

**Compass Group Foundation**  
(A company limited by guarantee)

**Report and Financial Statements**

**30 September 2007**

TUESDAY



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**REPORT AND FINANCIAL STATEMENTS 2007**

<b>CONTENTS</b>	<b>Page</b>
<b>Officers and professional advisors</b>	<b>1</b>
<b>Directors' report</b>	<b>2</b>
<b>Statement of directors' responsibilities</b>	<b>6</b>
<b>Independent auditors' report</b>	<b>7</b>
<b>Statement of financial activities</b>	<b>8</b>
<b>Balance sheet</b>	<b>9</b>
<b>Notes to the financial statements</b>	<b>10</b>

## **REPORT AND FINANCIAL STATEMENTS 2007**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS AND TRUSTEES**

M J Burton  
P E Cawdron (resigned 16 February 2007)  
A J Coates  
J H Crisp  
V F Gooding (resigned 31 December 2006)  
P M Leith  
M Ramis

#### **SECRETARY**

M T Stapleton

#### **REGISTERED OFFICE**

Parklands Court  
24 Parklands  
Birmingham Great Park  
Rubery  
Birmingham  
West Midlands  
B45 9PZ

#### **BANKERS**

Barclays Bank PLC  
Gredley House  
The Broadway  
Stratford  
London  
E15 4BQ

#### **SOLICITORS**

Bailes, Wells & Braithwaite  
2-6 Cannon Street  
London  
EC4M 6YH

#### **AUDITORS**

Deloitte & Touche LLP  
Chartered Accountants  
& Registered Auditors  
Birmingham, UK

## DIRECTORS' REPORT

The directors are pleased to present their report and the audited financial statements for the year ended 30 September 2007

The financial statements have been prepared in accordance with the accounting policies set out on page 10 and comply with the charity's Memorandum and Articles of Association, applicable law and the requirements of the Statement of Recommended Practice, "Accounting and Reporting by Charities", revised in March 2005

### STATUS

The organisation is a charitable company limited by guarantee, incorporated on 14 August 2003 and registered as a charity on 9 October 2003

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. Under those Articles, the trustees are elected at the AGM to serve a period of 3 years

As a company limited by guarantee having no share capital and, in accordance with the Memorandum of Association, every member is liable to contribute a sum of £1 in the event of the company being wound up. At 30 September 2007 there were 5 members. There is no controlling entity.

### STRUCTURE, GOVERNANCE AND MANAGEMENT

The Foundation comprises of a number of Compass Group and external/independent trustees who meet twice yearly on Compass premises to review funding, decide on strategy, review project progress and allocate funding to projects accordingly. The daily management of the selected projects and the management and administration surrounding funding requests is handled by the two members of staff of Compass Group seconded partly to the Foundation.

None of the trustees receive any remuneration or expense payments from the Foundation.

### ACTIVITIES

The objectives of the Compass Group Foundation are to develop and extend the community investment element of the group's activity by supporting its very large personnel base to deliver local activity and investment and also highlight and celebrate that activity and general good practice with a view to widening participation amongst its people. Giving something back to the communities in which it trades is central to the business ethos of the Compass Group PLC and the Foundation is the vehicle that discharges that responsibility.

The Compass Group employs 360,000 associates worldwide, many of whom are involved in a multiplicity of community activities within the context of their work.

Whilst the company encourages and supports this activity financially, it also provides central communication, resources and impetus. Consequently the company has established a program called Compass '*in the community*' globally for which there is an international communications and financial incentive programme to motivate associates to become involved and often link up on similar activities to access wider teamwork and the synergies and economies of scale that such linkage can determine.

An example of this would be the Group's involvement in 'Zoe's Place'.

The employees of an operating company in the UK division, All Leisure, were undertaking activities to provide support and fund raising for this children's hospice and the Alderhay children's hospital in the UK and subsequently linked with our associates doing similar things in our business outside the UK. The net result is that a replicable model has been formulated for fundraising and support of charities similar to Zoe's Place that can be adopted globally and therefore make it easier and quicker for our people to action.

In order to encourage and facilitate community investment activity and the transfer of good practice, as a part of its corporate and social responsibility strategy, the Compass group has a small team of central personnel that maintain good global communications, generally encourages activity amongst its personnel and also supports some central corporate projects as a failsafe mechanism.

