Aramark Investments Limited

Directors' report and consolidated financial statements

Registered number 2808311

1 October 2004

Contents

Directors' report

The directors present their annual report and the audited financial statements for the 52 week period ended 1 October 2004.

Principal activities

The principal activities of the group are the management and provision of a range of food, refreshment and cleaning services for industry and commerce. The directors consider the future prospects for the business to be reasonable. On 17 January 2004, the group acquired the entire share capital of Catering Alliance Limited.

Results and dividends

The loss for the financial year was £0.187m (*2003: £2.376m profit*).

Equity dividends of £7.524m (*2003: £11.456m*) were paid during the year resulting in a retained loss of £7.711m (*2003: £9.080m*), which has been transferred from reserves.

Directors and their interests

The directors who served during the period and subsequently are as shown below:
WJ Toner (resigned 1 March 2005)
DA Gerrard (resigned 12 July 2004)
NI Boston (appointed 12 July 2004)
AW Main (appointed 1 March 2005)
MP Hampton (appointed 14 March 2005, resigned 22 May 2006)
R Wheeler (appointed 22 May 2006)

The directors who held office at 1 October 2004 had no interests in the shares and debentures of group companies.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the group continues and that appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

Employee consultation

The group places considerable value on the involvement of its employees and has continued its previous practice of keeping them informed on matters affecting them as employees and on the various factors affecting the performance of the group. This is achieved through formal and informal meetings.

Auditors

A resolution for the reappointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming annual general meeting.

By order of the board

N. B

NI Boston
Director

Millbank Tower (28th Floor)
21-24 Millbank
London
SW1P 4QP

28 June 2006

Statement of 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 group and of the profit or loss 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 group 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

KPMG

KPMG LLP
1 The Embankment
Neville Street
Leeds
LS1 4DW
United Kingdom

Independent auditors' report to the members of Aramark Investments Limited

We have audited the financial statements on pages 4 to 28.

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 directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by 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 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 group is not disclosed.

We read the other information accompanying the financial statements and consider whether it is consistent with those statements. We 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 group'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 affairs of the company and the group as at 1 October 2004 and of the loss of the group for the 52 week period then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor
Leeds

28 June 2006

Consolidated profit and loss account

for the 52 week period ended 1 October 2004

	Note	52 weeks ended 1 October 2004 £000	52 weeks ended 1 October 2004 £000	53 weeks ended 3 October 2003 £000
Turnover				
Continuing operations		680,718		648,562
Acquisitions		32,251		-
	2		712,969	648,562
Cost of sales				
Continuing operations		(239,566)		
Acquisitions		(13,278)		
			(252,844)	(229,235)
Gross profit			460,125	419,327
Other operating expenses				
Continuing operations		(426,166)		
Acquisitions		(19,730)		
	3		(445,896)	(406,313)
Operating profit	6			
Continuing operations			14,986	13,014
Acquisitions			(757)	-
			14,229	13,014
Investment income	4		1,345	1,694
Interest payable and similar charges	5		(10,008)	(6,572)
Profit on ordinary activities before taxation			5,566	8,136
Tax on profit on ordinary activities	8		(5,079)	(4,814)
Profit on ordinary activities after taxation			487	3,322
Minority interest			-	(258)
Dividends on non-equity shares	9		(674)	(688)
(Loss) / profit for the financial period			(187)	2,376
Dividends on equity shares	9		(7,524)	(11,456)
Retained loss for the period	21		(7,711)	(9,080)

All of the above results derive from continuing activities.

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

A consolidated statement of total recognised gains and losses is shown on page 7.

The accompanying notes are an integral part of this consolidated profit and loss account.

Consolidated balance sheet
at 1 October 2004

	Note	2004 £000	2003 £000
Fixed assets			
Intangible assets	*11*	**134,225**	95,937
Tangible assets	*12*	**39,123**	36,229
		173,348	132,166
Current assets			
Stocks	*14*	**17,471**	15,681
Debtors	*15*	**118,652**	89,691
Cash at bank and in hand		**9,652**	10,653
		145,775	116,025
Creditors: amounts falling due within one year	*16*	**(211,019)**	(128,814)
Net current liabilities		**(65,244)**	(12,789)
Total assets less current liabilities		**108,104**	119,377
Creditors: amounts falling due after more than one year	*17*	**(74,914)**	(78,069)
Provisions for liabilities and charges	*18*	**(308)**	(15)
Net assets		**32,882**	41,293
Capital reserves			
Called up share capital	*19*	**28,081**	28,081
Share premium account	*20*	**28,080**	28,080
Other reserves	*20*	**371**	371
Profit and loss account	*20*	**(33,133)**	(24,722)
Equity shareholders' funds	*21*	**23,399**	31,810
Non-equity minority interest		**9,483**	9,483
		32,882	41,293

These financial statements were approved by the board of directors on 28/6/2006 were signed on its behalf by:

N.B

N Boston
Director

The accompanying notes are an integral part of this consolidated balance sheet.

