the year, exclusive of Value Added Tax.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures, fittings and equipment - 50% reducing balance and over 2 years

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2008 £	2007 £
United Kingdom	<u>1,412,230</u>	<u>1,346,932</u>

Watford Catering Limited

Notes to the financial statements

Year ended 30 June 2008

3. Operating profit/(loss)

Operating profit/(loss) is stated after charging:

	2008 £	2007 £
Depreciation of owned fixed assets	20,540	33,323
Loss on disposal of fixed assets	2,065	-
Auditor's remuneration - as auditor	4,023	4,500
Operating lease costs: Plant and equipment	<u>12,961</u>	<u>22,272</u>

4. Particulars of employees

The average number of staff, including executive directors, employed by the company during the financial year can be analysed as follows:

	2008 No	2007 No
Management and catering staff (full time)	6	4
Catering staff (part time)	<u>53</u>	<u>73</u>
	<u>59</u>	<u>77</u>

The aggregate payroll costs of the above were:

	2008 £	2007 £
Wages and salaries	544,785	511,700
Social security costs	26,785	26,709
Other pension costs	<u>3,467</u>	<u>-</u>
	<u>575,037</u>	<u>538,409</u>

In addition to the above the company employed an average of 82 (2007 - 106) part-time staff on event days during the year.

5. Interest payable and similar charges

	2008 £	2007 £
Interest payable on bank borrowing	<u>-</u>	<u>605</u>

Watford Catering Limited

Notes to the financial statements

Year ended 30 June 2008

6. Taxation on ordinary activities

No charge to corporation tax arises due to the availability of group losses.

Factors affecting current tax charge

	2008 £	2007 £
Profit/(loss) on ordinary activities before taxation	<u>93,829</u>	<u>(15,860)</u>
Profit/(loss) on ordinary activities multiplied by rate of tax	27,680	(3,013)
Capital allowances for period in excess of depreciation	2,131	2,802
Utilisation of tax losses	(108)	-
Unrelieved tax losses	-	211
Group loss relief	(29,966)	-
Other timing differences	263	-
Total current tax	<u>-</u>	<u>-</u>

7. Tangible fixed assets

	Fixtures, fittings & equipment £
Cost	
At 1 July 2007	159,342
Additions	9,000
Disposals	<u>(29,238)</u>
At 30 June 2008	<u>139,104</u>
Depreciation	
At 1 July 2007	123,697
Charge for the year	20,540
On disposals	<u>(27,173)</u>
At 30 June 2008	<u>117,064</u>
Net book value	
At 30 June 2008	<u>22,040</u>
At 30 June 2007	<u>35,645</u>

8. Stocks

	2008 £	2007 £
Goods for resale	<u>21,649</u>	<u>22,998</u>

Watford Catering Limited

Notes to the financial statements

Year ended 30 June 2008

9. Debtors

	2008 £	2007 £
Trade debtors	47,246	32,977
Amounts owed by group undertakings	309,659	184,004
Prepayments and accrued income	1,667	1,700
	<u>358,572</u>	<u>218,681</u>

10. Creditors: amounts falling due within one year

	2008 £	2007 £
Trade creditors	12,660	15,524
Taxation and social security	48,214	29,173
Other creditors	—	592
Accruals and deferred income	13,659	4,700
	<u>74,533</u>	<u>49,989</u>

11. Related party transactions

The company has taken advantage of the exemptions conferred by Financial Reporting Standard No 8 from the requirement to make disclosures with other group companies.

12. Share capital

Authorised share capital:

	2008 £	2007 £
1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>

Allotted, called up and fully paid:

	2008 No	£	2007 No	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

Watford Catering Limited

Notes to the financial statements

Year ended 30 June 2008

13. Profit and loss account

	2008 £	2007 £
Balance brought forward	248,400	264,260
Profit/(loss) for the financial year	93,829	(15,860)
Balance carried forward	<u>342,229</u>	<u>248,400</u>

14. Reconciliation of movements in shareholder's funds

	2008 £	2007 £
Profit/(Loss) for the financial year	93,829	(15,860)
Opening shareholder's funds	248,401	264,261
Closing shareholder's funds	<u>342,230</u>	<u>248,401</u>

15. Notes to the statement of cash flows

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

	2008 £	2007 £
Operating profit/(loss)	93,829	(15,255)
Depreciation	20,540	33,323
Loss on disposal of fixed assets	2,065	—
Decrease in stocks	1,349	2,555
Increase in debtors	(139,891)	(34,706)
Increase/(decrease) in creditors	24,544	(41,503)
Net cash inflow/(outflow) from operating activities	<u>2,436</u>	<u>(55,586)</u>

(b) Reconciliation of net cash flow to movement in net funds

	2008 £	2007 £
Decrease in cash in the period	(6,564)	(98,836)
Net outflow from other short-term creditors	—	1,017
Movement in net funds in the period	<u>(6,564)</u>	<u>(98,836)</u>
Net funds at 1 July 2007	21,066	118,885
Net funds at 30 June 2008	<u>14,502</u>	<u>21,066</u>

Watford Catering Limited

Notes to the financial statements

Year ended 30 June 2008

15. Notes to the statement of cash flows (continued)

(c) Analysis of changes in net funds

	At 1 Jul 2007 £	Cash flows £	At 30 Jun 2008 £
Net cash:			
Cash in hand and at bank	21,066	(6,564)	14,502
Debt:			
Net funds	<u>21,066</u>	<u>(6,564)</u>	<u>14,502</u>

16. Ultimate parent company

The parent company, and ultimate controlling party, is Watford Leisure PLC. Copies of the financial statements of Watford Leisure PLC can be obtained from the company's registered office.