

Company Number: 33048

MERITGLEN LIMITED

REPORT AND FINANCIAL STATEMENTS

30 SEPTEMBER 2004



MERITGLEN LIMITED

Report and Financial Statements 2004

Contents

Page

- 3. Directors' Report
 - 6. Statement of Directors' Responsibilities
 - 7. Balance Sheet
 - 9. Notes to the Financial Statements
-

Directors:

J R Stark
R M Morley

Secretary

A Derham

Registered Office

Compass House, Guildford Street, Chertsey, Surrey KT16 9BQ

MERITGLEN LIMITED
Directors' Report

The directors have pleasure in submitting their report for the year ended 30 September 2004.

1. Activities

The company's principal activities are those of a parent company with dormant subsidiaries. It is envisaged that the company will act in this role for the foreseeable future.

2. Dividends

The rights to dividends on deferred shares and preference shares have been waived in 2004 and 2003.

The directors do not recommend that a dividend be paid on the ordinary shares for the year under review (2003 - £nil).

3. Directors

The directors throughout the year were as follows:

J R Stark
R M Morley

4. Directors' interests

Neither of the directors had any interests in the shares of the company or any other group company except the parent undertakings as noted below.

MERITGLEN LIMITED
Directors' Report

4. Directors' interests (continued)

Mr R M Morley and Mr J R Stark had the following interests in the shares of Compass Group PLC:-

	At 30 September 2004 No. of Shares	At 30 September 2003 No. of Shares
R M Morley	281,908	252,729
J R Stark	10,059	10,059

Share options held under the Compass Group PLC Executive Share scheme:

	At 1 October 2003 No. of Shares	Granted during year No. of Shares	Exercised during year No. of Shares	At 30 September 2004 No. of Shares
R M Morley	1,756,600	200,000	(146,800)	1,809,800
J R Stark	210,850	25,000	-	235,850

Share options held under the Compass Group PLC Savings-Related Option schemes:

	At 1 October 2003 No. of Shares	Lapsed during the year No. of shares	Granted during the year No. of Shares	At 30 September 2004 No. of Shares
R M Morley	4,925	-	-	4,925
J R Stark	1,274	-	-	1,274

MERITGLEN LIMITED
Directors' Report

4. Directors' interests (continued)

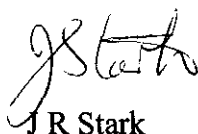
Conditional awards held under the terms of the Compass Group PLC Long Term Incentive Plan:

	At 1 October 2003 No. of Shares	Awarded during the year No. of Shares	Released during the year No. of Shares	At 30 September 2004 No. of Shares
R M Morley	156,296	62,680	-	218,976

Conditional awards held under the terms of the Compass Group PLC Long Term Bonus Plan:

	At 1 October 2003 No. of Shares	Awarded during the year No. of Shares	Released during the year No. of Shares	At 30 September 2004 No. of Shares
J R Stark	-	9,866	-	9,866

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



J R Stark
Director

25. July, 2005

MERITGLEN LIMITED

Statement of Directors' Responsibilities

United Kingdom company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial period and of the profit or loss of the company for the period. In preparing those 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 accounting standards have been followed; and
- 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MERITGLEN LIMITED
Balance Sheet as at 30 September 2004

	Notes	2004 £'000	2003 £'000
Fixed assets			
Investments	5	<u>11</u>	<u>11</u>
Current assets			
Debtors	6	622	622
Creditors			
Amounts falling due within one year	7	<u>(271)</u>	<u>(271)</u>
Net current assets		<u>351</u>	<u>351</u>
Total assets less current liabilities		<u>362</u>	<u>362</u>
Net assets		<u>362</u>	<u>362</u>
Capital and reserves			
Called up share capital	8	1,714	1,714
Other reserves	9	55	55
Profit and loss account	9	<u>(1,407)</u>	<u>(1,407)</u>
Shareholders' funds		<u>362</u>	<u>362</u>
Attributable to equity shareholders		(1,335)	(1,335)
Attributable to non-equity shareholders		<u>1,697</u>	<u>1,697</u>
		<u>362</u>	<u>362</u>

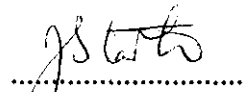
MERITGLEN LIMITED

The annual accounts have not been audited because the Company is entitled to the exemption provided by section 249AA(1) of the Companies Act 1985 relating to dormant companies and its members have not required the Company to obtain an audit of these accounts in accordance with s249B(2).