Company balance sheet
at 1 October 2004

	Note	**2004** **£000**	2003 £000
Fixed assets			
Investments	*13*	**149,451**	149,451
Current assets			
Debtors	*15*	**68,256**	68,275
Creditors: amounts falling due within one year	*16*	**(21,314)**	(19,169)
Net current assets		**46,942**	49,106
Total assets less current liabilities		**196,393**	198,557
Creditors: amounts falling due after more than one year	*17*	**(142,159)**	(142,234)
Net assets		**54,234**	56,323
Capital reserves			
Called up share capital	*19*	**28,081**	28,081
Share premium account	*20*	**28,080**	28,080
Profit and loss account	*20*	**(1,927)**	162
Equity shareholders' funds	*21*	**54,234**	56,323

These financial statements were approved by the board of directors on 28/6/2006 and were signed on its behalf by:

N.B.

N Boston
Director

The accompanying notes are an integral part of this balance sheet.

Consolidated statement of total recognised gains and losses

for the 52 week period ended 1 October 2004

	2004	2003
	£000	£000
(Loss) / profit for the financial period	**(187)**	2,376
Currency translation differences on foreign currency net investments	**(700)**	1,343
Total gains and losses recognised relating to the year	**(887)**	3,719

Notes
(forming part of the financial statements)

1 Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the period ended 1 October 2004 and the preceding year is shown below.

Basis of accounting

The group financial statements consolidate the financial statements of ARAMARK Investments Limited and all of its subsidiary undertakings prepared up to 1 October 2004. Unless otherwise stated, the acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal. Goodwill arising on consolidation (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) is amortised over a period of twenty years.

In the company's financial statements, investments in subsidiary undertakings are stated at cost less amounts written off.

No profit and loss is presented for ARAMARK Investments Limited as provided by section 230(4) of the Companies Act 1985. The company's profit for the financial period determined in accordance with the Act, was £5,435,000 *(2003: £9,888,000)*.

No cash flow statement is presented as allowed under the provisions for Financial Reporting Standard No 1 (revised) since the company is a wholly owned subsidiary of ARAMARK Corporation.

Intangible fixed assets

Intangible fixed assets comprise goodwill and contract rights.

Purchased goodwill is stated at its fair value at acquisition and are amortised over twenty years, which the directors estimate to be the period over which benefits may be reasonably expected to accrue from the acquisitions.

Tangible fixed assets

All tangible fixed assets are shown at original cost and depreciated over their useful economic lives as follows;

Freehold buildings	-	25 to 40 years
Leasehold land and buildings	-	term of lease
Plant, machinery and motor vehicles	-	2 to 10 years

Investment

Fixed asset investments are shown at cost less amounts written off. Provisions are made for impairment in value. Income is included (together with the related tax credit) in the consolidated financial statements of the period in which it is receivable, for both fixed and current asset investments.

Stock

Stocks are stated at the lower of cost and net realisable value. Provision is made for obsolete, slow moving or defective items where appropriate.

Notes *(continued)*

1 Accounting policies (continued)

Taxation

Corporation tax payable is provided on taxable profits at the current rate.

Deferred taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Pensions and other post-retirement benefits

The costs of pension plans and other post-retirement benefits are charged to the profit and loss account so as to spread the costs over employees' working lives with the group.

Foreign currency

In the financial statements of individual undertakings, transactions denominated in foreign currencies are recorded in the local currency at actual exchange rates as of the date of the transaction (or, where appropriate, at the rate of exchange in a related forward exchange contract). Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date (or, where appropriate, at the rate of exchange in a related forward exchange contract). Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

For the purposes of consolidation the closing rate/net investment method is used, under which translation gains or losses are shown as a movement on reserves. Profit and loss financial statements of overseas subsidiary undertakings are translated at the closing exchange rate.

Turnover

Group turnover comprises the value of sales (excluding VAT and similar taxes, trade discounts and intra-group transactions) of goods and services in the normal course of business.

Leases

Rentals under operating leases are charged on a straight line basis over lease term, even if the payments are not made on such a basis.

