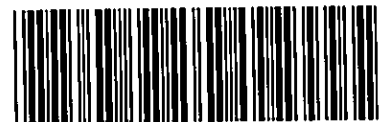


Compass Group Foundation
(A company limited by guarantee)

Report and Financial Statements

30 September 2008

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REPORT AND FINANCIAL STATEMENTS 2008

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REPORT AND FINANCIAL STATEMENTS 2008

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS AND TRUSTEES

M J Burton (resigned 29 February 2008)
A J Coates
J H Crisp (resigned 31 December 2007)
P M Leith
T C Mason (appointed 29 February 2008 and resigned 24 December 2008)
I R S El-Mokadem (appointed 29 February 2008)
J Pain (appointed 29 February 2008)
M Ramis (resigned 29 February 2008)
N R Smith (appointed 29 February 2008)

SECRETARY

M T Stapleton (resigned 30 September 2008)
A Edwards (appointed 30 September 2008)

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

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

AUDITORS

Deloitte 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 2008.

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 2008 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.

In the last twelve months the trustees of the Foundation have been reorganised in order to reflect the greater prominence of the UK sector of Compass Group PLC in the management and funding of it. Subsequently the remaining Compass Group trustees have resigned and four new trustees have been appointed from the Compass UK board; Ian El-Mokadem, UK Group Managing Director; John Pain, UK Marketing Director; Neil Smith, UK Finance Director and Tim Mason, UK Company Secretary. The two external trustees remain; Prue Leith and Alan Coates. The Foundation company secretary serves all these trustees.

TRUSTEES

The Foundations has trustees both internal to Compass Group Plc and external. Trustees can serve for as long as they are eligible and will be replaced with a suitable trustee on resignation if required.

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 (75,000 in the UK), 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 the 'Fraserburgh Academy'.

DIRECTORS' REPORT

ACTIVITIES (CONTINUED)

The employees of an operating company in the UK division, ESS Offshore, were undertaking activities to provide support and education towards skills necessary for the world of work and specifically generic hospitality and employability skills for young people in the community surrounding Fraserburgh in Scotland. The net result is that a replicable model has been formulated for the support of young people generally in all communities similar to the Fraserburgh Academy 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. This team is lead by the Corporate and Social Responsibility Director and reports into the UK board

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 pays the administration costs of getting these contributions to the charities nominated. Subsequently over this financial year over £52,000 has been raised in the UK business.

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 2008 amounted to £204,916.

JUNIOR CHEFS ACADEMY

Compass group sponsors a Saturday morning cookery school at 14 colleges throughout the UK and Eire to provide life skills training, technical and vocational skills development and the opportunity to sample a possible future career for candidates between the ages of 11-16. The number of centres supported this year has increased, as have the numbers of students enrolled at each location. 3,000 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 and agencies.

DIRECTORS' REPORT

TRAINING FOR LIFE

The group provides financial and material resources and manpower 'in kind' to the charity, Training For Life, which specialises in the rehabilitation and development of long-term unemployed and socially excluded people throughout the UK. 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. The second restaurant in Dartmouth has now opened (July 2008) therefore doubling the opportunity for prospective candidates to turn their lives around and Compass continues to contribute significantly towards the maintenance and development of these two ventures whilst also planning for new ones. Others locations have been identified and are currently subject to feasibility study and Compass supports considerable fundraising and income generating activity across the UK for the charity to maintain its development impetus. Strategic management support through board membership and technical inputs from specialist personnel within Compass Group UK & Ireland are strong features of the relationship and help the charity to expand and develop.

SPRINGBOARD PARTNERSHIP

Compass group provides core funding for Springboard 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 of hospitality careers collateral and the bi-annual careers festival. Representation on the trustee's board provides strategic guidance and support and provides further 'in kind' support to drive the charity's growth and reach nationally.

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 and 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 through a range of mediums such as the intranet, company news line, induction programmes and in-house magazines.

This has now been extended into a global event where divisional winners come together for a global judging programme with further financial awards and to encourage international 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 by the Charities Aid Foundation (CAF) and Business in the Community.

GENERAL SUPPORT OF CHARITABLE AND COMMUNITY APPEALS & PAYROLL GIVING

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.

The Foundation continues to sponsor, subsidise and endorse a payroll giving scheme across the UK business run by Sharing the Caring on it's behalf (a subsidiary of the Charities Aid Foundation). The Foundation tops all employees' charitable contributions under this scheme up by 10% and pays Sharing the Caring's administration costs of 4%.

DIRECTORS' REPORT

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.

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. The key risks to the Foundation are theft and misappropriation of funds. The Foundation has procedures in place to mitigate these risks.

