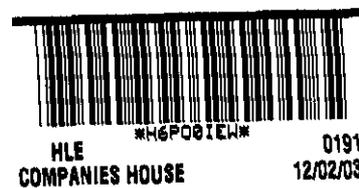


ARAMARK Investments Limited
and subsidiary undertakings

Group financial statements 28 September 2001
together with directors' and auditors' reports

Registered number: 2808311



Directors' report

For the year ended 28 September 2001

The directors present their report on the affairs of the group, together with the financial statements and auditors' report, for the year ended 28 September 2001.

Principal activities and business review

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 28 October 2000, ARAMARK Catering Limited, (a subsidiary of ARAMARK Investments Limited), acquired Campbell Bewley International Limited together with its subsidiaries.

On 14 November 2000, the shares in ARAMARK Limited, a subsidiary of ARAMARK Investments Limited, were transferred to ARAMARK Catering Limited.

Results and dividends

The profit for the financial year was £4.582m (2000 - £4.144m).

Dividends of £6.437m (2000 - £5.485m) were paid during the year resulting in a retained loss of £1.855m (2000 - £1.341m) which has been transferred from reserves.

Directors and their interests

The directors who served during the year and subsequently are as shown below:

W.J. Toner	
G.F. Campbell	(resigned 30 June 2002)
D. Gerrard	(appointed 1 July 2002)

The directors who held office at 28 September 2001 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.

Directors' report (continued)

Employee consultation

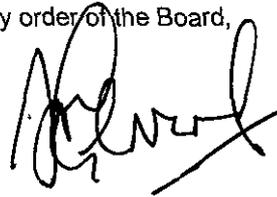
The group places considerable value on the involvement of its employees and has continued its previous practice of keeping them informed on matters affecting them as employees and on the various factors affecting the performance of the group. This is achieved through formal and informal meetings.

Auditors

The directors will place a resolution before the Annual General Meeting to appoint KPMG Plc as auditors for the ensuing year.

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

By order of the Board,



D. Gerrard
Director

7 February 2003

Statement of directors' responsibilities

United Kingdom 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 as at the end of the financial year and of the profit or loss of the group 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and 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 group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

To the Members of ARAMARK Investments Limited:

We have audited the financial statements of ARAMARK Investments Limited for the year ended 28 September 2001, which comprise the Group profit and loss account, Balance sheets, Statement of total recognised gains and losses and the related notes numbered 1 to 22 together with the Statement of accounting policies. These financial statements have been prepared under the accounting policies set out in the Statement of accounting policies.

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 auditors' 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' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of directors' responsibilities. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company and other members of the group is not disclosed.

We read the Directors' report and consider the implications for our report if we become aware of any apparent misstatements within it or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the circumstances of the company and the group, 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 of the group as at 28 September 2001 and of the group's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

Deloitte & Touche
Chartered Accountants and Registered Auditors
Leeds

12 February 2003

Consolidated profit and loss account

For the year ended 28 September 2001

	Notes	2001 £'000	2000 £'000
Turnover			
Existing operations		512,774	453,056
Acquisitions	1	30,632	-
Continuing operations	1	543,406	453,056
Cost of sales		(202,974)	(160,981)
Gross profit		340,432	292,075
Other operating expenses	2	(327,680)	(277,629)
Operating profit		12,752	14,446
Investment income	3	1,812	1,475
Interest payable and similar charges	4	(6,912)	(5,825)
Disposal of investment		-	307
Profit on ordinary activities before taxation	5	7,652	10,403
Tax on profit on ordinary activities	7	(2,545)	(6,259)
Profit on ordinary activities after taxation		5,107	4,144
Minority interest		(525)	-
Profit for the financial year		4,582	4,144
Dividends on equity shares	8	(6,437)	(5,485)
Retained loss for the year	18	(1,855)	(1,341)

All of the above results derive from continuing activities.