Notes *(continued)*

2 Segment information

	UK 2004 £000	**Rest of Europe 2004 £000**	**North America 2004 £000**	**Rest of world 2004 £000**	**Group 2004 £000**
Turnover by destination and origin	337,433	123,737	251,734	65	**712,969**
Operating profit	3,037	3,248	7,924	20	**14,229**
Profit before interest and taxation	3,037	3,248	7,924	20	**14,229**
Net assets					
Segment net assets/(liabilities)	51,971	(11,312)	(5,790)	(1,987)	**32,882**

	UK *2003* £000	Rest of Europe *2003* £000	North America *2003* £000	Rest of world *2003* £000	Group *2003* £000
Turnover by destination and origin	285,221	100,988	245,821	16,532	648,562
Operating profit	7,211	539	6,160	(896)	13,014
Profit before interest and taxation	7,211	539	6,160	(896)	13,014
Net assets					
Segment net assets	23,227	27,970	12,841	1,657	65,695
Unallocated interest bearing net liabilities					(24,402)
Total net assets					41,293

There is no material difference between the turnover by destination and the turnover by origin.

Notes *(continued)*

3 Other operating expenses

	52 weeks ended 1 October 2004 £000	53 weeks ended 3 October 2003 £000
Selling and distribution costs	**232,261**	184,681
Administrative expenses	**213,635**	221,632
	445,896	406,313

Administrative expenses include amortisation of intangible assets of £8,994,000 *(2003: £6,417,000)*.

4 Investment income

	52 weeks ended 1 October 2004 £000	53 week ended 3 October 2003 £000
Other interest receivable and similar income	**1,345**	1,694

5 Interest payable and similar charges

	52 weeks ended 1 October 2004 £000	53 weeks ended 3 October 2003 £000
On bank loans, overdrafts and other loans- repayable within five years, not by instalments	**4,927**	4,938
Other loans	**5,081**	1,634
	10,008	6,572

Interest on other loans includes £4,506,000 payable to ARAMARK Ireland Holdings Limited in respect of a loan consolidated in the year to fund the acquisition of Catering Alliance Limited in the current period and Campbell Catering Limited in the prior period.

6 Operating profit

Operating profit is stated after charging/(crediting):

	52 weeks ended 1 October 2004 £000	53 weeks ended 3 October 2003 £000
Amortisation and amounts written off		
Goodwill	**8,994**	6,379
Other intangible fixed assets	**-**	38
Depreciation and amounts written off tangible fixed assets	**11,659**	10,993
Loss / (profit) on sale of fixed assets	**507**	(26)
Operating lease rentals		
Land and building	**6,353**	3,990
Other	**6,094**	7,676
Auditors' remuneration – group	**378**	226
– holding company	**5**	5

Notes *(continued)*

7 Staff costs

Particulars of employees (including executive directors) are as shown below:

	52 weeks ended 1 October 2004 £000	53 weeks ended 3 October 2003 £000
Employee costs during the period amounted to:		
Wages and salaries	**284,215**	253,059
Social security costs	**24,619**	21,424
Other pension costs	**11,540**	3,145
	320,374	277,628

The average monthly number of persons employed by the group during the period was as follows:

	52 weeks ended 1 October 2004	53 weeks ended 3 October 2003
Food and other services	**22,671**	26,155
Distribution	**91**	451
Administration	**586**	689
	23,348	27,295

Directors' *remuneration in respect of directors of the company was as follows:*

	52 weeks ended 1 October 2004 £000	53 weeks ended 3 October 2003 £000
Emoluments	**548**	443
Company contributions to defined benefit pension scheme	**61**	47
	609	490

The directors' aggregate emoluments shown above (excluding pensions and pension contributions) included:

	52 weeks ended 1 October 2004 £000	53 weeks ended 3 October 2003 £000
Highest paid director	**295**	287

The number of directors who participate in the group's defined benefit pension scheme is 3 (*2003: 2*).

Notes *(continued)*

8 Tax on profit on ordinary activities

At 1 October 2004, there was a potential deferred tax asset of £754,000 *(2003: £586,000)* which has not been recognised in the financial statements on grounds that its recoverability is not certain.

Deferred tax	**2004**	2003
	£000	£000
Capital allowances in excess of depreciation	**(613)**	(575)
Short term timing differences	**(141)**	(11)
Deferred tax asset	**(754)**	(586)

The tax charge is based on the profit for the period and comprises:

	52 weeks ended 1 October 2004	53 weeks ended 3 October 2003
	£000	£000
Current tax:		
UK corporation tax on profits of the period	**616**	1,479
UK corporation tax adjustments in respect of previous periods	**70**	(335)
Overseas taxation on profits of the period	**5,005**	3,870
Overseas taxation adjustments in respect of previous periods	**(905)**	-
Total current tax	**4,786**	5,014
Deferred tax:		
Origination and reversal of timing differences	**293**	(200)
Total deferred tax credit	**293**	(200)
Tax on profit on ordinary activities	**5,079**	4,814

Factors affecting the tax charge for the current period

The current tax charge for the period is higher *(2003: higher)* than the standard rate of corporation tax in the UK, being 30% *(2003: 30%)*. The difference is explained below:

	52 weeks ended 1 October 2004	53 weeks ended 3 October 2003
	£000	£000
Current tax reconciliation		
Profit on ordinary activities before tax	**5,566**	8,136
Current tax at 30% *(2003: 30%)*	**1,670**	2,441
Effects of:		
Expenses not deductible for tax purposes	**2,065**	1,914
Timing differences between depreciation and capital allowances	**(1)**	137
Other timing differences	**(180)**	74
Utilisation of tax losses	**-**	(664)
Higher tax rates on overseas earnings	**2,024**	1,447
Tax losses carried forward	**43**	-
Adjustments to tax in respect of previous periods	**(835)**	(335)
Total current tax charge (see above)	**4,786**	5,014

Notes *(continued)*

9 Dividends

	52 weeks ended 1 October 2004 £000	53 weeks ended 3 October 2003 £000
Equity - 26.8p per share *(2003: 40.8p per share)*	**7,524**	11,456
Non-equity - At 7% on cumulative redeemable preference shares of £96,301 each (220,000 Canadian Dollars)	**674**	688
	8,198	12,144

10 Acquisitions

On 17 January 2004 ARAMARK Limited acquired the entire share capital of Catering Alliance Limited. The acquisition has been accounted for by the acquisition method of accounting. Catering Alliance previously prepared its financial statements to 31 December each year. The fair value adjustments relate to assets that were found to be irrecoverable.

	Book Value £000	Fair Value Adjustment £000	Value at Acquisition £000
Net assets acquired			
Fixed assets	823	-	**823**
Stock	730	-	**730**
Debtors	2,493	(207)	**2,286**
Creditors	(3,466)	(30)	**(3,496)**
Net assets	580	(237)	**343**
Consideration			**47,625**
Goodwill			**47,282**
Satisfied by:			
Cash consideration			**47,625**

Notes *(continued)*

11 Intangible fixed assets

	Goodwill on consolidation £000	Purchased goodwill £000	Total £000
Cost			
Beginning of period	131,295	5,777	137,072
Addition *(note 10)*	47,282	-	47,282
End of period	178,577	5,777	184,354
Amounts written off			
Beginning of period	36,965	4,170	41,135
Amortisation	8,815	179	8,994
End of period	45,780	4,349	50,129
Net book value			
End period	**132,797**	**1,428**	**134,225**
Beginning of period	94,330	1,607	95,937

Contract rights of £7,867,000 have been removed from cost as at the beginning of the period, as they had been fully amortised.

Notes *(continued)*

12 Tangible fixed assets

Group	Land and buildings Freehold £000	Leasehold improvements £000	Plant, machinery and motor vehicles £000	Total £000
Cost				
Beginning of period	854	9,382	85,937	96,173
Additions	-	2,895	13,063	15,958
Acquisitions *(note 10)*	-	-	1,555	1,555
Disposals	-	(745)	(5,998)	(6,743)
Exchange differences	-	(193)	(1,356)	(1,549)
End of period	854	11,339	93,201	105,394
Depreciation				
Beginning of period	616	4,173	55,155	59,944
Charge	70	1,336	10,253	11,659
Disposals	-	(618)	(4,473)	(5,091)
Acquisitions *(note 10)*	-	-	732	732
Exchange differences	-	(88)	(885)	(973)
End of period	686	4,803	60,782	66,271
Net book value				
End of period	**168**	**6,536**	**32,419**	**39,123**
Beginning of period	238	5,209	30,782	36,229

13 Fixed asset investments

Subsidiary undertakings	Company £000
Cost and net book value	
At beginning and end of period	149,451

Notes *(continued)*

13 Fixed asset investments *(continued)*

a) Principal group investments

The parent company and the group have investments in the following subsidiary undertakings and other significant investments, all of which principally affected the profits or net assets of the group. Details concerning investments which are not significant have been omitted from the list set out below in order to avoid a statement of excessive length.

Principal subsidiary undertaking	Country of incorporation or registration	Country of operation	Proportion of equity shares held by the Group	Proportion of equity shares held by the Company	Principal activity
ARAMARK Worldwide Investments Limited*	England and Wales	United Kingdom	100%	100%	Holding company
ARAMARK Holdings Limited*	England and Wales	United Kingdom	100%	100%	Holding company
ARAMARK Investments BV***	Netherlands	Netherlands	100%	100%	Holding company
ARAMARK (Asia) Pte Limited*	Singapore	Singapore	100%	100%	Provision of food, vending and cleaning services
ARAMARK Catering Limited**	England and Wales	United Kingdom	100%	-	Holding company
ARAMARK Limited*	England and Wales	United Kingdom	100%	-	Provision of food, vending and cleaning services
ARAMARK Servicios de Catering SL*	Spain	Spain	100%	-	Provision of food services
ARAMARK Canadian Investments Inc.*	U.S.A	U.S.A	100%	-	Holding company
ARAMARK Canada Limited++	Canada	Canada	100%	-	Provision of food and cleaning services
ARAMARK SA*	Belgium	Belgium	100%	-	Provision of catering and vending services
Catering Alliance Limited+	UK	UK	100%	-	Provision of food services
ARAMARK Partnership Limited**	England and Wales	United Kingdom	100%	-	Dormant

