

**Autobar Vending Services Limited
(formerly Bunzl Vending Services Limited)**

**Annual report and financial statements
for the 15 month period ended 1 April 2012**

Registered number 02605313

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Autobar Vending Services Limited (formerly Bunzl Vending Services Limited)

Annual report and financial statements for the 15 month period ended 1 April 2012

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Autobar Vending Services Limited (formerly Bunzl Vending Services Limited)

Directors and advisers for the 15 month period ended 1 April 2012

Directors

AW Bristow (appointed 26 Aug 2011)
SJ Murray (appointed 26 Aug 2011)
TM Roe (appointed 26 Aug 2011)
AG Jones (appointed 26 Aug 2011)
MA Whiting (appointed 26 Aug 2011)
MF Greenwood (appointed 26 Aug 2011)
DH Abrahams
CP Budge (resigned 26 Aug 2011)
AJ Mooney (resigned 26 Aug 2011)
MD Stubbs (resigned 26 Aug 2011)

Company secretary

M F Greenwood

Registered office

East Wing 14th Floor
389 Chiswick High Road
Chiswick
London
W4 4AJ

Bankers

National Westminster Bank plc
City of London Office
PO Box 12258
1 Princes Street
London
EC2R 8PA

Solicitors

T G Baynes	Thomas Higgins & Co
Baynes House	Wallasey
5 Market Street	Capitol Buildings
Dartford	10 Seaview Road
Kent	CH45 4TH
DA1 1DB	

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
First Point
Buckingham Gate
Gatwick
West Sussex
RH6 0NT

Registered number

2605313

Autobar Vending Services Limited (formerly Bunzl Vending Services Limited)

Directors' report for the 15 month period ended 1 April 2012

The Directors present their annual report and the audited financial statements of the company for the financial period 2012 which was a 15 month period ended 1 April 2012. The comparative financial period was a 12 month period ended 31 December 2010.

Principal activities

The principal activities of the Company during the period were to supply, install, service and operate a comprehensive range of drink, snack and food vending equipment and systems and to sell a comprehensive range of vending, catering and hygiene products.

Business review

On 26 August 2011 Autobar UK Limited acquired 100% of Provend Group Limited from Bunzl Plc for a consideration of £5,660,000. The Company is an indirect subsidiary of Provend Group Limited. On the date of acquisition the company, by special resolution changed its name to Autobar Vending Services Limited (formerly Bunzl Vending Services Limited). Autobar Vending Services Limited has adopted the accounting policies of Autobar Group from the date of acquisition.

Prior to acquisition, existing group loans with Bunzl Plc were waived totalling £20,583,000 resulting in the recognition of a capital contribution reserve on the balance sheet.

Following the acquisition, the Company has implemented its plan to restructure its UK operations, this has resulted in costs being incurred which in the opinion of the Directors' represent exceptional costs. Such costs have been separately disclosed on the income statement and are further explained within note 4.

The company has traded in a competitive market and returned results which are in line with expectations.

The company is part of the Meldrew Investments BV Group (Note 23), which operates a group treasury function. The Directors of the Group consider that the facilities in place provide sufficient funds to enable the Group to develop and grow the Autobar Vending Services Limited business.

Results and dividends:

Results for the 15 month period show a pre-tax loss of £8,275,000 (2010 loss £6,387,000) on a turnover of £77,751,000, (2010 £68,178,000). In view of the materiality of certain non-recurring costs the Directors believe it appropriate to show separately the company's operating profits before such items, which have been classified as exceptional items. Operating profit before exceptional items was £2,452,000 (2010 loss £4,570,000). No dividends have been paid or proposed for the period under review (2010 £nil).

Key Performance Indicators:

The Directors have had regard to the 'pro-rata' performance of the combined business in the prior year for comparison with the current period, as follows:

Operating profit before exceptional items as a percentage of turnover was 3% (2010 operating loss represented 7% of turnover).

Operating loss as a percentage of turnover was 7% (2010 7%).

The above KPIs are in line with our expectations of more difficult trading conditions.

Autobar Vending Services Limited **(formerly Bunzl Vending Services Limited)**

Directors' report for the 15 month period ended 1 April 2012 **(continued)**

Principle risks and uncertainties:

Economic trends

The company experiences a degree of correlation between trends in the trading performance and the GDP and hours worked in the region in which it operates

Commodity markets

The company has limited exposure to movements in coffee prices. The majority of commodity price movements are passed onto our customers

Business mix

The company operates a number of business models. Focus is given to ensuring that trends over time in customer preferences are identified in good time, enabling the company to restructure operations in such a way as to maintain operating margins, and ensure that it can continue to offer excellent service at prices which are competitive in the relevant markets

Financial risk management

Management has considered the financial risks facing the business. In relation to such matters as credit rating, liquidity and foreign exchange transactions, management believes there is minimal exposure. Where management identifies exposure to foreign exchange risk, hedging strategies are implemented at a group level to minimise the risk.