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

Consolidated statement of total recognised gains and losses

For the year ended 28 September 2001

	2001 £'000	2000 £'000
Profit for the financial year	4,582	4,144
Currency translation differences on foreign currency net investments	1,197	(2,459)
Profit on disposal of interest in subsidiary undertaking	2,144	-
	<u>7,923</u>	<u>1,685</u>

Consolidated balance sheet

28 September 2001

	Notes	2001 £'000	2000 £'000
Fixed assets			
Intangible assets	9	70,861	62,355
Tangible assets	10	28,551	22,370
Investments	11	87	87
		<u>99,499</u>	<u>84,812</u>
Current assets			
Stocks	12	13,656	10,871
Debtors	13	145,782	82,890
Cash at bank and in hand		3,329	3,663
		<u>162,767</u>	<u>97,424</u>
Creditors: Amounts falling due within one year	14	<u>(133,322)</u>	<u>(67,640)</u>
Net current assets		<u>29,445</u>	<u>29,784</u>
Total assets less current liabilities		128,944	114,596
Creditors: Amounts falling due after more than one year	15	(81,092)	(68,787)
Provision for liabilities and charges	16	(519)	-
Net assets		<u>47,333</u>	<u>45,809</u>
Capital and reserves			
Called-up share capital	17	28,081	28,081
Share premium account	18	28,080	28,080
Other reserves	18	371	371
Profit and loss account	18	(9,237)	(10,723)
Equity shareholders' funds	19	<u>47,295</u>	<u>45,809</u>
Minority interest		38	-
Total capital employed		<u>47,333</u>	<u>45,809</u>

The financial statements on pages 6 to 29 were approved by the board of directors on 7 February 2003 on its behalf by:



D. Gerrard

Director

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

Company balance sheet

28 September 2001

	Notes	2001 £'000	2000 £'000
Fixed assets			
Investments	11	<u>31,619</u>	<u>10</u>
Current assets			
Debtors	13	66,965	118,605
Creditors: Amounts falling due within one year	14	<u>(15,859)</u>	<u>(13,615)</u>
Net current assets		<u>51,106</u>	<u>104,990</u>
Total assets less current liabilities		<u>82,725</u>	<u>105,000</u>
Creditors: Amounts falling due after more than one year	15	<u>(23,979)</u>	<u>(44,269)</u>
Net assets		<u>58,746</u>	<u>60,731</u>
Capital and reserves			
Called-up share capital	17	28,081	28,081
Share premium account	18	28,080	28,080
Profit and loss account	18	<u>2,585</u>	<u>4,570</u>
Equity shareholders' funds	19	<u>58,746</u>	<u>60,731</u>

The financial statements on pages 6 to 29 were approved by the board of directors on 7 February 2003 on its behalf by:



D. Gerrard

Director

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

Statement of accounting policies

28 September 2001

A summary of the principal accounting policies, all of which have been applied consistently throughout the year ended 28 September 2001 and the preceding year is shown below.

Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

Basis of consolidation

The group financial statements consolidate the financial statements of ARAMARK Investments Limited and all its subsidiary undertakings made up to 28 September 2001. 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 account is presented for ARAMARK Investments Limited as provided by section 230 of the Companies Act 1985. The company's profit for the financial year determined in accordance with the Act, was £4,452,000 (2000 - £6,690,000). No cash flow statement is presented as allowed under the provisions of Financial Reporting Standard Number 1 (revised) since the company is a wholly owned subsidiary of ARAMARK Corporation.

Intangible fixed assets

Intangible fixed assets comprise goodwill and contract rights.

Contract rights and purchased goodwill are stated at their fair value at acquisition and are amortised over eight and ten years respectively, which the directors estimate to be the period over which benefits may be reasonably expected to accrue from the acquisitions.

Statement of accounting policies (continued)

Tangible fixed assets

All tangible fixed assets are shown at original cost.

Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life as follows:

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

Investments

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.

Stocks

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

Taxation

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

Deferred taxation (which arises from differences in the timing of the recognition of items, principally depreciation, in the financial statements and by the tax legislation) has been calculated on the liability method. Deferred taxation is provided on timing differences which will probably reverse, at the rates of tax likely to be in force at the time of the reversal. Deferred tax is not provided on timing differences which, in the opinion of the directors, will probably not reverse. However, the amount of all deferred tax, including that which will probably not reverse, is shown in the notes to the financial statements.

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.

Statement of accounting policies (continued)

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 the lease term, even if the payments are not made on such a basis.

Notes to financial statements

28 September 2001

1 Segment information

All turnover relates to the group's principal activities.