DIRECTORS

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

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

DIRECTORS' REPORT

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

On 1st December 2008, Deloitte & Touche LLP changed their name to Deloitte LLP. Deloitte 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 LLP are deemed to continue as auditors.

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



N R Smith
Director

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 2008 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 2008 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 LLP *Deloitte*
Chartered Accountants and Registered Auditors
Birmingham, United Kingdom

6 May 2009

STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure account)

Year ended 30 September 2008

	Note	Total Funds 2008 £	Total Funds 2007 (Restated) £
Incoming Resources			
<i>Voluntary income</i>			
Donations including Gifts in Kind	2	349,678	262,159
Total incoming resources		<u>349,678</u>	<u>262,159</u>
Resources expended			
<i>Charitable activities</i>			
Junior chefs academy		67,973	32,000
Training for life		50,000	28,500
Springboard sponsorship		32,311	13,497
CITC UK Awards		75,479	95,970
Other donations / sponsorship		28,887	34,387
		<u>254,650</u>	<u>204,354</u>
Costs of grant making		254,650	204,354
Governance costs	4	4,602	4,810
Total resources expended	3	<u>259,252</u>	<u>209,164</u>
Net income for the year being net movement in funds		90,426	52,995
Total funds brought forward		<u>114,490</u>	<u>61,495</u>
Total funds carried forward	8	<u>204,916</u>	<u>114,490</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.

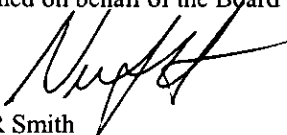
BALANCE SHEET
30 September 2008

		2008	2007
	Note	£	£
CURRENT ASSETS			
Debtors	6	39,000	19,500
Cash at bank		204,916	114,490
		<u>243,916</u>	<u>133,990</u>
CREDITORS: amounts falling due within one year	7	(39,000)	(19,500)
NET CURRENT ASSETS		<u>204,916</u>	<u>114,490</u>
NET ASSETS		<u>204,916</u>	<u>114,490</u>
UNRESTRICTED INCOME FUNDS	8	<u>204,916</u>	<u>114,490</u>

The accompanying notes are an integral part of this balance sheet.

These financial statements were approved by the Directors on 30 April 2009.

Signed on behalf of the Board of Directors


N R Smith
Director

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2008

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. The accounting policies have been applied consistently this year and in the prior year except where stated.

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.

Grant making

Grant applications and proposals for seed funding or project funding in order to start up a venture are considered by the the trustees and grants are given to appropriate prosals on their merits.

2. DONATIONS

	2008 £	2007 £
Provision of staff	54,204	63,974
Donations from Compass Group	295,474	198,185
	<u>349,678</u>	<u>262,159</u>

3. TOTAL RESOURCES EXPENDED

	Junior chefs £	Training for life £	Spring- board £	CITC UK awards £	Other donations £	Governance costs £	2008 Total £	2007 Total £
Staff costs	-	-	-	54,204	-	-	54,204	63,974
Travel	-	-	-	198	-	-	198	495
Expenses	-	-	1,411	8,537	-	-	9,948	10,115
Premises	-	-	-	-	-	-	-	-
Subscriptions	-	-	-	-	5,750	-	5,750	6,000
Consultancy	-	-	-	-	-	-	-	6,387
Materials	-	-	-	2,540	-	-	2,540	1,496
Donations	66,518	50,000	30,900	10,000	23,137	-	180,555	113,887
Audit fees	-	-	-	-	-	3,064	3,064	2,500
Other	1,455	-	-	-	-	1,538	2,993	4,310
	<u>67,973</u>	<u>50,000</u>	<u>32,311</u>	<u>75,479</u>	<u>28,887</u>	<u>4,602</u>	<u>259,252</u>	<u>209,164</u>

There were no donations to individuals (2007 – 6) and 15 donations to institutions (2007 – 32) during the year.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2008

3. TOTAL RESOURCES EXPENDED (CONTINUED)

Resources expended are stated after charging:

	2008 £	2007 £
Auditors' remuneration:		
Audit services	3,064	2,500

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.

	2008 Number	2007 Number
Average number of persons seconded during the period	2	2
	£	£
Donated labour costs	54,204	63,974

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

	2008 £	2007 £
Due within one year:		
Donations due from Compass Group	39,000	19,500

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008 £	2007 £
Accruals	39,000	19,500

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2008

8. MOVEMENT IN FUNDS

	At 30 September 2007 £	Incoming Resourced £	Resources Expended £	At 30 September 2008 £
General funds	114,490	349,678	(259,252)	204,916

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.