Future developments

Following the balance sheet date, Autobar UK Limited transferred the trade and assets of its vending operations to Autobar Vending Services Limited, part of the Provend Group (see note 24). Ongoing expansion of the UK businesses continues and the company will seek to continue to exploit opportunities within its market.

Directors

Directors at the date of signing the financial statements were as follows

A W Bristow (appointed 26 Aug 2011)
S J Murray (appointed 26 Aug 2011)
T M Roe (appointed 26 Aug 2011)
A G Jones (appointed 26 Aug 2011)
M A Whiting (appointed 26 Aug 2011)
M F Greenwood (appointed 26 Aug 2011)
D H Abrahams

Autobar Vending Services Limited (formerly Bunzl Vending Services Limited)

Directors' report for the 15 month period ended 1 April 2012 (continued)

Qualifying Third Party Indemnity provisions

The company maintains liability insurance for its Directors and Officers. Following Shareholder approval, the Company has also provided an indemnity for its Directors and the Secretary, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006.

Employees

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible be identical to that of a person who does not suffer from a disability.

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of their business units and of the company as a whole. Communication with all employees continues through the in-house newsletter and the distribution of the annual report.

Policy and practice on payment of creditors

The companies' creditors' payments policy is to settle the terms of payment with suppliers when agreeing the terms of each transaction, to ensure that suppliers are made aware of the terms of payment and to abide by the terms of payment. Creditor day average is 77 days (2010 69 days).

Political and charitable donations

The company made no charitable donations to UK charities during the period (2010 £nil).

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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 company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Autobar Vending Services Limited (formerly Bunzl Vending Services Limited)

Directors' report for the 15 month period ended 1 April 2012 (continued)

Statement on disclosure of information to auditors

So far as each Director is aware there is no relevant audit information of which the Company's Auditors are unaware and each Director has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the Auditors are aware of that information

Independent auditors

PricewaterhouseCoopers LLP have expressed their willingness to remain in office and a resolution concerning their reappointment shall be proposed at the annual general meeting

Approved by the Board of Directors and signed by order of the Board



M F Greenwood
Company secretary

6 July 2012

Autobar Vending Services Limited (formerly Bunzl Vending Services Limited)

Independent auditor's report to the members of Autobar Vending Services Limited (formerly Bunzl Vending Services Limited)

We have audited the financial statements of Autobar Vending Services Limited (formerly Bunzl Vending Services Limited) for the 15 month period ended 1 April 2012 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses, the Reconciliation of Movements in Shareholders' Funds and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 5 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 1 April 2012 and of its loss and cash flows for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Autobar Vending Services Limited (formerly Bunzl Vending Services Limited)

Independent auditor's report to the members of Autobar Vending Services Limited (formerly Bunzl Vending Services Limited) (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Graham Lambert (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Gatwick

6 July 2012

Autobar Vending Services Limited **(formerly Bunzl Vending Services Limited)**

Profit and loss account for the 15 month period ended 1 April 2012

	Notes	2012 £000	2010 £000
Turnover	2	77,751	68,178
Cost of sales			
Excluding exceptional items		(38,789)	(35,352)
Exceptional items	4	(1,687)	-
Cost of sales including exceptional items		(40,476)	-
Gross profit before exceptional items		38,962	32,826
Exceptional items		(1,687)	-
Gross profit		37,275	32,826
Administrative expenses			
Excluding exceptional items		(36,510)	(37,396)
Exceptional items	4	(6,529)	-
Administrative expenses including exceptional items		(43,039)	(37,396)
Operating profit / (loss) before exceptional items		2,452	(4,570)
Exceptional items		(8,216)	-
Operating loss		(5,764)	(4,570)
Other interest receivable and similar income	7	-	14
Interest payable and similar charges	8	(2,511)	(1,831)
Loss on ordinary activities before taxation		(8,275)	(6,387)
Tax on loss on ordinary activities	9	(684)	1,633
Loss for the financial period	18	(8,959)	(4,754)

All results derive from continuing operations

There are no material differences between the profit on ordinary activities before taxation and the profit for the financial period as stated above and their historical cost equivalents

Autobar Vending Services Limited (formerly Bunzl Vending Services Limited)