Geographical segments:

	<u>UK</u> 2001 £'000	<u>Rest of Europe</u> 2001 £'000	<u>North America</u> 2001 £'000	<u>Rest of world</u> 2001 £'000	<u>Group</u> 2001 £'000
Turnover by destination and origin	255,708	80,542	201,082	6,074	543,406
Profit before interest and taxation	6,104	710	5,938	-	12,752
Net assets					
Segment net assets	88,593	(9,416)	(7,893)	28	71,312
Unallocated interest bearing net liabilities					(23,979)
Total net assets					47,333
	<u>UK</u> 2000 £'000	<u>Rest of Europe</u> 2000 £'000	<u>North America</u> 2000 £'000	<u>Rest of world</u> 2000 £'000	<u>Group</u> 2000 £'000
Turnover by destination and origin	185,643	70,016	197,397	-	453,056
Profit before interest and taxation	8,216	529	5,701	-	14,446
Net assets					
Segment net assets	105,562	(9,210)	(6,274)	-	90,078
Unallocated interest bearing net liabilities					(44,269)
Total net assets					45,809

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

The turnover of the business resulting from the acquisition of Campbell Bewley International Limited and subsidiaries was £30,632,000. The operating profit cannot be given as certain Campbell Bewley regional offices were subsequently closed and merged with the existing ARAMARK activities.

Notes to financial statements (continued)

2 Other operating expenses

	2001 £'000	2000 £'000
Selling and distribution costs	278,270	238,630
Administrative expenses	49,410	38,999
	<u>327,680</u>	<u>277,629</u>

Administrative expenses include amortisation of intangible assets of £5,866,000 (2000: £4,097,000).

3 Investment income

	2001 £'000	2000 £'000
Other interest receivable and similar income	<u>1,812</u>	<u>1,475</u>

4 Interest payable and similar charges

	2001 £'000	2000 £'000
On bank loans, overdrafts and other loans		
- repayable within five years, not by instalments	6,573	5,385
On all other loans	339	440
	<u>6,912</u>	<u>5,825</u>

Notes to financial statements (continued)

5 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging (crediting):

	2001 £'000	2000 £'000
Amortisation and amounts written off		
- goodwill	5,404	3,635
- other intangible fixed assets	462	462
Depreciation and amounts written off tangible fixed assets	8,157	6,806
Profit on sale of fixed assets	(113)	472
Operating lease rentals		
- land and buildings	1,812	1,819
- other	3,828	3,040
Auditors' remuneration	156	177
Staff costs (Note 6)	<u>234,634</u>	<u>210,053</u>

During the year £111,000 (2000 - £119,000) was charged to the profit and loss account in respect of taxation and other non-audit services provided by the auditors.

6 Staff costs

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

	2001 £'000	2000 £'000
Employee costs during the year amounted to:		
Wages and salaries	207,989	186,885
Social security costs	21,874	18,764
Other pension costs	4,771	4,404
	<u>234,634</u>	<u>210,053</u>

Notes to financial statements (continued)

6 Staff costs (continued)

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

	2001 Number employed	2000 Number employed
Food and other services	21,626	21,198
Distribution	1,175	762
Administration	808	671
	<u>23,609</u>	<u>22,631</u>

Directors' remuneration:

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

	2001 £'000	2000 £'000
Emoluments	<u>560</u>	<u>1,203</u>

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

	2001 £'000	2000 £'000
Highest paid director	<u>347</u>	<u>695</u>

The amount at 28 September 2001 of the accrued pension of the highest paid director was £nil (2000 - £80,000). The number of directors who participate in the group's defined benefit pension scheme is 1 (2000 - 3).

Notes to financial statements (continued)

7 Tax on profit on ordinary activities

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

	2001 £'000	2000 £'000
Current year UK corporation tax	1,915	2,816
Adjustment in respect of prior year	(3,050)	-
Deferred taxation	519	(530)
Overseas taxation	3,161	3,973
	<u>2,545</u>	<u>6,259</u>

The adjustment in respect of prior years represents the recovery of ACT previously written off as well as the over provision of corporation tax in the prior year.