* Shares in the companies indicated are held by ARAMARK Investments Limited.
** Shares in the companies indicated are held by subsidiaries of ARAMARK Holdings Limited.
*** Shares in the companies indicated are held by subsidiaries of ARAMARK Worldwide Investments Limited.
\+ Shares in the companies indicated are held by ARAMARK Limited
\++ Shares in the companies indicated are held by ARAMARK Canadian Investments Inc

Notes *(continued)*

14 Stocks

	Group	
	2004	2003
	£000	£000
Goods for resale	**16,875**	15,011
Spare parts	**596**	670
	17,471	15,681

15 Debtors

	Group		Company	
	2004	2003	**2004**	2003
	£000	£000	**£000**	£000
Amounts falling due within one year:				
Trade debtors	**79,252**	68,165	-	-
Amounts owed by group undertakings	**23,048**	6,696	***68,256***	*68,275*
Corporation tax recoverable	**2,715**	637	-	-
Overseas tax recoverable	**19**	-	-	-
Other debtors	**2,003**	6,731	-	-
Prepayments and accrued income	**11,615**	7,462	-	-
	118,652	89,691	***68,256***	*68,275*

Notes *(continued)*

16 Creditors: amounts falling due within one year

	Group		Company	
	2004	2003	**2004**	2003
	£000	£000	**£000**	£000
Bank loans and overdrafts	**3,536**	2,897	-	-
Trade creditors	**43,450**	45,939	-	-
Amounts owed to other group undertakings	**122,242**	*46,368*	**21,314**	*19,169*
Other creditors:				
UK VAT payable	**1,849**	-	-	-
UK social security payable	**3,432**	-	-	-
Overseas taxation	**2,431**	1,127	-	-
Other	**11,737**	13,762	-	-
Accruals and deferred income	**22,342**	18,721	-	-
	211,019	128,814	**21,314**	19,169

17 Creditors: amounts falling due after more than one year

	Group		Company	
	2004	*2003*	***2004***	*2003*
	£000	£000	**£000**	£000
Bank loans due within 2-5 years	**28,478**	31,558	-	-
Amounts owed to other group undertakings	**46,436**	46,511	**142,159**	142,234
	74,914	78,069	**142,159**	142,234

The amount of bank loans outstanding represents borrowings by ARAMARK Canada Limited under a credit facility with J.P. Morgan Chase Bank as agent, which provides for either Canadian dollar or US dollar borrowings. The credit facility of U.S. $100,000,000 expires on 31 March 2009. Interest on this facility is based on Canadian Bankers Acceptance Rate ("BA"), U.S. Base Rate, Canadian Prime Rate or LIBOR, plus the facility fee and the applicable stamping fee for terms of 30 to 180 days. Depending on the parent's debt rating and utilisation rate, the company pays a facility fee of 0.09% to 0.30% and BA stamping fee of 0.31% to 1.20%. ARAMARK Canada Limited currently pays a facility fee of 0.15%. At 1 October 2004, all borrowings under these facilities are payable in Canadian dollars with a weighted average interest rate of 4.0% per annum.

Amounts owed to the parent company which are payable after more than one year principally comprise notes in various currencies which become payable at varying dates between 2008 and 2042. Subject to providing notice within that period, the company can redeem these notes at any time. Interest on the notes accrues at varying rates ranging from 8% to rates linked to the base rate of National Westminster Bank plc.

Notes *(continued)*

18 Provision for liabilities and charges

	2004 £000	2003 £000
Provision for deferred taxation		
Accelerated capital allowances	**159**	37
Other timing differences	**149**	(22)
	308	15
Provision at start of period	**15**	215
Deferred tax credit in profit and loss for the period (note 8)	**293**	(200)
	308	15

19 Called-up share capital

	2004 £000	2003 £000
Authorised		
30,000,000 ordinary shares of £1 each	**30,000**	30,000
Allotted, called up and fully paid		
28,080,541 ordinary shares of £1 each	**28,081**	28,081

20 Reserves

	Share premium account £000	Other reserves £000	Profit and loss account £000
Group			
At beginning of period	28,080	371	(24,722)
Currency translation differences	-	-	(700)
Retained loss for the period	-	-	(7,711)
End of period	**28,080**	**371**	**(33,133)**
Company			
Beginning of period	28,080	-	162
Retained loss for the period	-	-	(2,089)
End of period	**28,080**	-	**(1,927)**

On 6 June 2006 the sole member of the company, ARAMARK Senior Notes Company, ratified the dividend of £7,524,000 declared in respect of the period ended 1 October 2004. On 9 June 2006 the directors of ARAMARK Limited, a subsidiary of the company, declared a dividend of £1,927,000. This was received on 9 June 2006.