Balance sheet as at 1 April 2012

	Note	2012 £000	2010 £000
Fixed assets			
Intangible assets	10	16,096	17,798
Tangible assets	11	8,543	9,903
Fixed asset investments	12	202	202
		24,841	27,903
Current assets			
Stocks	13	3,447	5,511
Debtors (including £2,613,000 (2010 £3,367,000) due after more than one year)	14	36,381	37,131
Cash at bank and in hand		1,765	578
		41,593	43,220
Creditors: amounts falling due within one year	15	(35,445)	(79,512)
Net current assets/(liabilities)		6,148	(36,292)
Total assets less current liabilities		30,989	(8,389)
Creditors: amounts falling due after more than one year	15	(27,000)	(4)
Provisions for liabilities	16	(1,243)	(600)
Net assets/(liabilities) excluding pension asset		2,746	(8,993)
Pension asset	20	-	-
Net liabilities assets/(liabilities)		2,746	(8,993)
Capital and reserves			
Called up share capital	17	356	356
Special reserve	18	-	379
Capital contribution	18	21,469	507
Profit and loss account	18	(19,079)	(10,235)
Total shareholders' funds/(deficit)		2,746	(8,993)

These financial statements were approved by the board of directors on
and were signed on its behalf by

6 July 2012



D H ABRAHAMS
Director

The notes on pages 12 to 27 form part of these financial statements

Autobar Vending Services Limited **(formerly Bunzl Vending Services Limited)**

Statement of total recognised gains and losses for the 15 month period ended 1 April 2012

	<i>Note</i>	2012 £000	2010 £000
Loss for the financial period		(8,959)	(4,754)
Actuarial loss on pension scheme	20	-	(198)
Deferred taxation on actuarial loss on pension scheme		-	55
Total recognised loss for the period		(8,959)	(4,897)

Autobar Vending Services Limited **(formerly Bunzl Vending Services Limited)**

Reconciliation of movements in shareholders' funds/(deficit) **for the 15 month period ended 1 April 2012**

	<i>Note</i>	2012 £000	2010 £000
Opening shareholders' deficit		(8,993)	(4,276)
Total recognised loss for the period		(8,959)	(4,897)
Creation of capital reserve on capital contribution	18	20,583	-
Share based payments	21	115	180
Closing shareholders' funds/(deficit)		2,746	(8,993)

Autobar Vending Services Limited

(formerly Bunzl Vending Services Limited)

Notes to the financial statements for the 15 months period ended 1 April 2012

1 Accounting policies

The financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards, in the United Kingdom. The principal accounting policies are set out below.

(a) Turnover

Turnover represents the invoiced value of goods and services for the sales, supply, installation, service and operation of a comprehensive range of drink, snack and food vending equipment and systems. Amounts recognised are net of discounts and value added tax. Turnover is recognised when the significant risks and rewards of ownership have been transferred to the customer, the right to the revenue has been earned and revenue and costs can be reliably measured.

(b) Translation of foreign currencies

Normal trading activities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are re-translated at the rate of exchange at the balance sheet date. Exchange gains and losses are dealt with in the profit and loss account.

(c) Tangible fixed assets and depreciation

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided against the cost of tangible fixed assets over their expected useful economic lives on a straight line basis within the following ranges:

Plant, machinery and motor vehicles	3 - 9 years
Fixtures, fittings and equipment	3 - 7 years
Freehold Buildings	50 years
Leasehold Improvements	50 years or lease period if shorter

The useful economic life of vending machines is 5 years for tabletop dispensing machines and 9 years for horeca (hotel, restaurant, café) industry and professional machines.

(d) Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

Current tax is provided by applying the current tax rate to the result for the financial period, as adjusted for applicable loss carried forward, exempt profit elements, non-deductible costs, and group relief available.

Autobar Vending Services Limited

(formerly Bunzl Vending Services Limited)

Notes to the financial statements for the 15 months period ended 1 April 2012 (continued)

(e) Pensions

Before the change of ultimate holding company on the 26th August 2011 the Company participated in several defined benefit and defined contribution schemes. The Company previously participated in a defined benefit pension scheme ("the Provend Scheme") which is contracted out of the State Earnings Related Pension Scheme. Since 1 July 1991 the Provend Scheme has been closed to new members and all new employees of the Company were given the option to become members of the Bunzl Pension Plan or the Bunzl Senior Pension Scheme ("the Group Schemes"). In 2003 the Company adopted FRS 17 "Retirement Benefits" in these financial statements.

Amounts, which represents the expected increase in the present value of scheme liabilities net of the expected return on scheme assets, is recognised within net interest payable. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses. These consist of differences between actual and expected returns on scheme assets during the period, experience losses on scheme liabilities and the impact of any changes in assumptions.

The Group schemes are both defined benefit schemes, providing benefits based on final pensionable pay, and defined contribution schemes, providing benefits based on monthly contributions. The assets of the scheme are held separately from those of Bunzl plc and its subsidiaries.

The Group schemes are multi-employer schemes in which the Company is unable to identify its share of the underlying assets and liabilities in the schemes on a consistent and reasonable basis and therefore, as required by FRS 17, financial statements for the schemes as if they were defined contribution schemes.

