

Registered no: 2668704

Lawson Beaumont Limited  
Annual report  
for the year ended 31 August 1999



# **Lawson Beaumont Limited**

## **Annual report for the year ended 31 August 1999**

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# **Lawson Beaumont Limited**

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## **Directors and advisers**

### **Directors**

**S C McManus**

**A L Reed**

**C J McCole**

### **Secretary and registered office**

**N A Mead**  
Kenley House  
Kenley Lane  
Kenley  
Surrey  
CR8 5ED

### **Registered Auditors**

**PricewaterhouseCoopers**  
101 Barbirolli Square  
Lower Mosley Street  
Manchester  
M2 3PW

### **Bankers**

**HSBC Bank plc**  
P O Box 125  
27/32 Poultry  
London  
EC2P 2BX

### **Solicitors**

**Paisner & Co**  
154 Fleet Street  
London  
EU4A 2DQ

**Directors' report  
for the year ended 31 August 1999**

The directors present their report and the audited financial statements for the year ended 31 August 1999.

**Principal activity**

The principal activity of the company is the supply of catering and event management services.

**Review of business and future developments**

Both the level of business and the period end financial position were satisfactory and the directors expect that the present level of activity will be sustained for the foreseeable future.

**Dividends**

The directors do not recommend that a dividend be paid in respect of the year ended 31 August 1999.

**Directors**

The directors of the company at 31 August 1999, all of whom have been directors for the whole of the year ended on that date, are listed on page 1.

**Directors' interests in shares of the company**

None of the other directors had any interest in the share capital of the company during the year and no disclosure is required of any interests in the share capital of the ultimate holding company Sodexho Alliance SA, by virtue of the company not being incorporated in Great Britain and in accordance with the exceptions to the Companies Act 1985 contained in the Statutory Instrument 802 of 1985. During the year, none of the directors had a material interest in a beneficial capacity in any contract which was significant in relation to the company's business.

**Year 2000 and Euro**

A Year 2000 and Euro strategy has been established for the Sodexho group. Details are contained in the directors' report within the 1999 financial statements of Gardner Merchant Limited.

## Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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;
- state whether applicable 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Employees

As a key part of the company's philosophy, great importance is placed on involving staff in the company's operations. Where possible, staff consultative committee meetings are held on a regular basis and management training emphasises the necessary attitude and skills for good consultation and communication. In addition, staff are informed on and involved in the progress of the company through briefing groups, quality circles, the company newspaper, magazines, audio and video presentations.

## Employment of disabled persons

It is the policy of the company to employ people who are handicapped by disablement, provided it is practicable to offer them suitable employment, and to make every effort to provide appropriate employment for employees who become disabled. It is the intention to give disabled people the opportunities for training, career development and promotion consistent with their capabilities. The individual needs of the disabled are taken into consideration and where practicable special arrangements are made to enable them to carry out their work.

# Lawson Beaumont Limited

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## Auditors

The company has passed an Elective Resolution which dispensed with the requirement to appoint auditors annually. PricewaterhouseCoopers are deemed to be reappointed by virtue of Section 386 (2) of the Companies Act 1985.

By order of the board

A handwritten signature in cursive script, appearing to read 'N A Mead', written in dark ink.

**N A Mead**  
**Company Secretary**  
22 November 1999

# Report of the auditors to the members of Lawson Beaumont Limited

We have audited the financial statements on pages 6 to 13, which have been prepared under the historical cost convention and the accounting policies set out on pages 8 and 9.

## Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report, including as described on page 3, the financial statements. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and our profession's ethical guidance.

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. 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 is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

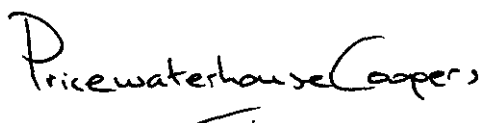
## Basis of audit opinion

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 at 31 August 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers

Chartered Accountants and Registered Auditors  
Manchester  
22 November 1999

**Profit and loss account  
for the year ended 31 August 1999**

	Notes	Year Ended 31 August 1999 £	17 months ended 31 August 1998 £
Turnover		6,127,488	5,140,178
Cost of sales		(2,653,228)	(4,111,618)
Gross profit		3,474,260	1,028,560
Administration expenses		(3,246,234)	(793,081)
<b>Profit on ordinary activities before taxation</b>	4	<b>228,026</b>	<b>235,479</b>
Tax on profit on ordinary activities	5	(106,258)	-
<b>Retained profit for the financial period</b>	13	<b>121,768</b>	<b>235,479</b>

All the operations in the period and comparative period were continuing.