8 Dividends

	2001 £'000	2000 £'000
Ordinary		
22.9p per share (2000 – 19.5p)	<u>6,437</u>	<u>5,485</u>

9 Intangible fixed assets

	Contract rights £'000	Goodwill on consolidation £'000	Purchased Goodwill £'000	Total £'000
Cost				
Beginning of year	7,867	77,362	5,777	91,006
Additions	-	14,372	-	14,372
End of year	<u>7,867</u>	<u>91,734</u>	<u>5,777</u>	<u>105,378</u>
Amounts written off				
Beginning of year	5,086	20,043	3,522	28,651
Amortisation	462	5,114	290	5,866
End of year	<u>5,548</u>	<u>25,157</u>	<u>3,812</u>	<u>34,517</u>
Net book value				
End of year	<u>2,319</u>	<u>66,577</u>	<u>1,965</u>	<u>70,861</u>
Beginning of year	<u>2,781</u>	<u>57,319</u>	<u>2,255</u>	<u>62,355</u>

Notes to financial statements (continued)

10 Tangible fixed assets

Group	<u>Land and buildings</u>		Plant and machinery £'000	Total £'000
	Freehold £'000	Leasehold improvements £'000		
Cost				
Beginning of year	799	5,975	61,080	67,854
Additions	-	2,112	12,220	14,332
Additions acquired with subsidiary	511	798	13	1,322
Disposals	-	(246)	(6,325)	(6,571)
Exchange difference	-	(288)	(1,822)	(2,110)
End of year	<u>1,310</u>	<u>8,351</u>	<u>65,166</u>	<u>74,827</u>
Depreciation				
Beginning of year	413	3,202	41,869	45,484
Charge	167	744	7,246	8,157
Disposals	-	(207)	(5,827)	(6,034)
Exchange difference	-	(157)	(1,174)	(1,331)
End of year	<u>580</u>	<u>3,582</u>	<u>42,114</u>	<u>46,276</u>
Net book value				
End of year	<u>730</u>	<u>4,769</u>	<u>23,052</u>	<u>28,551</u>
Beginning of year	<u>386</u>	<u>2,773</u>	<u>19,211</u>	<u>22,370</u>

Notes to financial statements (continued)

11 Fixed asset investments

	Group		Company	
	2001 £'000	2000 £'000	2001 £'000	2000 £'000
Subsidiary undertakings	-	-	31,619	10
Other investments and loans	87	87	-	-
	<u>87</u>	<u>87</u>	<u>31,619</u>	<u>10</u>

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		Principal activity
			Group	Company	
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 Catering Limited	England and Wales	United Kingdom	92%	-	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
Versa Services Limited	Canada	Canada	100%	-	Provision of food and cleaning services
ARAMARK SA	Belgium	Belgium	100%	-	Provision of catering and vending services
Campbell Bewley International Limited	England and Wales	United Kingdom	92%	-	Dormant

Notes to financial statements (continued)

11 Fixed asset investments (continued)

b) Investment in subsidiary undertakings

	Company 2001 £'000
Cost and net book value	
Beginning of year	10
Capital contribution to ARAMARK Worldwide Investments Limited	31,609
End of year	<u>31,619</u>

c) Other investments

	Group	
	2001 £'000	2000 £'000
Cost and net book value		
Beginning of year	87	2,105
Additions	-	32
Disposals	-	(2,276)
Exchange difference	-	226
End of year	<u>87</u>	<u>87</u>

Notes to financial statements (continued)

11 Fixed asset investments (continued)

d) Acquisition of Campbell Bewley International Limited

On 28 October 2000, ARAMARK Catering Limited, (a subsidiary of ARAMARK Investments Limited), acquired Campbell Bewley International Limited together with its subsidiaries.

On 29 October 2000, the trade, assets and liabilities of Campbell Bewley International Limited and its subsidiaries were transferred to ARAMARK Limited.

The following table sets out the book values of the identifiable assets and liabilities acquired and subsequently transferred at their fair value to ARAMARK Limited.

	Book value and fair value £'000
Fixed assets	
Tangible	1,322
Current assets	
Stocks	640
Debtors	3,262
Prepayments	1,083
Cash	807
Total assets	<u>7,114</u>
Creditors	
Trade creditors	(3,476)
Accruals	(1,879)
Taxation	(8)
Total liabilities	<u>(5,363)</u>
Net assets	1,751
Goodwill	14,372
	<u>16,123</u>
Satisfied by	
Assumption of debt	14,500
Inter-company loan	1,623
	<u>16,123</u>

Notes to financial statements (continued)

12 Stocks

	Group	
	2001 £'000	2000 £'000
Goods for resale	12,986	10,238
Spare parts	670	633
	<u>13,656</u>	<u>10,871</u>

In the directors' opinion, the estimated replacement cost of stocks does not materially exceed their balance sheet value.