For the defined contribution scheme, contributions are charged to the profit and loss account in the period in which they arise.

Following the change of ultimate holding company on the 26th August 2011 pensions are funded through contributions to The Autobar Group Retirement Benefits Plan. The company in line with group policy has adopted FRS 17 "Retirement benefits", however is unable to identify its share of the underlying assets and liabilities within that pension scheme, contributions to the scheme in the period are charged in full to the profit and loss account. The defined benefit pension scheme is accounted for as a defined contribution pension scheme in the financial statements in line with FRS 17.

Meldrew Investments BV Group, the company's intermediate parent company and the parent of the smallest Group for which financial statements are drawn up and of which the company is a member, has implemented in full FRS17 "Retirement benefits". Details of the scheme are included within their financial statements.

The company is party to The Autobar Group Personal Pension Plan which runs alongside The Autobar Group Retirement Benefits Plan. For this defined contribution scheme the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the period. Differences between contributions payable and those actually paid are shown as either accruals or pre-payments in the balance sheet.

(f) Stocks

Stocks are valued at the lower of cost and net realisable value after making allowance for obsolete and slow moving items. Cost is calculated on a "first-in first-out" basis and comprises in the case of bought in goods the invoice price. Net realisable value is based on estimated selling price less all future costs to completion and all relevant marketing, selling and distribution costs.

(g) Accrued income and deferred income

Revenue recognised in the profit and loss account but not yet invoiced is held on the balance sheet within prepayments and accrued income. Revenue invoiced but not yet recognised in the profit and loss account is held on the balance sheet within accruals and deferred income.

Autobar Vending Services Limited

(formerly Bunzl Vending Services Limited)

Notes to the financial statements for the 15 months period ended 1 April 2012 (continued)

(h) Leases

Leasing rentals in respect of operating leases are charged to the profit and loss account in equal annual amounts over the lease term

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a "finance lease". Assets held under finance leases and hire purchase contracts are capitalised at their fair value on the inception of the leases and depreciated over the shorter of their estimated useful lives and the terms of the lease. The finance charges are allocated over the period of the lease in proportion to the capital amount outstanding.

(i) Intangible fixed assets

Goodwill arising on consolidation represents the excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired. Goodwill arising on acquisitions has been capitalised and is being amortised over a period not exceeding 20 years, being the period expected to benefit. The company evaluates the carrying value of goodwill in each financial period to determine if there has been an impairment in value, which would result in the inability to recover the carrying amount. When it is determined that the carrying value exceeds the recoverable amount, the excess is written off to the profit and loss account.

(j) Cash flow statement

As permitted by FRS 1 "Cash Flow Statement" (revised 1996) the company has not produced a cash flow statement as its cash flows are included within the consolidated cash flow statement contained with the financial statements of Meldrew Investments BV Group.

(k) Related parties

The company has taken advantage of the exemption under paragraph 3(c) from the provisions of FRS8, 'Related Party Disclosures', on the grounds that it is a wholly owned subsidiary of a group headed by Meldrew Investments BV Group, whose financial statements are publicly available.

(l) Fixed asset investments

Fixed asset investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

(m) Provisions

Provisions are recognised when the company has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

(n) Exemption from consolidation

The company is a wholly-owned subsidiary of Meldrew Investments BV Group and is included in the consolidated financial statements of Meldrew Investments BV Group which are publicly available. Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

(o) Share based payments

Before the change of ultimate holding company on the 26th August 2011, employees of the Company were eligible to participate in the equity settled share based compensation plans operated by the ultimate parent undertaking, Bunzl plc. The total expected expense relating to the equity settled plans was based on the fair value of options and other share based incentives on the grant date, calculated using a valuation model and was spread over the expected vesting period with a corresponding credit to equity. The amounts recognised as expenses are adjusted to reflect the actual number of options and other share based incentives that were expected to vest. The eligibility of employees to participate in this scheme ceased on the 26th August 2011.

Autobar Vending Services Limited **(formerly Bunzl Vending Services Limited)**

Notes to the financial statements for the 15 months period ended 1 April 2012 (continued)

2 Turnover

	2012	2010
	£000	£000
Geographical analysis of turnover by destination		
United Kingdom	77,677	68,107
Other European countries	74	71
	<u>77,751</u>	<u>68,178</u>

The entire turnover relates to the company's principle activity

3 Loss on ordinary activities before taxation

	2012	2010
	£000	£000
Loss on ordinary activities before taxation is stated after charging:		
Depreciation and other amounts written off tangible fixed assets		
Owned tangible fixed assets	4,150	3,755
Leased tangible fixed assets	-	106
Operating lease charges		
- Plant and machinery	162	637
- Other	2,821	3,134
Amortisation of goodwill (note 10)	1,702	1,356
Fees payable for audit	50	50
	<u></u>	<u></u>