The directors acknowledge their responsibilities for ensuring that the Company keeps accounting records that comply with Section 221 of the Companies Act 1985. The directors also acknowledge their responsibilities for preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its profit and loss for the financial year in accordance with Section 226 of the Companies Act 1985 and which otherwise comply with the requirements of that Act relating to accounts, so far as applicable to the Company.

The Company was dormant throughout the year ended 30 September 2004.

Agreed by the Board of Directors
and signed on their behalf



J R Stark

Director

25. July 2005

MERITGLEN LIMITED

Notes to the Financial Statements for the year ended 30 September 2004

1. Accounting policies:

a) Accounting convention

The financial statements are prepared in accordance with applicable United Kingdom accounting standards and under the historical cost convention. The bases used are consistent with those used in the previous year.

b) Investments

Investments are stated at cost less provision for any impairment in value.

2. Auditors' remuneration

There are no audit fees in the current year. Audit fees in the preceding year were borne by a group company.

3. Employees

There were no employees during the year (2003- none).

4. Directors' emoluments

The directors received no emoluments in respect of services to the company during the year (2003 £nil).

MERITGLEN LIMITED**Notes to the Financial Statements for the year ended 30 September 2004**

5. Fixed asset investments

	Shares in group undertakings
	£'000
Cost at 1 October 2003 and 30 September 2004	<u>850</u>
Provision at 1 October 2003 and 30 September 2004	<u>(839)</u>
Net book value	<u>11</u>

The company holds the whole of the issued capital of the following companies all of which are registered in England and Wales and incorporated in Great Britain:-

- * Audrey (Investments) Limited
Audrey (London) Limited
Compass Nominee Company Number Fourteen Limited

- * Held directly by Meritglen Limited

All companies are non trading. In the opinion of the directors these investments are worth not less than £11,000.

The company is exempt from preparing consolidated financial statements under section 228 of the Companies Act 1985 as it is a wholly owned subsidiary of Compass Group PLC, which is incorporated in Great Britain and registered in England and Wales. These financial statements, therefore, present information about the company as an individual undertaking and not as a group.

MERITGLEN LIMITED**Notes to the Financial Statements for the year ended 30 September 2004**

	2004 £'000	2003 £'000
6. Debtors:		
Amounts owed by group companies:		
Parent company and fellow subsidiaries	622	622
	<u>622</u>	<u>622</u>
7. Creditors:		
Amounts owed to group companies:		
Fellow subsidiaries	250	250
Corporation tax payable	21	21
	<u>271</u>	<u>271</u>

MERITGLEN LIMITED**Notes to the Financial Statements for the year ended 30 September 2004**

8. Called up share capital:

	2004		2003	
	No. 000's	£'000	No. 000's	£'000
<u>Authorised</u>				
Ordinary shares of 1p each	10,310	103	10,310	103
Participating preference shares of £1 each	6	6	6	6
Deferred shares of £1 each	<u>1,691</u>	<u>1,691</u>	<u>1,691</u>	<u>1,691</u>
		<u>1,800</u>		<u>1,800</u>
<u>Allotted, called up and fully paid</u>				
Ordinary shares of 1p each	1,691	17	1,691	17
Participating preference shares of £1 each	6	6	6	6
Deferred shares of £1 each	<u>1,691</u>	<u>1,691</u>	<u>1,691</u>	<u>1,691</u>
		<u>1,714</u>		<u>1,714</u>

MERITGLEN LIMITED

Notes to the Financial Statements for the year ended 30 September 2004

8. Called up share capital (continued):

Non-equity shareholder - Participating preference shares of £1 each:

The rights, privileges, limitations and restrictions attaching to the Participating preference shares are as follows:-

(a) As regards income:

The holders of the Participating preference shares shall have the right to be paid out of the profits available for distribution by way of dividend and resolved to be so distributed, in respect of each accounting revenue period of the company.