## DIRECTORS' REPORT

### ACTIVITIES (CONTINUED)

Strategic developments of late have seen great moves towards partnering with our clients on community activities, creating financial sponsorships centrally to encourage associates and operating companies to get started on an activity and improving global communications, at all levels, to facilitate the highlighting of activity and best practise

Compass '*in the community*' (CITC) is a term used for the activity that the company undertakes to discharge it's social and corporate responsibility by sincerely giving something back to the communities in which it trades throughout the world

An example of this would be our central arrangements for *payroll giving* whereby we encourage our people to contribute to charities of their choice by direct payroll deduction. The group then supplements these individual donations, assists with the reclamation of the individual's tax to increase the donation further and additionally pay the administration costs of getting these contributions to the charities nominated. Subsequently over this financial year over £50,500 has been raised in the UK alone

Across the estate there is a multiplicity of charitable and philanthropic works going on. Many of these are instigated by individual employees within the group who solicit the support of their colleagues and managers and often financial or general resource support from the group.

The Group's policy is to support these employees and the communities in which it operates, and from which it draws its customers, resources and staff, through the CITC programme. The central community investment projects undertaken centrally supplement and underpin the work of our people and are again funded by the Compass Group Foundation.

### RESULTS

The results for the period are set out on page 8. The level of cash reserves as at 30 September 2007 amounted to £114,490.

### JUNIOR CHEFS ACADEMY

Compass group sponsors a Saturday morning cookery school at 14 colleges throughout the UK to provide life skills training, technical and vocational skills development and the opportunity to sample a possible future career for candidates from a disadvantaged background. The number of centres supported this year has increased, as have the numbers of students enrolled at each location. 2,000 candidates have graduated from this programme to date and considerable acclaim attributed to the project by Business in the Community, The Charities Aid Foundation and similar professional bodies.

### TRAINING FOR LIFE

The group provides financial and material resources and manpower secondment to the charity Training For Life which specialises in the rehabilitation and development of employability skills for the long-term unemployed and socially excluded. Development of the Hoxton Apprentice restaurant by Training For Life was sponsored by the Foundation to provide a realistic work environment in which people could train and the construction of a second restaurant in Dartmouth is well underway and should be opened by June 2008. Other locations have been identified and are currently subject to feasibility study.

### SPRINGBOARD PARTNERSHIP

Compass group provides core funding for the charity to maintain its status and activities but additionally sponsors a calendar of annual activities within the charity that assists young people access skills development and careers advice in the hospitality sector. This core funding is supplemented by sponsorship of additional projects such as the national inter-schools cookery competition called Future Chef, general fundraising events, the production and copy of hospitality careers collateral and the bi-annual careers festival.

## **DIRECTORS' REPORT**

### **COMPASS IN THE COMMUNITY AWARDS**

The mainstay of the group's community activity is the encouragement of its people divisionally to undertake activity locally to them and hence allow the group to deliver its objective of serving local communities wherever it trades

Subsequently all community investment projects put forward annually are judged on a range of criteria that include impact, replicability, creativity, client and personnel involvement Levels of achievement of these criteria attract financial awards but also serve to highlight best practise and create impetus for others to follow as the success is communicated and celebrated

This has now been extended into a global event where divisional global winners come together for a global judging programme with further financial awards and to encourage cultural exchange and diversity and widen group participation further

### **VOLUNTEERING PROGRAMMES**

The Foundation has promoted a number of programmes including 'School Governors One Stop Shop' (SGOSS) to promote our people participating in school governance nationally and providing commercial expertise and guidance to the public education system. A wider volunteering programme that will focus on one or a limited number of community investment causes is under research currently

### **GENERAL SUPPORT OF CHARITABLE AND COMMUNITY APPEALS**

The Foundation has generously supported direct appeals from many community groups and charitable bodies throughout the year including the elderly, infirm, disabled, medical research, education, the blind and visually impaired, the deaf, the mentally disabled and deprived social groups of all ages and diversity Additionally this year the Foundation has arranged for Compass redundant computer equipment nationally to be recycled via a north London charity called Maxi-Tech to Help the Aged Maxi-Tech provides Compass reconditioned equipment to this community and also facilitates a training programme to facilitate this community's use of them.