Notes *(continued)*

21 Reconciliation of movements in equity shareholders' funds

	Group		Company	
	2004	2003	**2004**	2003
	£000	£000	**£000**	£000
(Loss) / profit for the financial period	**(187)**	2,376	5,435	9,888
Dividends paid and proposed	**(7,524)**	(11,456)	(7,524)	(11,456)
Retained loss for the period	**(7,711)**	(9,080)	(2,089)	(1,568)
Other recognised gains and losses relating to the period	**(700)**	1,343	-	-
Net movement in year of equity shareholders' funds	**(8,411)**	(7,737)	(2,089)	(1,568)
Opening equity shareholders' funds	**31,810**	39,547	56,323	57,891
Closing equity shareholders' funds	**23,399**	31,810	54,234	56,323

22 Guarantees and other financial commitments

a) Capital commitments

At the end of the period capital commitments were:

	Group	
	2004	2003
	£000	£000
Contracted for but not provided for	**1,386**	4,819

b) Contingent liabilities

No provision has been made for overseas tax that would be payable in the event of a distribution being made out of profits retained in overseas group undertakings on the basis that such profits are permanently invested overseas.

c) Lease commitments

The group has entered into non-cancellable operating leases in respect of plant and machinery, the payments for which extend over a period of up to ten years. The total annual rental for the year was £6,094,000 *(2003: £7,676,000)*. The lease agreements provide that the group will pay all insurance, maintenance and repairs.

In addition, the group leases certain land and buildings on short and long term operating leases. The annual rental on these leases was £6,353,000 (*2003: £3,990,000*). The rents payable under these leases are subject to renegotiation at various intervals specified in the leases. The group pays all insurance, maintenance and repairs of these properties.

Notes *(continued)*

22 Guarantees and other financial commitments *(continued)*

The minimum annual rentals under the foregoing leases are as follows:

	Property 2004 £000	Property 2003 £000	**Plant and machinery 2004 £000**	Plant and machinery 2003 £000
Group				
Operating leases which expire				
within 1 year	**107**	337	156	202
within 2-5 years	**933**	812	2,148	797
after 5 years	**1,691**	1,256	-	33
	2,731	2,405	2,304	1,032

d) Pension arrangements

ARAMARK Limited and ARMARK Canada Limited are the only Group companies that operate defined benefit pension schemes.

__UK group – ARAMARK Limited__

The group makes contributions to two pension schemes covering executives, staff and offshore personnel. The assets of these funded schemes are held in separate trustee administered funds. One is a defined benefit scheme, the other a defined contribution scheme.

The pension costs relating to the defined benefit scheme are assessed in accordance with the advice of a qualified, independent actuary. The amount charged in the profit and loss account for the pension cost of the company was £1,486,000 *(2003: £1,884,000)* and this represents the regular pension cost.

The latest valuation of the Pension Plan was carried out as at 1 April 2004, using the projected unit method for the Executive Section of the Plan and the attained age method for the staff section of the Plan.

The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions. It was assumed that the investment returns would average 6% per annum and that present and future pensions would increase at the rate of 3.5% per annum.

The most recent actuarial valuation showed that the market value of the scheme's assets was £19,523,000 and that the actuarial value of those assets represented 64% of the benefits that had accrued to members, after allowing for expected future increases in earnings.

With effect from 1 June 2005, the company contribution rates were increased from 12% to 13.3% of pensionable salaries in respect of the Staff section of the scheme and from 15.5% to 17.0% of pensionable salaries in respect of the Executive section of the scheme. The new rates will remain in force until the results of the next actuarial valuation as at 1 April 2007 are known.

The group made contributions of £1,023,000 (*2003: £507,000*) towards the defined contribution scheme during the period.

Notes *(continued)*

22 Guarantees and other financial commitments *(continued)*

FRS 17

Whilst the company continues to account for pension costs in accordance with Statement of Standard Accounting Practice 24 'Accounting for Pension costs', under FRS 17 'Retirement benefits' the following transitional disclosures are required:

The valuation was completed by the actuary on an FRS 17 basis as at 1 October 2004.

