

12/01/03
Company Registration No 2562441 (England and Wales)

ROSE BOWL CATERING LIMITED

DIRECTORS' REPORT AND

FINANCIAL STATEMENTS

FOR THE 10 MONTHS

PERIOD ENDED

31 OCTOBER 2002



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ROSE BOWL CATERING LIMITED

COMPANY INFORMATION

Directors
R Bransgrove (Appointed 26/2/02)
D M Bennett
P A Williamson (Resigned 26/2/02)
P J Wise (Resigned 18/1/02)
N Pike (Appointed 29/11/02)
F Janmohamed (Appointed 29/11/02)

Secretary
P A Williamson (Resigned 26/2/02)
B Osman (Appointed 26/2/02)

Company number 2562441

Registered office
The Hampshire Rose Bowl
Botley Road
West End
Southampton
Hampshire
SO30 3XH

Auditors
HLB AV Audit plc
Charter Court
Third Avenue
Southampton
Hampshire
SO15 0AP

Business address
Vespasian Road
Bitterne Manor
Southampton
SO18 1AZ

Bankers
Barclays Bank Plc
PO Box 2
Barclays House
Ocean Way
Ocean Village
Southampton
SO14 2SB

ROSE BOWL CATERING LIMITED

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ROSE BOWL CATERING LIMITED

DIRECTORS' REPORT

FOR THE 10 MONTH PERIOD ENDED 31 OCTOBER 2002

The Directors present their report and financial statements for the period ended 31 October 2002.

Change of name

The company changed its name from Levelrest Limited during the year and changed its accounting reference date from 31 December.

Principal activities

The principal activity of the company continued to be that of catering contractors.

Results and dividends

The results for the year are set out in the profit and loss account on page 4

The loss on ordinary activities before taxation was £139,397. (2001: £7,950)

The Directors consider the state of the company's affairs to be satisfactory.

The Directors recommend dividends of nil.

Directors

The following Directors have held office since 1 January 2002:

D M Bennett

P A Williamson (Resigned 26/2/02)

P J Wise (Resigned 18/1/02)

R Bransgrove (Appointed 26/2/02)

G Walker (Appointed 26/2/02, Resigned 27/11/02)

N Pike (Appointed 29/11/02)

F Janmohamed (Appointed 29/11/02)

Directors' interest

The Directors' interests in the shares of the company were as stated below:

	Ordinary shares of £1 each	
	31 October 2002	1 January 2002
D M Bennett	-	600
R Bransgrove	-	-
G Walker	-	-

The interest of R Bransgrove and G Walker in the shares of the ultimate parent undertaking are disclosed in the accounts of that company.

ROSE BOWL CATERING LIMITED

DIRECTORS' REPORT

FOR THE 10 MONTH PERIOD ENDED 31 OCTOBER 2002

Directors' responsibilities

Company law requires the Directors to prepare financial statements for each financial year which 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 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;
- 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

The Directors appointed HLB AV Audit plc as auditors during the year to fill a casual vacancy. In accordance with the Companies Act 1985, a resolution proposing their reappointment will be put to the Annual General Meeting.

On behalf of the board



.....
Director

2 May 2003

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF ROSE BOWL CATERING LIMITED

We have audited the financial statements of Rose Bowl Catering Limited on pages 4 to 12 for the period ended 31 October 2002. These financial statements have been prepared under the historical cost convention and the accounting policies set out herein.

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

Respective responsibilities of the Directors and auditors

As described in the statement of Directors' responsibilities on page 1 the company's Directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the Directors' report is not consistent with the financial statements, if 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 transactions with the company 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 United Kingdom 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 misstatements, 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 31 October 2002 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

HLB AV audit plc
HLB AV Audit plc
Registered Auditors
Southampton
Date: *9th June 2003*

ROSE BOWL CATERING LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE 10 MONTH PERIOD ENDED 31 OCTOBER 2002**

	<u>Note</u>	2002 £	Year ended 31 December 2001 £
Turnover	1.3	1,813,319	1,540,748
Cost of sales		(<u>656,347</u>)	(<u>564,849</u>)
Gross profit		1,156,972	975,899
Distribution costs		(<u>517,459</u>)	(<u>400,166</u>)
Administrative expenses		(<u>785,282</u>)	(<u>595,541</u>)
Other operating income		<u>10,134</u>	<u>18,349</u>
Operating loss	2	(<u>135,635</u>)	(<u>1,459</u>)
Other interest receivable and similar income	3	<u>56</u>	<u>36</u>
Interest payable and similar charges	4	(<u>3,818</u>)	(<u>6,527</u>)
Loss on ordinary activities before taxation		(<u>139,397</u>)	(<u>7,950</u>)
Tax on loss on ordinary activities	6	<u>10,687</u>	<u>1,064</u>
Retained loss for the period	18	(<u>128,710</u>)	(<u>6,886</u>)

All amounts relate to continuing operations.

There were no recognised gains or losses other than those included in the profit and loss account.