13 Debtors

	Group		Company	
	2001 £'000	2000 £'000	2001 £'000	2000 £'000
Amounts falling due within one year:				
Trade debtors	58,430	50,302	-	-
Amounts owed by group undertakings	53,791	4,693	66,965	114,876
Other debtors	8,456	5,335	-	3,729
Prepayments and accrued income	2,665	1,567	-	-
Finance leases	59	106	-	-
	<u>123,401</u>	<u>62,003</u>	<u>66,965</u>	<u>118,605</u>
Amounts falling due after more than one year:				
Amounts owed by group undertakings	715	20,887	-	-
Notes receivable	21,666	-	-	-
	<u>22,381</u>	<u>20,887</u>	<u>-</u>	<u>-</u>
	<u>145,782</u>	<u>82,890</u>	<u>66,965</u>	<u>118,605</u>

Notes to financial statements (continued)

14 Creditors: Amounts falling due within one year

	Group		Company	
	2001 £'000	2000 £'000	2001 £'000	2000 £'000
Bank loans and overdrafts	7,883	3,639	-	-
Trade creditors	36,613	30,701	-	-
Amounts owed to other group undertakings	56,706	2,667	15,859	13,615
Other creditors:				
- UK corporation tax payable	1,618	1,206	-	-
- overseas taxation	4,842	5,220	-	-
- other	10,554	8,417	-	-
Accruals and deferred income	15,106	15,790	-	-
	<u>133,322</u>	<u>67,640</u>	<u>15,859</u>	<u>13,615</u>

15 Creditors: Amounts falling due after more than one year

	Group		Company	
	2001 £'000	2000 £'000	2001 £'000	2000 £'000
Bank loans	35,023	22,986	-	-
Amounts owed to parent company	46,069	45,801	23,979	44,269
	<u>81,092</u>	<u>68,787</u>	<u>23,979</u>	<u>44,269</u>

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 to financial statements (continued)

16 Provision for liabilities and charges

The movement on deferred taxation comprises:

	Group	
	2001 £'000	2000 £'000
Beginning of year	-	530
Charged (credited) to the profit and loss account, in respect of		
- pensions	-	(399)
- capital allowances	-	251
- other timing differences	519	(382)
End of year	<u>519</u>	<u>-</u>

At 28 September 2001, there was a potential deferred tax asset of £677,000 (2000 - £550,000) which has not been recognised in the financial statements.

17 Called-up share capital

	Group and Company	
	2001 £'000	2000 £'000
<i>Authorised</i>		
30,000,000 ordinary shares of £1 each	<u>30,000</u>	<u>30,000</u>
<i>Allotted, called-up and fully-paid</i>		
28,080,541 ordinary shares of £1 each	<u>28,081</u>	<u>28,081</u>

Notes to financial statements (continued)

18 Reserves

Group	Share premium account £'000	Other Reserves £'000	Profit and loss account £'000	Total £'000
Beginning of year	28,080	371	(10,723)	17,728
Currency translation differences	-	-	1,197	1,197
Retained loss for the year	-	-	(1,855)	(1,855)
Unrealised gain on sale of interest in subsidiary undertaking	-	-	2,144	2,144
End of year	<u>28,080</u>	<u>371</u>	<u>(9,237)</u>	<u>19,214</u>
Company				
Beginning of year	28,080	-	4,570	32,650
Retained loss for the year	-	-	(1,985)	(1,985)
End of year	<u>28,080</u>	<u>-</u>	<u>2,585</u>	<u>30,665</u>