The principal actuarial assumptions used as at 1 October 2004 for the purposes of FRS17 are shown below:

	2004	2003	2002
	%	%	%
Rate of increase in salaries	**4**	4	4
Rate of increase of pensions in payment	**3**	2½	2½
Discount rate	**5½**	5½	5½
Inflation assumption	**3**	2½	2½

The value of assets and liabilities of the pension scheme operated by ARAMARK Limited at 1 October 2004, along with the weighted average expected rates of return of the scheme's assets are shown below:

	2004		2003		2002	
	Total £000	**Expected return % p.a**	Total £000	Expected return % p.a	Total £000	Expected return % p.a
Equities and property	**16,320**	**7½**	13,240	7½	9,766	7½
Bonds	**1,944**	**5**	2,238	5	2,410	5
Cash	**1,259**	**4**	745	4	601	4
	19,523		16,223		12,777	

Based on the assumptions above illustrative balance sheet figures are as follows:

	2004	2003	2002
	£000	£000	£000
Present value of scheme liabilities	**(30,379)**	(27,401)	(24,017)
Market value of scheme assets	**19,523**	16,223	12,777
Deficit in the scheme	**(10,856)**	(11,178)	(11,240)
Related deferred tax asset	**3,258**	3,353	3,372
Net pension liability	**(7,598)**	(7,825)	(7,868)

Notes *(continued)*

22 Guarantees and other financial commitments *(continued)*

If the amounts had been recognised in the financial statements, the group's net assets and profit and loss reserve would be as follows:

	2004	2003	2002
	£000	£000	£000
Net assets excluding pension liability	**32,882**	41,293	49,080
Pension liability	**(7,598)**	(7,825)	(7,868)
Net assets including pension liability	**25,284**	33,468	41,212
Profit & loss reserve excluding pension liability	**(33,133)**	(24,722)	(16,985)
Pension liability	**(7,598)**	(7,825)	(7,868)
Profit & loss reserve including pension liability	**(40,731)**	(32,547)	(24,853)

The following amounts would have been recognised in the performance statements in the period to 1 October 2004 under the requirements of FRS 17:

Operating profit

	2004	2003
	£000	£000
Current service costs	**1,414**	1,381
Past service costs	**-**	-
Total operating charge	**1,414**	1,381

Other finance income/(cost)

	2004	2003
	£000	£000
Expected return on scheme assets	**1,239**	920
Interest on scheme liabilities	**(1,547)**	(1,351)
Other finance cost	**(308)**	(431)

Statement of total recognised gains and losses (STRGL)

	2004	2003
	£000	£000
Actual return less expected return on scheme assets	**870**	1,261
Experience gains and losses arising on the scheme liabilities	**3,013**	(1,271)
Changes in assumptions underlying present value of the scheme liabilities	**(3,325)**	-
Actuarial gain/ (loss) recognised in STRGL	**558**	(10)

Notes *(continued)*

22 Guarantees and other financial commitments *(continued)*

Movement in deficit during the period

	2004 £000	2003 £000
Deficit at start of period	(11,178)	(11,240)
Contributions	1,486	1,884
Current service cost	(1,414)	(1,381)
Other finance cost	(308)	(431)
Actuarial gain/ (loss)	558	(10)
Deficit at end of period	(10,856)	(11,178)

History of experience gains and losses

	2004 %	2004 £000	2003 %	2003 £000
Difference between the expected and actual return on scheme assets	4.5	870	7.8	1,261
Experience losses on scheme liabilities	9.9	3,013	(4.6)	(1,271)
Total amount recognised in STRGL	1.8	558	0.0	(10)

<u>Canada group – ARAMARK Canada Limited</u>

The group makes contributions to two pension schemes covering executives and staff. The assets of these funded schemes are held in separate trustee administered funds. One is a defined benefit scheme, the other a defined contribution scheme.

The pension costs relating to the defined benefit scheme are assessed in accordance with the advice of a qualified, independent actuary. The amount charged in the profit and loss account for the pension cost of the group was £1,270,000 (*2003:* £781,000) and this represents the regular pension cost.

The latest valuation of the Pension Plan was carried out as at 31 December 2003, using the projected unit method for the Executive Section of the Plan and the attained age method for the staff section of the Plan.

The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions. It was assumed that the investment returns would average 8.5% per annum and that present and future pensions would increase at the rate of 3.5% per annum.

The most recent actuarial valuation showed that the market value of the scheme's assets was £20,372,000 and that the actuarial value of those assets represented 75% of the benefits that had accrued to members, after allowing for expected future increases in earnings.

The group made contributions of £80,000 (*2003: £77,000*) towards the defined contribution scheme during the year.