Amounts receivable by the Company's auditor in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required to be disclosed on a consolidated basis in the consolidated financial statements of the Company's parent (see note 23 for details of parent company's financial statements)

Autobar Vending Services Limited **(formerly Bunzl Vending Services Limited)**

Notes to the financial statements for the 15 months period ended 1 April 2012 (continued)

4 Exceptional items

Exceptional costs for the period ended 1 April 2012 include the following items

- Costs associated with rationalisation of the existing UK vending operations following the acquisition by Autobar UK Limited during the period amounting to £4,569,000
- Costs associated with the alignment of accounting estimates to be consistent with the Autobar Group accounting manual amounting to £1,960,000
- Costs associated with the write off of fixed assets and inventory following counts on the change of ownership of the company amounting to £1,687,000

There were no items identified as exceptional items in the prior year

5 Remuneration of directors

	2012	2010
	£000	£000
Directors' emoluments	225	13
Company contributions to defined contribution pension schemes	6	1
	<u>231</u>	<u>14</u>

The emoluments of the highest paid director were £224,663 (year ended 31 December 2010 £12,896) excluding pension contributions of £5,617 (year ended 31 December 2010 £595) The number of directors whose retirement benefits were accruing under defined benefit schemes during the period was Nil (year ended 31 December 2010 one)

The emoluments of 6 directors (2010 3) are paid by the intermediate parent company Autobar Group Limited which makes no recharge to the group or company These individuals are directors of the intermediate parent company and a number of fellow subsidiaries and it is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries Accordingly, the above details include no emoluments in respect of these directors Their total emoluments are included in the aggregate of directors' emoluments disclosed in the financial statements of the ultimate parent company

Autobar Vending Services Limited **(formerly Bunzl Vending Services Limited)**

Notes to the financial statements for the 15 months period ended 1 April 2012 (continued)

6 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the period, analysed by category, was as follows

	Number of employees	
	2012	2010
Sales	110	129
Operations	773	930
Administration	107	132
	<hr/>	<hr/>
	990	1,191
	<hr/>	<hr/>

The aggregate payroll costs (including directors) of these persons were as follows

	2012	2010
	£000	£000
Wages and salaries	20,803	20,518
Social security costs	1,755	1,808
Pension costs	382	373
	<hr/>	<hr/>
	22,940	22,699
	<hr/>	<hr/>

7 Other interest receivable and similar income

	2012	2010
	£000	£000
Expected return on pension scheme assets	-	14
Other interest receivable	-	-
	<hr/>	<hr/>
	-	14
	<hr/>	<hr/>

Autobar Vending Services Limited **(formerly Bunzl Vending Services Limited)**

Notes to the financial statements for the 15 months period ended 1 April 2012 (continued)

8 Interest payable and similar charges

	2012 £000	2010 £000
Interest payable to group undertakings	2,510	1,808
Interest payable on pension scheme liabilities	-	14
Other interest payable	1	9
	<hr/> 2,511	<hr/> 1,831

9 Taxation on loss on ordinary activities

	2012 £000	2010 £000
Current tax		
United Kingdom corporation tax on losses for the period	-	1,350
Adjustment in respect of previous periods	50	409
	<hr/> 50	<hr/> 1,759
Total current tax	50	1,759
Deferred taxation (note 14)	(734)	(126)
	<hr/> (684)	<hr/> 1,633
Tax (charge) / credit on loss on ordinary activities	(684)	1,633

The tax assessed for the 15 month period ended 1 April 2012 is lower (2010 lower) than the standard rate of corporation tax in the UK of 26.4% (2010 28%). The differences are explained below

	2012 £000	2010 £000
Loss on ordinary activities before tax	(8,275)	(6,387)
	<hr/> 2,185	<hr/> 1,788
Loss on ordinary activities before tax multiplied by the standard rate in the UK of 26.4% (2010 28%)		
Effects of		
Expenses not deductible for tax purposes	(780)	(561)
(Accelerated depreciation) / Capital allowances in excess of depreciation	(344)	123
Other timing differences	(26)	-
Adjustments in respect of prior periods	50	409
Losses surrendered to Bunzl Plc for group relief	(442)	-
Losses surrendered to Autobar for group relief	(459)	-
Losses carried forward	(134)	-
	<hr/> 50	<hr/> 1,759
Current tax credit for the period	50	1,759

Autobar Vending Services Limited **(formerly Bunzl Vending Services Limited)**

Notes to the financial statements for the 15 months period ended 1 April 2012 (continued)

9 Taxation on loss on ordinary activities (continued)

Factors affecting current and future tax charges

On 22 June 2010, the UK Government announced a phased reduction in the main UK corporation tax rate from 28% to 24%, with the first 1% reduction taking effect from 1 April 2011 (having been substantively enacted on 20 July 2010)