### **FUTURE STRATEGY**

The Group's policy is to support the communities in which it operates, and from which it draws its customers, resources and staff

- 1 The Group will provide its full support to natural disasters and community programmes, and will continue to make donations and awards to outstanding community initiatives undertaken by its business
- 2 The Group Board will devolve responsibilities for community programmes to its operating divisions and the Foundation It will encourage them to broaden the scope of projects undertaken to reflect cultural differences, different market opportunities and local profile
- 3 Divisional management are held accountable for supporting programmes that address social impact directly, through investment, and indirectly through core business activities such as training, recruitment, purchasing and marketing

### **RESERVES POLICY**

The Foundation is funded annually by a formula that is proportionate to the operating profit generated by the UK division and therefore aligns activity with the group's expansion and success

## DIRECTORS' REPORT

### RISK REVIEW

The directors conducted their own review of the major risks to which the charity is exposed in 2006. Internal risks are minimised by the use of procedures for authorisation of all transactions and projects.

### DIRECTORS

The directors for the purpose of company law and trustees for the purpose of charity law, who served during the period, are set out on page 1.

The charity holds an annual general meeting every calendar year with not more than 15 months between meetings.

### AUDITORS

Each of the directors at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and

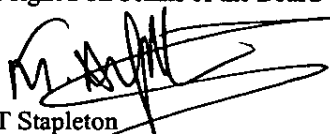
- the director has taken all steps that he/she ought to have taken as a director to make himself/herself aware of relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S234ZA of the Companies Act 1985.

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors.

Pursuant to S386 Companies Act 1985, an elective resolution has been passed dispensing with the requirement to appoint auditors annually, therefore, Deloitte & Touche LLP are deemed to continue as auditors.

Approved by the Board of Directors  
and signed on behalf of the Board



M T Stapleton  
Company Secretary

## **STATEMENT OF 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 net income 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,
- 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COMPASS GROUP FOUNDATION**

We have audited the financial statements of Compass Group Foundation for the year ended 30 September 2007 which comprise the Statement of Financial Activities (including Income and Expenditure account), the Balance Sheet and the related notes 1 to 9. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, 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 charitable company's members 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 charitable company and the charitable 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 auditors**

The responsibilities of the directors for preparing the Annual Report and 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 charitable 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 trustees' 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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 30 September 2007 and of its incoming resources and application of resources, including its income and expenditure, 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.

**Deloitte & Touche LLP**  
Chartered Accountants and Registered Auditors  
Birmingham, United Kingdom

*Deloitte & Touche LLP*  
*23 June 2008*

**STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure account)**

**Year ended 30 September 2007**

	Note	Total Funds 2007 £	Total Funds 2006 £
<b>Incoming Resources</b>			
<i>Voluntary income</i>			
Donations including Gifts in Kind	2	262,159	250,410
<b>Total incoming resources</b>		<u>262,159</u>	<u>250,410</u>
<b>Resources expended</b>			
<i>Charitable activities</i>			
Junior chefs academy		32,000	24,626
Training for life		28,500	9,000
Springboard sponsorship		13,497	63,000
CITC UK Awards		95,970	102,151
Other donations / sponsorship		34,387	26,682
Costs of grant making		204,354	225,459
Governance costs	4	4,810	18,460
<b>Total resources expended</b>	3	<u>209,164</u>	<u>243,919</u>
<b>Net income for the year being net movement in funds</b>		52,995	6,491
<b>Total funds brought forward</b>		<u>61,495</u>	<u>55,004</u>
<b>Total funds carried forward</b>	8	<u>114,490</u>	<u>61,495</u>

All activities derive from continuing operations

None of the income funds are restricted

The accompanying notes are an integral part of this statement of financial activities

**BALANCE SHEET**  
**30 September 2007**

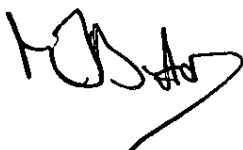
		2007	2006
	Note	£	£
<b>CURRENT ASSETS</b>			
Debtors	6	19,500	15,000
Cash at bank		114,490	61,495
		<u>133,990</u>	<u>76,495</u>
<b>CREDITORS: amounts falling due within one year</b>	7	<u>(19,500)</u>	<u>(15,000)</u>
<b>NET CURRENT ASSETS</b>		<u>114,490</u>	<u>61,495</u>
<b>NET ASSETS</b>		<u>114,490</u>	<u>61,495</u>
<b>UNRESTRICTED INCOME FUNDS</b>	8	<u>114,490</u>	<u>61,495</u>