19 Reconciliation of movements in equity shareholders' funds

	Group		Company	
	2001 £'000	2000 £'000	2001 £'000	2000 £'000
Profit for the financial year	4,582	4,144	4,452	6,690
Dividends paid and proposed	(6,437)	(5,485)	(6,437)	(5,485)
Retained (loss)/profit for the year	(1,855)	(1,341)	(1,985)	1,205
Unrealised gain on sale of interest in subsidiary undertaking	2,144	-	-	-
Other recognised gains and losses relating to the year	1,197	(2,459)	-	-
Net movement in year of equity shareholders' funds	<u>1,486</u>	<u>(3,800)</u>	<u>(1,985)</u>	<u>1,205</u>
Opening equity shareholders' funds	<u>45,809</u>	<u>49,609</u>	<u>60,731</u>	<u>59,526</u>
Closing equity shareholders' funds	<u>47,295</u>	<u>45,809</u>	<u>58,746</u>	<u>60,731</u>

Notes to financial statements (continued)

20 Guarantees and other financial commitments

a) Capital commitments

At the end of the year capital commitments were:

	Group	
	2001 £'000	2000 £'000
Contracted for but not provided for	1,802	3,333

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 £3,828,000 (2000 - £3,040,000). 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 £1,812,000 (2000 - £1,819,000). 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.

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

Group	Property	Property	Plant and	Plant and
	2001 £'000	2000 £'000	Machinery 2001 £'000	Machinery 2000 £'000
Operating leases which expire				
- within 1 year	102	792	35	695
- within 2-5 years	943	1,146	1,991	1,842
- after 5 years	1,149	427	50	-
	<u>2,194</u>	<u>2,365</u>	<u>2,076</u>	<u>2,537</u>

Notes to financial statements (continued)

20 Guarantees and other financial commitments (continued)

d) Pension arrangements

The group makes contributions to a number of pension schemes established in both the UK and overseas. The assets of these funded schemes are held in separate trustee administered funds and comprise both defined benefit and defined contribution schemes.

The pension costs relating to the defined benefit scheme are assessed in accordance with the advice of a qualified actuary. The amount charged in the profit and loss account for the pension cost of the company was £1,258,000 (2000 - £1,006,000) and this represents the regular pension cost.

The latest actuarial valuation of the Pension Plan was carried out as at 1 April 2001, 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 £14,041,000 and that the actuarial value of those assets represented 86% of the benefits that had accrued to members, after allowing for expected future increases in earnings.

The company made contributions of £3,513,000 (2000 - £3,398,000) towards defined contribution schemes during the year.

In November 2000 the Accounting Standards Board issued FRS 17 'Retirement Benefits' replacing SSAP 24 'Accounting for Pension Costs'. FRS 17 is fully effective in future periods from a date still to be agreed, although certain disclosures are required in the transitional period, for periods ending on or after 22 June 2001. These disclosures as at 28 September 2001 are set out below.

The principal actuarial assumptions used as at 28 September 2001 for the purposes of FRS 17 are shown below:

	%
Rate of increase in salaries	4
Rate of increase of pensions in payment	2.5
Discount rate	6
Inflation assumption	2.5

Notes to financial statements (continued)

20 Guarantees and other financial commitments (continued)

d) Pension arrangements (continued)

The value of assets and liabilities of the defined benefit pension scheme operated by the group at 28 September 2001, along with the weighted average expected rates of return of the scheme's assets are shown below:

	Long-term rate of return expected (%)	Value £'000
Equities	7.5	11,036
Bonds	5	2,273
Cash	4	1,195
		<hr/>
Fair value of assets held		14,504
Present value of liabilities		(20,011)
		<hr/>
Pension scheme deficit		(5,507)
Related deferred tax asset		1,652
		<hr/>
Net pension liability		(3,855)
		<hr/>

Had the company adopted FRS 17 in full, group profit and loss reserves would have been stated as follows:

	£'000
Profit and loss reserve	(9,237)
Net pension liability	(3,855)
	<hr/>
Profit and loss reserve as adjusted	(13,092)
	<hr/>

With effect from 1 June 2002, the company contribution rates were increased from 8.4% to 12% of pensionable salaries in respect of the Staff section of the scheme and from 11% to 15.5% 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 2004 are known.

21 Related party transactions

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

Notes to financial statements (continued)

22 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 Group Inc, incorporated in the state of Delaware, USA whose principal place of business is at ARAMARK Tower, 1101 Market Street, Philadelphia, PA 19107, USA. The consolidated financial statements of this group are available to the public and may be obtained from ARAMARK Tower, 1101 Market Street, Philadelphia, PA 19107, USA.