The March 2011 UK Budget Statement, announced an additional 1% reduction in the main UK corporation tax rate to 26% taking effect from 1 April 2011

The UK Government in the 2012 budget announced an additional 1% reduction from 1 April 2012 to 24% (rather than 25%) this was substantively enacted in March 2012 pre the balance sheet and therefore has been included in these financial statements. Therefore, at 1 April 2012, deferred tax assets and liabilities have been calculated based on a rate of 24% where the timing difference is expected to reverse after 1 April 2012. The remaining proposed reductions of the main rate of corporation tax were expected to be 1% per year to 23% by 1 April 2014. The further reductions of 1% are expected to be enacted separately each year, ultimately reducing the rate to 22% from 1 April 2014 and as they have not been substantively enacted at the balance sheet date they are not included in these financial statements

10 Intangible fixed assets

	Goodwill
	£000
Cost	
At 1 January 2011	24,070
Acquisition	-
	<hr/>
At 1 April 2012	24,070
	<hr/>
Accumulated amortisation	
At 1 January 2011	(6,272)
Charge for period	(1,702)
	<hr/>
At 1 April 2012	(7,974)
	<hr/>
Net book amount	
At 1 April 2012	16,096
	<hr/>
At 31 December 2010	17,798
	<hr/>

Autobar Vending Services Limited **(formerly Bunzl Vending Services Limited)**

Notes to the financial statements for the 15 months period ended 1 April 2012 (continued)

11 Tangible fixed assets

	Freehold buildings £000	Leasehold improvements £000	Plant, machinery and motor vehicles £000	Fixtures, fittings and equipment £000	Total £000
Cost					
At 1 January 2011	209	2,341	12,782	5,334	20,666
Additions		22	2,812	191	3,025
Disposals		(338)	(3,694)	(15)	(4,047)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 1 April 2012	209	2,025	11,900	5,510	19,644
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Accumulated depreciation					
At 1 January 2011	7	1,878	4,816	4,062	10,763
Charge for period	3	120	2,478	663	3,264
Disposals		(23)	(2,903)	-	(2,926)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 1 April 2012	10	1,975	4,391	4,725	11,101
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book amount					
At 1 April 2012	199	50	7,509	785	8,543
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2010	202	463	7,966	1,272	9,903
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The net book amount of tangible fixed assets held under finance leases is £nil (year ended 31 December 2010 £32,000) Depreciation for the period on these assets was £32,000 (year ended 31 December 2010 £106,000)

Autobar Vending Services Limited **(formerly Bunzl Vending Services Limited)**

Notes to the financial statements for the 15 months period ended 1 April 2012 (continued)

12 Fixed asset investments

Investments in group undertakings:

	2012	2010
	£000	£000
Cost		
At 1 January 2011 and 1 April 2012	202	202

The directors consider that the investment in group undertakings is worth at least the amount at which they are included in the financial statements

Interests in group undertakings

The principal companies in which the Company's interest at 1 April 2012 is more than 20% are as follows

Name of undertaking	Country of incorporation	Description of shares held	Proportion of nominal value of issued shares held
Freshco International Limited	England	£1 ordinary shares	100%
Sussex County Vending Limited	England	£1 ordinary shares	100%
Provend Services Trustee Limited	England	£1 ordinary shares	100%
Gradesound Limited	England	£1 ordinary shares	100%

Freshco International Limited, Sussex County Vending Limited, Provend Services Trustee Limited and Gradesound Limited are dormant

13 Stocks

	2012	2010
	£000	£000
Raw materials and consumables	216	427
Finished goods and goods for resale	3,231	5,084
	3,447	5,511

Autobar Vending Services Limited **(formerly Bunzl Vending Services Limited)**

Notes to the financial statements for the 15 months period ended 1 April 2012 (continued)

14 Debtors

	2012 £000	2010 £000
Amounts falling due within one year		
Trade debtors	11,615	8,253
Amounts owed by group undertakings	21,357	21,268
Tax	5	3,373
Prepayments and accrued income	791	870
	<hr/>	<hr/>
	33,768	33,764
 Amount falling due after one year		
Deferred tax asset	2,431	3,165
Prepayments and accrued income	182	202
	<hr/>	<hr/>
Total debtors	36,381	37,131
	<hr/>	<hr/>

Amounts owed by undertakings under common control are unsecured and generally have no fixed date of repayment

The analysis of deferred tax at 1 April is as follows

	2012 £000	2010 £000
Differences between accumulated depreciation and capital allowances	1,779	2,067
Other timing differences	915	1,098
Losses carried forward	142	-
Impact of change in tax rate	(405)	-
	<hr/>	<hr/>
	2,431	3,165
	<hr/>	<hr/>

Autobar Vending Services Limited **(formerly Bunzl Vending Services Limited)**

Notes to the financial statements for the 15 months period ended 1 April 2012 (continued)