The accompanying notes are an integral part of this balance sheet

These financial statements were approved by the Directors on 19 June 2008

Signed on behalf of the Board of Directors

M J Burton  
Director



**NOTES TO THE FINANCIAL STATEMENTS****Year ended 30 September 2007****1. ACCOUNTING POLICIES**

The financial statements are prepared under the historical cost convention and in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2005) issued in March 2005, applicable UK Accounting Standards and the Charities Act 1993

**Income**

Income is received by way of donations of money and the provision of staff as a gift in kind. The value of this gift in kind is recognised by the charity at the cost to the employer, Compass Group UK & Ireland

Income is recognised in the Statement of Financial Activities once the charity has entitlement to the resources, it is certain that the resources will be received and the monetary value of the incoming resources can be measured with sufficient reliability

**Resources expended**

Resources expended are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure

**2. DONATIONS**

	2007 £	2006 £
Provision of staff	63,974	66,595
Donations from Compass Group	198,185	183,815
	<u>262,159</u>	<u>250,410</u>

**3. TOTAL RESOURCES EXPENDED**

	Junior chefs £	Training for life £	Spring- board £	CITC UK awards £	Other donations £	Governance costs £	2007 Total £	2006 Total £
Staff costs	-	-	-	63,974	-	-	63,974	66,595
Travel	-	-	-	495	-	-	495	368
Expenses	-	-	3,497	6,618	-	-	10,115	7,066
Premises	-	-	-	-	-	-	-	2,600
Subscriptions	-	-	-	-	6,000	-	6,000	6,000
Consultancy	-	-	-	6,387	-	-	6,387	14,910
Materials	-	-	-	1,496	-	-	1,496	4,708
Donations	30,000	28,500	10,000	17,000	28,387	-	113,887	134,182
Audit fees	-	-	-	-	-	2,500	2,500	3,000
Other	2,000	-	-	-	-	2,310	4,310	4,490
	<u>32,000</u>	<u>28,500</u>	<u>13,497</u>	<u>95,970</u>	<u>34,387</u>	<u>4,810</u>	<u>209,164</u>	<u>243,919</u>

There were 6 donations to individuals (2006 – nil) and 32 donations to institutions (2006 – all) during the year

Staff are seconded to the Foundation from Compass Group UK & Ireland Limited and therefore staff costs are allocated to CITC because this is the main function which the foundation runs. In the prior year the staff costs were shown under governance costs but it is felt that it is more appropriate for the costs to be shown under CITC as this is the main function they relate to. As a result the prior year costs have been restated

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 30 September 2007**

**3. TOTAL RESOURCES EXPENDED (CONTINUED)**

Resources expended are stated after charging

	2007 £	2006 £
Auditors' remuneration		
Audit services	2,500	3,000

**4. GOVERNANCE COSTS**

Governance costs are those general support costs which are not apportioned to the charitable activities of the Foundation

**5. STAFF COSTS**

The employees are seconded from Compass Group UK & Ireland Limited

Information is provided about the number and cost of persons employed under secondments

	2007 Number	2006 Number
Average number of persons seconded during the period	2	2
	£	£
Donated labour costs	63,974	66,595

**TRUSTEES' EXPENSES AND REMUNERATION**

Neither trustees nor any persons connected with them have received remuneration from the Foundation. No reimbursement for expenses incurred in relation to their activities for the Foundation has been made

**6. DEBTORS**

	2007 £	2006 £
<b>Due within one year:</b>		
Donations due from Compass Group	19,500	15,000

**7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2007 £	2006 £
Accruals	19,500	15,000

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 30 September 2007**

**8. MOVEMENT IN FUNDS**

	At 30 September 2006 £	Incoming Resourced £	Resources Expended £	At 30 September 2007 £
General funds	61,495	262,159	(209,164)	114,490

**9. TAXATION**

The Foundation is a registered charitable company and as such is exempt from taxation of its income and gains to the extent that they are applied to its charitable objectives