ROSE BOWL CATERING LIMITED

BALANCE SHEET

AS AT 31 OCTOBER 2002

	Note	£	2002 £	£	31 December 2001 £
Fixed assets					
Intangible assets	7		1		1
Tangible assets	8		29,126		161,531
Investments	9		<u>2</u>		<u>2</u>
			29,129		161,534
Current assets					
Stocks	10	48,715		33,942	
Debtors	11	368,959		82,386	
Cash at bank and in hand		<u>7,192</u>		<u>46,237</u>	
		424,866		162,565	
Creditors: amounts falling due within one year	12	(344,950)		(131,168)	
Net current assets			<u>79,916</u>		<u>31,397</u>
Total assets less current liabilities			109,045		192,931
Creditors: amounts falling due after more than one year	13		(165,783)		(110,240)
Provisions for liabilities and charges	15		<u>-</u>		(10,719)
			(56,738)		<u>71,972</u>
Capital and reserves					
Called up share capital	17		900		900
Share premium account	18		450		450
Capital redemption reserve	18		100		100
Profit and loss account	18		(58,188)		<u>70,522</u>
Shareholders' funds	19		(56,738)		<u>71,972</u>

The financial statements were approved by the Board on 2nd May 2003

Director

ROSE BOWL CATERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 10 MONTH PERIOD ENDED 31 OCTOBER 2002

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable Accounting Standards.

The company is entitled to the exemption conferred by Section 248 of the Companies Act 1985 from the requirement to prepare group accounts. The accounts contain information about Rose Bowl Catering Limited as an individual company.

1.2 Going Concern

The company is dependent on the continued support of its bankers and the parent company Rose Bowl Plc, which itself is dependent upon the continuation of existing and new bank facilities.

The Directors have prepared forecast information, and on the basis of this cash flow information and discussions with various providers of finance, consider that the group will be able to continue operations within new facilities which were confirmed on 1 May 2003.

On this basis the Directors consider it appropriate to prepare the financial statements on the going concern basis.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Goodwill

Goodwill has been written off over 5 years on a straight line basis.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:-

Improvements to lease	Over the period of the lease
Plant and equipment	20% - 25% straight line
Fixtures and fittings	20% - 25% straight line
Motor vehicles	20% - 25% straight line

Depreciation rates have changed in line with group policy. The effect on profit for the year has been an additional charge of £45,121.

1.6 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account using the straight line method.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.7 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

ROSE BOWL CATERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 10 MONTH PERIOD ENDED 31 OCTOBER 2002

1.8 Stock

Stock is valued at the lower of cost and net realisable value.

1.9 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year.

1.10 Deferred taxation

Provision is made for deferred taxation to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes.

2 Operating loss	2002	2001
Operating loss is stated after charging:	£	£
Depreciation of tangible assets	71,427	34,238
Impairment of tangible assets	102,619	-
Auditors' remuneration	3,500	3,500
Operating leases – land and buildings	<u>22,500</u>	<u>27,000</u>
3 Interest receivable	2002	2001
	£	£
Bank interest receivable	<u>56</u>	<u>36</u>
4 Interest payable and similar charges	2002	2001
	£	£
Interest payable on bank loans and overdraft	2,573	1,305
Finance leases and hire purchase contracts	1,245	3,240
Other interest	<u>-</u>	<u>1,982</u>
	<u>3,818</u>	<u>6,527</u>
5 Directors and employees	2002	2001
	£	£
Staff costs, including Directors' remuneration were as follows:		
Wages and salaries	422,929	396,058
Social security costs	34,921	40,870
Other pension costs	<u>13,157</u>	<u>25,801</u>
	<u>471,007</u>	<u>462,729</u>

ROSE BOWL CATERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 10 MONTH PERIOD ENDED 31 OCTOBER 2002

5 Directors and employees - continued

The average monthly number of employees including Executive Directors, during the period was as follows:

	2002 number	2001 number
Administration and management	-	-
Production	24	24

Directors emoluments

	2002 £	2001 £
Aggregate emoluments	65,538	65,567
Directors' pension contributions under defined contribution schemes	8,999	25,801
	74,537	91,368

Retirement benefits were accruing to Directors as follows:

	2002 number	2001 number
Defined contribution pension schemes	2	3

6 Taxation

	2002 £	2001 £
Analysis of charge in period		
Current tax:		
UK corporation tax on losses of the period	77	(233)
Adjustments in respect of previous periods	(45)	(698)
Total current tax	32	(931)
Deferred tax – origination and reversal of timing differences	(10,719)	(133)
	(10,687)	(1,064)

7 Intangible fixed assets

	Goodwill £
Cost	
At 1 January 2002 and 31 October 2002	1

ROSE BOWL CATERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 10 MONTH PERIOD ENDED 31 OCTOBER 2002

8 Tangible fixed assets	Leasehold land and buildings £	Plant and equipment £	Motor vehicles £	Fixtures and fittings £	Total £
Cost					
At 1 January 2002	36,282	159,555	110,637	40,034	346,508
Additions	-	41,641	-	-	41,641
At 31 October 2002	<u>36,282</u>	<u>201,196</u>	<u>110,637</u>	<u>40,034</u>	<u>388,149</u>
Depreciation					
At 1 January 2002	13,221	84,581	56,578	30,597	184,977
Charge for the year	2,412	36,075	24,933	8,007	71,427
Impairment	20,649	80,540	-	1,430	102,619
At 31 October 2002	<u>36,282</u>	<u>201,196</u>	<u>81,511</u>	<u>40,034</u>	<u>359,023</u>
Net book value					
At 31 October 2002	-	-	29,126	-	29,126
At 31 December 2001	<u>23,061</u>	<u>74,974</u>	<u>54,059</u>	<u>9,437</u>	<u>161,531</u>

The net book value of fixed assets includes £15,287 (2001: £25,808) in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £10,521 (2001: £10,458) for the year.