15 Creditors

	2012 £000	2010 £000
Amounts falling due within one year		
Bank loans and overdrafts	-	1,153
Obligations under finance leases and hire purchase contracts	-	45
Trade creditors	11,742	7,484
Amounts owed to Group undertakings	19,556	67,491
Other creditors including taxation and social security		
Other taxes and social security	363	517
Accruals and deferred income	3,784	2,822
	<hr/>	<hr/>
	35,445	79,512
 Amounts falling due after more than one year		
Obligations under finance leases	-	4
Amounts owed to Group undertakings	27,000	-
	<hr/>	<hr/>

Amounts owed to group undertakings are unsecured and have no fixed date of repayment although repayment will not be required within 12 months of the balance sheet date

16 Provisions for liabilities

	Provision £000
At 1 January 2011	600
Provision created during the period	724
Utilised during the period	(81)
	<hr/>
At 1 April 2012	1,243
	<hr/>

The provisions relate to property provisions in respect of the future rent expense of vacant leasehold properties which are not currently used for ongoing operations and dilapidation provisions representing the liability to restore certain leasehold properties to their original condition at the termination of the relevant leases. Other provisions relate to the costs of exiting from various onerous contracts and commitments.

Autobar Vending Services Limited (formerly Bunzl Vending Services Limited)

Notes to the financial statements for the 15 months period ended 1 April 2012 (continued)

17 Called up share capital

	2012 £000	2010 £000
<i>Issued, allotted and fully paid</i>		
356,050 (year ended 31 December 2010 356,050) ordinary shares of £1 each	356	356

18 Reserves

	Capital contribution £000	Special Reserve £000	Profit and loss account £000
At 1 January 2011	507	379	(10,235)
Profit for the period		-	(8,959)
Capital contribution	20,583	-	-
Transfer between reserves	379	(379)	-
Share based payments	-	-	115
Actuarial loss on pension scheme	-	-	-
Deferred taxation on actuarial loss on pension scheme	-	-	-
At 1 April 2012	21,469	-	(19,079)

The disposal of Autobar Vending Services Limited (formerly Bunzl Vending Services Limited) on the 26 August 2011 included an agreement to waive loans totalling £20,583,142 owed to Bunzl Group companies, giving rise to a capital contribution reserve

The transfer between reserves represents prior year gains recognised as a result of intercompany waivers between group companies. Amounts have been reclassified to the capital contribution reserve in the current year due to the nature of the balance

Autobar Vending Services Limited (formerly Bunzl Vending Services Limited)

Notes to the financial statements for the 15 months period ended 1 April 2012 (continued)

19 Capital Commitments

	2012 £'000	2010 £'000
Contracted for but not provided for		
Purchase of plant and equipment	1,800	-

As at 1 April 2012, equipment was on order for contracts that were awaiting commencement

Annual commitments under non-cancellable operating leases are as follows

	2012 Land and buildings £000	Other £000	2010 Land and buildings £000	Other £000
Operating leases which expire				
Within one year	162	849	306	2,297
Within two to five years	917	2,135	621	1,475
More than five years	186	-	257	-
	<u>1,265</u>	<u>2,984</u>	<u>1,184</u>	<u>3,772</u>

20 Pension schemes

The Company previously operated a defined benefit pension scheme ('the Provend scheme'). On acquisition of the company by Autobar UK Limited, the defined benefit scheme was transferred to Bunzl Group Plc and all assets and liabilities of the Provend Scheme are the responsibility of Bunzl Plc. The following disclosures arise for periods prior to the acquisition by Autobar UK Limited.

The Provend Scheme is contracted out of the State Earnings Related Pension Scheme. Since 1 July 1991 the Provend scheme has been closed to new members and all new employees of the Company were given the option to be members of the Bunzl Pension Plan or the Bunzl Senior Pension Scheme ('the Group schemes'). With effect from 31 December 2000, future accrual of benefits under the Provend scheme ceased. An actuarial valuation of the scheme was carried out every three years by a professionally qualified independent actuary, the rates of contribution payable being determined by the actuary. In the intervening periods the actuary reviews the continuing appropriateness of the rates.

The most recent actuarial valuation of the Provend scheme was carried out as at 31 December 2008 at which date the market value of the scheme's assets was £439,000.

The Group schemes were both defined benefit schemes, providing benefits based on final pensionable pay, and defined contribution schemes, providing benefits based on monthly contributions. The assets of the Group schemes are held separately from those of Bunzl plc and its subsidiaries and contributions are determined by a qualified actuary every three years using the projected unit method. The most recent valuation of the Group schemes has an effective date April 2009.