The company has no recognised gains and losses other than those included in the profit above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents.



**Balance sheet  
at 31 August 1999**

	Notes	1999 £	1998 £
<b>Fixed assets</b>			
Intangible assets	6	48,686	57,000
Tangible assets	7	207,938	266,658
		<u>256,624</u>	<u>323,658</u>
<b>Current assets</b>			
Stocks	8	-	13,447
Debtors	9	1,166,392	283,323
Cash at bank and in hand		36,896	922,521
		<u>1,203,288</u>	<u>1,219,291</u>
<b>Creditors: amounts falling due within one year</b>	10	<u>(936,561)</u>	<u>(1,107,401)</u>
<b>Net current assets</b>		<u>266,727</u>	<u>111,890</u>
<b>Total assets less current liabilities</b>		<u>523,351</u>	<u>435,548</u>
<b>Creditors: amounts falling due in more than one year</b>		-	(3,390)
<b>Provisions for liabilities and charges - deferred taxation</b>		-	(30,575)
<b>Net assets</b>		<u><u>523,351</u></u>	<u><u>401,583</u></u>
<b>Capital and reserves</b>			
Called up share capital	12	211,238	211,238
Profit and loss account	13	312,113	190,345
<b>Equity shareholders' funds</b>	14	<u><u>523,351</u></u>	<u><u>401,583</u></u>

The financial statements on pages 6 to 13 were approved by the board of directors on 22 November 1999 and were signed on its behalf by:

  
**C J McCole**  
Director

**Notes to the financial statements  
for the year ended 31 August 1999****1 Principal accounting policies**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

**Basis of accounting**

The financial statements are prepared in accordance with the historical cost convention.

**Tangible fixed assets**

The cost of fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Short leasehold land and buildings	4 years
Furniture and equipment	4 years
Plant and machinery	4 years
Motor vehicles	4 years

Pre-opening costs are capitalised and amortised through the profit and loss account over a four year period.

**Operating leases**

Rentals under operating leases are charged to the profit and loss account as incurred over the term of the lease.

**Stocks**

Stocks are stated at the lower of cost and net realisable value.

**Turnover**

Turnover represents the amount receivable for goods sold and services provided, excluding value added tax. All turnover arises in the United Kingdom.

**Deferred taxation**

Provision is made, using the liability method, for deferred taxation arising from timing differences between profits as computed for taxation purposes and profits as stated in the financial statements, except to the extent that the liability is not expected to crystallise in the foreseeable future.

**Pension costs**

Pension costs are charged to the profit and loss account in the period in which they become payable.

**Cash flow statement**

The company has taken advantage of the exemption under FRS1 and not published a cash flow statement. The cash flows of the group are included in the consolidated cash flow statement of the ultimate parent undertaking (note 18).

**2 Directors' emoluments**

No director received any remuneration of his services to the company during the year (1998: £20,688)

**3 Employee information**

The average monthly number of persons (including executive directors) employed by the company during the year was:

	Year Ended 31 August 1999	17 months ended 31 August 1998 Number
<b>By activity</b>		
Administrative	10	7
Supply of catering and related services	42	8
	<u>52</u>	<u>15</u>
	£	£
<b>Staff costs (for the above persons)</b>		
Wages and salaries	1,659,767	945,062
Social security costs	58,008	62,675
Other pension costs	12,533	9,851
	<u>1,730,308</u>	<u>1,017,588</u>

**4 Profit on ordinary activities before taxation**

	Year Ended 31 August 1999 £	17 months ended 31 August 1998 £
Profit on ordinary activities before taxation is stated after charging:		
Depreciation charge for the year:		
Tangible owned fixed assets	75,823	104,976
Leased assets	10,750	20,688
Amortisation of intangible fixed assets	8,314	-
Auditors' remuneration for:		
Audit	8,000	5,000
	<u>8,000</u>	<u>5,000</u>

**5 Tax on profit on ordinary activities**

	1999 £	1998 £
Amounts payable for group relief	106,258	-
	<u>106,258</u>	<u>-</u>

**6 Intangible fixed assets**

	Intangible fixed assets £
Cost	
At 1 September 1998	57,000
Disposals	-
At 31 August 1999	<u>57,000</u>
Depreciation	
At 1 September 1998	-
Charge for the year	8,314
At 31 August 1999	<u>8,314</u>
Net book value	
At 31 August 1999	<u>48,686</u>
Net book value	
At 31 March 1998	<u>57,000</u>