- (i)** in priority to any dividend payable to the holders of any other class of shares in the company, a variable cumulative preference dividend (the "preference dividend") of $\frac{2}{3}$ (X plus 2) per cent per annum of the nominal value of such shares where X is equal to 12 month LIBOR which preference dividend shall be payable to the holders thereof on the register at the close of business on the day immediately preceding the dividend payment date being the last business day of the company's accounting reference period and for the purposes of calculating the preference dividend X shall be determined by National Westminster Bank PLC as 12 month LIBOR on the first day of the company's accounting reference period.
- (ii)** subject thereto and subject to the aggregate dividends paid in respect of the existing Ordinary shares taken as a class in any year exceeding £28,000,000, a further dividend of one per cent of any remaining profits available for distribution by way of dividend and resolved to be so distributed.

(b) As regards capital:

On a winding up or on any other return of capital or return of assets on liquidation, holders of the Participating preference shares shall have the right to have the surplus assets of the company available for distribution amongst its members in accordance with the Articles applied, in priority to any other class of shares, as follows:

- (i)** in paying to the holders of the Participating preference shares a sum equal to all arrears and accruals of the preference dividend calculated
- (ii)** in paying to the holders of the Participating preference shares pro rata any amounts paid up or credited as paid up on such shares.

The Participating preference shares shall carry no further or other right to participate in the assets.

MERITGLEN LIMITED

Notes to the Financial Statements for the year ended 30 September 2004

8. Called up share capital (continued)

(c) As regards voting:

The Participating preference shares shall confer no right on the holders thereof to receive notice of or to be present or to vote either in person or by proxy at any general meeting of the company unless:

- (i)** the purpose of the meeting is to consider any proposal or resolution to approve the purchase by the company of any of its share capital or otherwise to vary or amend any of the rights or privileges of any other class of shares from time to time in issue, or
- (ii)** a resolution is to be proposed abrogating or directly and adversely varying any of the rights or privileges of the holders thereof as a class in which case such holders shall be entitled to vote at any such meeting only in respect of such resolution.

Non-equity shareholder – Deferred shares of £1 each:

The rights, privileges, limitations and restrictions attaching to the Deferred shares are as follows:-

(a) As regards income:

The £1 Deferred shares confer on the holders the rights to a fixed deferred dividend of one pence per annum subject to the rights to payment of dividends to the holders of any other class of shares in the company.

(b) As regards capital:

On a winding-up, the holders of the Deferred shares shall have the right to have the surplus assets of the company available for distribution amongst its members in priority to any other class of shares, in paying to the holders of the Deferred shares a sum equal to all arrears of the fixed deferred divided thereon due on the commencement of the winding-up and thereafter in paying pro rata any amounts paid or credited as paid up on such shares. The Deferred shares shall carry no further or other right to participate in any other return of capital.

MERITGLEN LIMITED**Notes to the Financial Statements for the year ended 30 September 2004**

8. Called up share capital (continued)

(c) As regards voting:

The Deferred shares shall confer no right on the holders thereof to receive notice of or to be present or to vote either in person or by proxy at any general meeting of the company unless a resolution is to be proposed abrogating or directly and adversely varying any of the rights or privileges of the holders thereof as a class in which case such holders shall be entitled to vote at any such meeting only in respect of such resolution.

9. Reserves:

	Other £'000	Profit & Loss £'000
At 1 October 2003 and 30 September 2004	<u>55</u>	<u>(1,407)</u>

10. Commitments:

There were no commitments for capital expenditure at the end of the year.

11. Cash flow statement:

A group cash flow statement is included in the financial statements of the ultimate parent company, Compass Group PLC.

MERITGLEN LIMITED

Notes to the Financial Statements for the year ended 30 September 2004

12. Ultimate parent company and controlling party

The ultimate parent company, which is the parent undertaking of the largest and smallest group of undertakings for which group accounts are drawn up, is Compass Group PLC. The immediate parent company is Compass Group Holdings PLC.

All the above named companies are incorporated in Great Britain and registered in England and Wales.

Copies of the Compass Group PLC financial statements are available from Compass House, Guildford Street, Chertsey, Surrey KT16 9BQ

13. Transactions with related parties

In accordance with the exemption extended in FRS8 "Related Party Disclosures", the company has not disclosed transactions or balances between itself and the group on the basis that 90 per cent or more of the voting rights of these companies are controlled 100 per cent within the group.