

CATERSKILL MANAGEMENT LIMITED

Report and Financial Statements

30 September 1999

**Deloitte & Touche
Colmore Gate
2 Colmore Row
Birmingham
B3 2BN**



REPORT AND FINANCIAL STATEMENTS 1999

CONTENTS	Page
Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	3
Auditors' report	4
Balance sheet	5
Notes to the accounts	6

REPORT AND FINANCIAL STATEMENTS 1999

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

M J Oldfield
J R Greenwood
L G Chadwick (resigned 28 April 2000)

SECRETARY

T C Mason

REGISTERED OFFICE

Queen's Wharf
Queen Caroline Street
London
W6 9RJ

AUDITORS

Deloitte & Touche
Colmore Gate
2 Colmore Row
Birmingham
B3 2BN

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the period ended 30 September 1999.

ACTIVITIES

The company did not trade during the period except as a disclosed agent on behalf of Compass Services (UK) Ltd. This situation is expected to continue in the foreseeable future.

DIRECTORS AND THEIR INTERESTS

The directors who served during the period are as stated on page 1.

No director had any interest in the shares of the company during the period.

J R Greenwood and M J Oldfield are directors of the immediate parent company, Compass Group (UK) Limited and their interests in the shares of Compass Group plc are shown in that company's financial statements.

The interests of the directors in the shares of the ultimate parent company, Compass Group Plc, are set out below:

	Ordinary shares of 2.5p each	
	30 September 1999	27 September 1998
	No	No
L G Chadwick	55,902	47,556

The interests of the directors in options to buy shares of the ultimate parent company, Compass Group Plc, are set out below:

	At 30 September 1999			At 27 September 1998
	Ordinary shares of 2.5p each under option			Ordinary shares of 2.5p each under option
	No	Granted in the period	Exercised in the period	No
Executive Scheme				
L G Chadwick	85,000	15,000	-	70,000
SAYE Scheme				
L G Chadwick	6,847	2,022	8,346	13,171

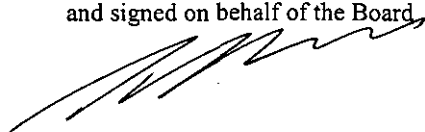
YEAR 2000

Following their initial review, the directors continue to be alert to the potential risks and uncertainties surrounding the year 2000 issue. As at the date of this report, the directors are not aware of any significant factors which have arisen, or that may arise, which will affect the activities of the business; however, the situation is still being monitored. Any future costs associated with this issue cannot be quantified but are not expected to be significant.

AUDITORS

The company passed a written resolution in accordance with section 386 of the Companies Act 1985 to dispense with the obligation of appointing auditors annually and accordingly the company's auditors, Deloitte & Touche shall remain in office until the company or the auditors otherwise determine.

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



Secretary

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 that 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
- 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



AUDITORS' REPORT TO THE MEMBERS OF

CATERSKILL MANAGEMENT LIMITED

We have audited the financial statements on pages 5 to 6 which have been prepared under the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 1999 and of its result for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Chartered Accountants and Registered Auditors

19 July 2000

BALANCE SHEET
30 September 1999

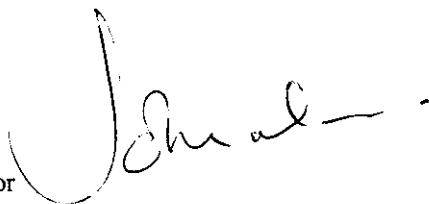
	Note	30 September 1999 £	27 September 1998 £
CURRENT ASSETS			
Debtors	2	<u>402,755</u>	<u>402,755</u>
CAPITAL AND RESERVES			
Called up share capital	3	2,000	2,000
Profit and loss account		<u>400,755</u>	<u>400,755</u>
EQUITY SHAREHOLDERS' FUNDS		<u>402,755</u>	<u>402,755</u>

These financial statements were approved by the Board of Directors on

Signed on behalf of the Board of Directors

M. R. Tully 2000

Director



NOTES TO THE ACCOUNTS

Period ended 30 September 1999

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards and under the historic cost convention.

Caterskill Management Ltd is a disclosed agency company and as such does not bear the risks or rewards of its trade. These are borne by the principal company Compass Services (UK) Limited.

2. PROFIT AND LOSS ACCOUNT

The company has not traded during the year except as an agent and accordingly a profit and loss account is not presented in the accounts. Audit fees are borne by another group company.

3. DEBTORS

	30 September 1999 £	27 September 1998 £
Amounts due from parent company	402,755	402,755
No debtors are due after more than one year.		

4. CALLED UP SHARE CAPITAL

	30 September 1999 £	27 September 1998 £
Authorised, allotted and fully paid: 200,000 Ordinary shares of 1p each	2,000	2,000

5. ULTIMATE PARENT COMPANY

The company's immediate parent company is Caterskill Group Limited and ultimate controlling company is Compass Group PLC, both of which are incorporated in Great Britain.

The company has taken advantage of the exemption contained in FRS 8 (related parties transactions) which allows it not to disclose transactions with group entities or investees of the group qualifying as related parties. There are no other transactions which require disclosure under FRS 8.

The only group of undertakings for which group accounts are drawn up and of which the company is a member is Compass PLC Group. Copies of the group accounts referred to above can be obtained from Queen's Wharf, Queen Caroline Street, London, W6 9RH.