**7 Tangible fixed assets**

	Leasehold Land and Buildings £	Plant and Machinery £	Fixtures And Fittings £	Motor Vehicles £	Total £
<b>Cost</b>					
At 1 September 1998	36,383	322,913	133,174	46,472	538,942
Additions	-	-	27,853	-	27,853
<b>At 31 August 1999</b>	<b>36,383</b>	<b>322,913</b>	<b>161,027</b>	<b>46,472</b>	<b>566,795</b>
<b>Depreciation</b>					
At 1 September 1998	7,714	184,426	53,933	26,211	272,284
Charge to August	10,750	51,933	16,292	7,598	86,573
<b>At 31 August 1999</b>	<b>18,464</b>	<b>236,359</b>	<b>70,225</b>	<b>33,809</b>	<b>358,857</b>
<b>Net book value</b>					
At 31 August 1999	<u>17,919</u>	<u>86,554</u>	<u>90,802</u>	<u>12,663</u>	<u>207,938</u>
<b>Net book value</b>					
At 31 August 1998	<u>28,669</u>	<u>138,487</u>	<u>79,241</u>	<u>20,261</u>	<u>266,658</u>

**8 Stocks**

	1999 £	1998 £
Finished goods and goods for resale	<u>-</u>	<u>13,447</u>

**9 Debtors**

	1999 £	1998 £
Trade debtors	-	-
Prepayments and accrued income	413,374	266,853
Other	-	16,470
Amounts owed by group undertakings	753,018	-
	<u>1,166,392</u>	<u>283,323</u>

**10 Creditors: amounts falling due within one year**

	1999 £	1998 £
Hire purchase/finance leases	3,390	13,152
Trade creditors	-	13,187
Accruals and deferred income	74,276	624,477
Amounts owed to group undertakings	106,258	443,442
Provision	-	13,143
Other creditors	752,637	-
	<u>936,561</u>	<u>1,107,401</u>

**11 Deferred taxation**

	1999 £	1998 £
Deferred taxation unprovided		
Excess of capital allowances over depreciation	(9,327)	(1,545)
Short term timing differences	17,100	31,707
	<u>7,773</u>	<u>30,162</u>

**12 Called up share capital**

	1999 £	1998 £
<b>Authorised</b>		
2,112,380 ordinary shares of 10p each	<u>211,238</u>	<u>211,238</u>
<b>Allotted, called up and fully paid</b>		
2,112,380 ordinary shares of 10p each	<u>211,238</u>	<u>211,238</u>

**13 Profit and loss account**

	£
At 1 September 1998	190,345
Retained profit for the financial period	<u>121,768</u>
At 31 August 1999	<u>312,113</u>

**14 Reconciliation of movements in shareholders' funds**

	1999 £	1998 £
Profit for the financial year	121,768	239,904
Opening shareholders' funds	<u>401,583</u>	<u>161,679</u>
Closing shareholders' funds	<u>523,351</u>	<u>401,583</u>

**15 Capital commitments**

No capital expenditure has been contracted for but not provided for in the financial statements (1998: £Nil).

**16 Contingent liabilities**

At the balance sheet date the company had granted a fixed and floating charge over all its assets to secure the borrowings of fellow group companies. Post year end all such facilities have been cancelled and therefore the charges no longer apply,

**17 Financial commitments**

At 31 August 1999, the company had annual commitments under non-cancellable operating leases for land and buildings as follows:

	1999 £	1998 £
Expiring in over five years	<u>22,000</u>	<u>22,000</u>

**18 Ultimate and immediate parent companies**

The company's ultimate parent company and controlling party is Sodexho Alliance SA, a company incorporated in France. This is the smallest group of undertakings for which consolidated financial statements are prepared. Copies of the consolidated financial statements can be obtained from The Secretary, Sodexho Alliance SA, 3 Avenue Newton, 78180 Montigny-le-Bretonneux, France.

The company's immediate parent undertaking and controlling party is Gardner Merchant Services Group Limited, a company incorporated in England and Wales.

**19 Related party transactions**

The group has taken exemption under the Financial Reporting Standard Number 8 from disclosure of intra-group transactions and balances as these are eliminated on consolidation in the financial statements of the ultimate parent undertaking.