9 Fixed asset investments	Shares in group undertakings and participating interests £
Cost	
At 1 January 2002 and 31 October 2002	<u>2</u>

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
County Wise Catering Limited	England and Wales	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial period were as follows:

	Capital and reserves £	Profit for the period £
County Wise Catering Limited	<u>122,650</u>	<u>16,085</u>

ROSE BOWL CATERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 10 MONTH PERIOD ENDED 31 OCTOBER 2002

10 Stocks	2002	2001
	£	£
Raw materials and consumables	<u>48,715</u>	<u>33,942</u>
11 Debtors	2002	2001
	£	£
Trade debtors	189,552	75,393
Amounts owed by group undertakings	165,606	-
Other debtors	1,299	2,586
Prepayments and accrued income	<u>12,502</u>	<u>4,407</u>
	<u>368,959</u>	<u>82,386</u>
12 Creditors: amounts falling due within one year	2002	2001
	£	£
Bank loans and overdrafts	157,058	-
Net obligations under hire purchase contracts	1,535	8,101
Trade creditors	82,964	50,237
Amounts owed to group undertakings	23,347	-
Corporation tax	77	-
Other taxes and social security	44,642	57,030
Other creditors	4,446	-
Accruals and deferred income	<u>30,881</u>	<u>15,800</u>
	<u>344,950</u>	<u>131,168</u>
13 Creditors: amounts falling due after more than one year	2002	2001
	£	£
Net obligations under hire purchase contracts	-	489
Amounts owed to group undertakings	<u>165,783</u>	<u>109,751</u>
	<u>165,783</u>	<u>110,240</u>

Bank borrowings are secured by a debenture over the assets of the company.

ROSE BOWL CATERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 10 MONTH PERIOD ENDED 31 OCTOBER 2002

14 Obligations under hire purchase contracts	2002	2001
	£	£
Amounts payable:		
In the next year	1,535	8,101
In the second to fifth years inclusive	-	489
	<u>1,535</u>	<u>8,590</u>
15 Provisions for liabilities and charges		Deferred taxation
		£
Balance at 1 January 2002		10,719
Profit and loss account		(10,719)
Balance at 31 October 2002		-
Deferred taxation provided in the financial statements is as follows:	Fully provided	
	2002	2001
	£	£
Accelerated capital allowances	-	10,719
16 Pension costs		
The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £13,157 (2001: £26,904).		
17 Share capital	2002	2001
	£	£
Authorised		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
900 Ordinary shares of £1 each	<u>900</u>	<u>900</u>
18 Statement of movements on reserves	Share premium account	Capital redemption reserve
	£	£
Balance at 1 January 2002	450	100
Retained loss for the period	-	-
Balance at 31 October 2002	<u>450</u>	<u>100</u>
		Profit and loss account
		£
		70,522
		(128,710)
		<u>58,188</u>

ROSE BOWL CATERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 10 MONTH PERIOD ENDED 31 OCTOBER 2002

19	Reconciliation of movements in shareholders' funds	2002	2001
		£	£
	Loss for the period/year	(128,710)	(6,886)
	Opening shareholders' funds	<u>71,972</u>	<u>78,858</u>
	Closing shareholder funds	(<u>56,738</u>)	<u>71,972</u>

20 **Contingent liabilities**

At the balance sheet date there was an unlimited guarantee and debenture between Rose Bowl Catering Limited and County Wise Catering Limited in respect of monies due to Barclays Bank Plc. At the 31 October 2002 the company's liability under the guarantee amounted to £nil.

21 **Financial commitments**

At 31 October 2002 the company had annual commitments under non-cancellable operating leases as follows:-

	2002	2001
	£	£
Expiry date:		
Within one year	<u>27,000</u>	<u>27,000</u>

22 **Control**

The company is under the control of Rose Bowl Plc who own 100% of the issued share capital.

23 **Related party transactions**

During the year the company entered into transactions with the following connected persons and companies:

1. Purchases of £4,451 were made for subcontract services supplied by Mrs F Bennett's sole trading business. Mrs F Bennett is the wife of Mr D M Bennett.
2. Rent of £22,500 was paid to Vespasian Management Partnership whose partners include Mr D M Bennett and Mr P A Williamson.

The company has taken advantage of the exemptions contained in FRS 8. Transactions with other group companies are not disclosed on the grounds that it is a wholly owned subsidiary company and the group consolidated accounts are publicly available.