Autobar Vending Services Limited (formerly Bunzl Vending Services Limited)

Notes to the financial statements for the 15 months period ended 1 April 2012 (continued)

20 Pension schemes (continued)

The Group schemes were multi-employer schemes in which the Company was unable to identify its share of the underlying assets and liabilities in the schemes on a consistent and reasonable basis and therefore, as required by FRS 17, financial statements for the schemes as if they were defined contribution schemes

As at the date of the change of the ultimate holding company there was an effective settlement on the Provend scheme between Autobar UK Limited and Bunzl plc in which no gains or losses arose on settlement

Following the change of ultimate holding company on the 26th August 2011 pensions are funded through contributions to The Autobar Group Retirement Benefits Plan. The company in line with group policy has adopted FRS 17 "Retirement benefits", however is unable to identify its share of the underlying assets and liabilities within that pension scheme, contributions to the scheme in the period are charged in full to the profit and loss account. The defined benefit pension scheme is accounted for as a defined contribution pension scheme in the financial statements in line with FRS 17 "Retirement benefits"

Meldrew Investments BV Group, the company's intermediate parent company and the parent of the smallest and largest Group for which financial statements are drawn up and of which the company is a member, has implemented in full FRS17 "Retirement benefits". Details of the scheme are included within their financial statements

The pension charge to operating profit for the period amounted to £233,000 for the defined contribution scheme (2010 £170,000), £478 for the group defined benefit schemes (2010 £570,000), £nil for the Provend defined benefit scheme (2010 £nil) and £118,500 for the Autobar Group Retirement Benefits Plan

21 Share based payments

The Company's previous ultimate parent company, Bunzl plc, operated the following share plans for the benefit of employees of the Company relating to the acquisition of shares in Bunzl plc

Sharesave Scheme (2001) ('Sharesave Scheme')

The Sharesave Scheme is approved by HM Revenue & Customs and is open to all UK employees who have completed at least three months of continuous service. It is linked to a contract for monthly savings of up to £250 per month over a period of either three or five years. Under the Sharesave Scheme options are granted to participating employees at a discount of up to 20% of the market price of Bunzl plc's shares prevailing on the day immediately preceding the date of invitation to apply for the option. Options are normally exercisable either three or five years after they have been granted

1994 Executive Share Option Scheme ('1994 Scheme')

No further options have been granted under the 1994 Scheme since it expired in May 2004 but a number of options granted before then remain outstanding. A performance condition, based on Bunzl plc's adjusted earnings per share growth relative to UK inflation over three years, had to be satisfied before options would normally be exercisable. All such performance conditions relating to options granted under the 1994 scheme have been satisfied

Long Term Incentive Plan ('LTIP')

The LTIP replaced the 1994 Scheme in 2004

The LTIP Part A relates to the grant of share options. In normal circumstances options granted are only exercisable if the relevant performance condition has been satisfied. Share options granted to date have a performance condition attached based on Bunzl plc's adjusted earnings per share growth relative to UK inflation over three years

Autobar Vending Services Limited (formerly Bunzl Vending Services Limited)

Notes to the financial statements for the 15 months period ended 1 April 2012 (continued)

21 Share based payments (continued)

Before the change of ultimate holding company on the 26th August 2011, employees of the Company were eligible to participate in the equity settled share based compensation plans operated by the ultimate parent undertaking, Bunzl plc as detailed above. The total expected expense relating to the equity settled plans was based on the fair value of options and other share based incentives on the grant date, calculated using a valuation model and was spread over the expected vesting period with a corresponding credit to equity. The amounts recognised as expenses are adjusted to reflect the actual number of options and other share based incentives that were expected to vest. The eligibility of employees to participate in this scheme ceased on the 26th August 2011.

The total charge for the period relating to share based payments was £115,000 (year ended 31 December 2010: £180,000). There are no participants in any of the arrangements at 1 April 2012.

22 Related Parties

Normal trading transactions occur between the company and companies within the Meldrew Investments BV Group. The consolidated financial statements of Meldrew Investments BV Group are publicly available and accordingly, as a result of the exemption allowed by FRS 8 "Related Party Disclosures", no disclosure of these transactions is made in the company's financial statements.

23 Ultimate holding company

At 1 April 2012, funds managed by CVC European Equity V Limited were the company's ultimate parent company and controlling party. Meldrew Investments BV Group is its intermediate parent company and parent of the smallest and largest Group for which consolidated financial statements for the period are drawn up and of which the company is a member. Meldrew Investments BV Group is a company incorporated in The Netherlands, (Company number: 34123874).

The financial statements can be obtained from

Kamer van Koophandel en Fabrieken voor Rotterdam

Blaak 40

3011 TA ROTTERDAM

The Netherlands

24 Subsequent events

On 2 April 2012 the company merged the vending activities of Autobar UK Limited into those of Autobar Vending Services Limited. Autobar UK had a similar size vending operation as the company and complement its existing activities.