Notes *(continued)*

22 Guarantees and other financial commitments *(continued)*

FRS 17

Whilst the company continues to account for pension costs in accordance with Statement of Standard Accounting Practice 24 'Accounting for Pension costs', under FRS 17 'Retirement benefits' the following transitional disclosures are required:

The valuation was completed by the actuary on an FRS 17 basis as at 1 October 2004.

The principal actuarial assumptions used as at 1 October 2004 for the purposes of FRS17 are shown below:

	2004	2003	2002
	%	%	%
Rate of increase in salaries	**3½**	3½	3½
Rate of increase of pensions in payment	**2½**	2½	2½
Discount rate	**5.8**	6	6½
Inflation assumption	**3**	2½	2½

The value of assets and liabilities of the pension scheme operated by ARAMARK Canada Limited at 1 October 2004, along with the weighted average expected rates of return of the scheme's assets are shown below:

	2004		2003		2002	
	Total	**Expected return**	Total	Expected return	Total	Expected return
	£000	**% p.a**	£000	% p.a	£000	% p.a
Equities and property	**14,058**	**9.6**	12,404	9.0	11,161	8.8
Bonds	**10,008**	**5.8**	8,957	5.8	8,191	6.9
Cash	**408**	**2.9**	383	3.0	58	3.0
	24,474		21,744		19,410	

Based on the assumptions above illustrative balance sheet figures are as follows:

	2004	2003	2002
	£000	£000	£000
Present value of scheme liabilities	**(35,072)**	(32,549)	(25,243)
Market value of scheme assets	**24,474**	21,744	19,410
Deficit in the scheme	**(10,598)**	(10,805)	(5,833)
Related deferred tax asset	**4,769**	4,862	2,625
Net pension liability	**(5,829)**	(5,943)	(3,208)

Notes *(continued)*

22 Guarantees and other financial commitments *(continued)*

If the amounts had been recognised in the financial statements, the group's net assets and profit and loss reserve would be as follows:

	2004 £000	2003 £000	2002 £000
Net assets excluding pension liability	**32,882**	41,293	49,080
Pension liability	**(5,829)**	(5,943)	(3,208)
Net assets including pension liability	**27,053**	35,350	45,872
Profit & loss reserve excluding pension liability	**(33,133)**	(24,722)	(16,985)
Pension liability	**(5,829)**	(5,943)	(3,208)
Profit & loss reserve including pension liability	**(38,962)**	(30,665)	(20,193)

The following amounts would have been recognised in the performance statements in the period to 1 October 2004 under the requirements of FRS 17:

Operating profit

	2004 £000	2003 £000
Current service costs	**1,356**	1,057
Past service costs	**-**	-
Total operating charge	**1,356**	1,057

Other finance income/(cost)

	2004 £000	2003 £000
Expected return on scheme assets	**1,641**	1,768
Interest on scheme liabilities	**(1,925)**	(1,672)
Other finance cost	**(284)**	96

Statement of total recognised gains and losses (STRGL)

	2004 £000	2003 £000
Actual return less expected return on scheme assets	**1,229**	(2,945)
Experience gains and losses arising on the scheme liabilities	**440**	(2,833)
Changes in assumptions underlying present value of the scheme liabilities	**(1,309)**	-
Actuarial loss recognised in STRGL	**360**	(5,778)

Notes *(continued)*

22 Guarantees and other financial commitments *(continued)*

Movement in deficit during the period

	2004 **£000**	2003 £000
Deficit at start of period	**(10,805)**	(5,833)
Contributions	**1,270**	2,328
Current service cost	**(1,356)**	(1,057)
Other finance cost	**(284)**	96
Actuarial loss	**360**	(5,778)
Foreign exchange difference	**217**	(561)
Deficit at end of period	**(10,598)**	(10,805)

History of experience gains and losses

	2004 **%**	**2004** **£000**	2003 %	2003 £000
Difference between the expected and actual return on scheme assets	**5.0**	**1,229**	(13.5)	(2,945)
Experience losses on scheme liabilities	**1.3**	**440**	(8.7)	(2,833)
Total amount recognised in STRGL	**1.0**	**360**	(17.8)	(5,778)

23 Related party transactions

The company has not disclosed transactions with other members of the ARAMARK group as permitted by Financial Reporting Standard No. 8.

24 Ultimate parent company

The company is a subsidiary undertaking of ARAMARK Senior Notes Holding Company, incorporated in the State of Delaware, USA.

The largest and smallest group of which ARAMARK Investments Limited is a member and for which group financial statements are drawn up is that headed by ARAMARK Corporation, incorporated in the state of Delaware, USA. The consolidated financial statements of ARAMARK Corporation are available to the public at its head office, ARAMARK Tower, 1101 Market Street, Philadelphia, PA 19107, USA.