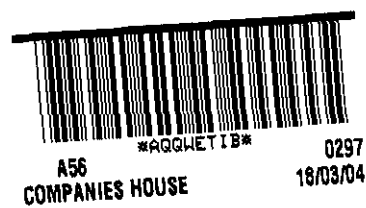


Aramark Investments Limited

**Directors' report and consolidated
financial statements**

Registered number 2808311

27 September 2002



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Directors' report

The directors present their annual report and the audited financial statements for the year ended 27 September 2002.

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.

Results and dividends

The profit for the financial year was £6.577m (2001 as restated: £4.146m)

Equity dividends of £9.423m (2001: £7.299m restated for a prior year adjustment of £862,000) and non-equity dividends of £628,000 were paid during the year resulting in a retained loss of £3.474m (2001 as restated - £3.153m), which has been transferred from reserves. The 2001 results have been restated as detailed in note 11.

Directors and their interests

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

WJ Toner
GF Campbell (resigned 30 June 2002)
D Gerrard (appointed 1 July 2002)

The directors who held office at 27 September 2002 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

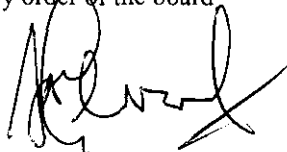
The group places considerable value on the involvement of its employees and has continued its previous practice of keeping them informed on matters affecting them as employees and on the various factors affecting the performance of the group. This is achieved through formal and informal meetings.

Auditors

On 28 March 2003, Deloitte & Touche resigned as auditors to the company. On 28 March 2003 KPMG LLP were appointed by the Directors in their place to fill the casual vacancy.

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



D Gerrard
Director

Millbank Tower (28th Floor)
21-23 Millbank
London
SW1P 4QP

11 March 2004

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 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 company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP

1 The Embankment
Neville Street
Leeds
LS1 4DW
United Kingdom

Report of the independent auditors to the members of Aramark Investments Limited

We have audited the financial statements on pages 4 to 31.

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 company is not disclosed.

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 affairs of the company and the group as at 27 September 2002 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor
Leeds

11 March 2004

Consolidated profit and loss account
for the year ended 27 September 2002

	Note	2002 £000	As restated 2001 £000
Turnover			
Continuing operations		572,408	546,464
Acquisitions		4,996	-
		<hr/>	<hr/>
Cost of sales	2	577,404 (209,296)	546,464 (203,848)
		<hr/>	<hr/>
Gross profit		368,108	342,616
Other operating expenses	3	(352,862)	(330,640)
		<hr/>	<hr/>
Operating profit/(loss)	7		
Continuing operations		15,423	11,976
Acquisitions		(177)	-
		<hr/>	<hr/>
Profit on disposal of business	4	15,246	11,976
Investment income	5	650	-
Interest payable and similar charges	6	1,984 (5,956)	1,812 (6,912)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		11,924	6,876
Tax on profit on ordinary activities	9	(4,886)	(2,205)
		<hr/>	<hr/>
Profit on ordinary activities after taxation		7,038	4,671
Minority interest		(461)	(525)
		<hr/>	<hr/>
Profit for the financial year		6,577	4,146
Dividends on equity shares	10	(9,423)	(7,299)
Dividends on non-equity shares	10	(628)	-
		<hr/>	<hr/>
Retained loss for the year	22	(3,474)	(3,153)
		<hr/>	<hr/>

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.

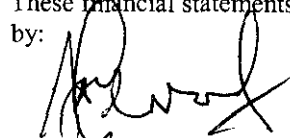
A consolidated statement of total recognised gains and losses is shown on page 7.

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

Consolidated balance sheet
at 27 September 2002

	Note	2002 £000	As restated 2001 £000
Fixed assets			
Intangible assets	12	79,236	75,857
Tangible assets	13	31,683	31,996
Investments	14	-	87
		<hr/> 110,919	<hr/> 107,940
Current assets			
Stocks	16	14,452	14,176
Debtors	17	96,026	97,339
Cash at bank and in hand		3,282	2,765
		<hr/> 113,760	<hr/> 114,280
Creditors: amounts falling due within one year	18	(97,853)	(89,230)
Net current assets/(liabilities)			
Due within one year		(3,978)	2,669
Due over one year		19,885	22,381
		<hr/> 15,907	<hr/> 25,050
Total assets less current liabilities		126,826	132,990
Creditors: amounts falling due after more than one year	19	(77,531)	(81,092)
Provisions for liabilities and charges	20	(215)	(179)
		<hr/>	<hr/>
Net assets		49,080	51,719
		<hr/>	<hr/>
Capital reserves			
Called up share capital	21	28,081	28,081
Share premium account	22	28,080	28,080
Other reserves	22	371	371
Profit and loss account	22	(16,985)	(14,334)
		<hr/>	<hr/>
Equity shareholders' funds	23	39,547	42,198
Equity minority interest		50	38
Non-equity minority interest		9,483	9,483
		<hr/>	<hr/>
Total capital employed		49,080	51,719
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 11 March 2004 and were signed on its behalf by:



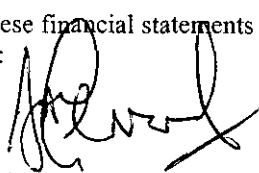
D Gerrard
Director

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

Company balance sheet
at 27 September 2002

	<i>Note</i>	2002 £000	2001 £000
Fixed assets			
Investments	<i>14</i>	31,619	31,619
Current assets			
Debtors	<i>17</i>	67,657	66,965
Creditors: amounts falling due within one year	<i>18</i>	(17,374)	(15,859)
Net current assets		50,283	51,106
Total assets less current liabilities		81,902	82,725
Creditors: amounts falling due after more than one year	<i>19</i>	(24,011)	(23,979)
Net assets		57,891	58,746
Capital reserves			
Called up share capital	<i>21</i>	28,081	28,081
Share premium account	<i>22</i>	28,080	28,080
Profit and loss account	<i>22</i>	1,730	2,585
Equity shareholders' funds	<i>23</i>	57,891	58,746

These financial statements were approved by the board of directors on 11 March 2004 and were signed on its behalf by:


D Gerrard
Director

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

Consolidated statement of total recognised gains and losses
for the year ended 27 September 2002

	2002 £000	As restated 2001 £000
Profit for the financial year	6,577	4,146
Currency translation differences on foreign currency net investments	823	1,197
Profit on disposal of interest in subsidiary undertaking	-	2,144
	<hr/>	<hr/>
Total recognised gains and losses relating to the year	7,400	7,487
	<hr/>	<hr/>
Prior year adjustments (see note 11)	(5,097)	
	<hr/>	
Total gains and losses recognised since last annual report	2,303	
	<hr/>	

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 year ended 27 September 2002 and the preceding year is shown below.

Basis of accounting

The group financial statements consolidate the financial statements of ARAMARK Investments Limited and all its subsidiary undertakings made up to 27 September 2002. 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 year determined in accordance with the Act, was £8,568,000 (2001: £5,314,000 restated for a prior year adjustment of £862,000 - See note 11).

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.

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.

Tangible fixed assets

All tangible fixed assets are shown at original cost.

Freehold buildings	-	25 to 40 years
Leasehold land and buildings	-	term of lease
Plant and machinery	-	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 first-in, first-out 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 to 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 2002 £000	Rest of Europe 2002 £000	North America 2002 £000	Rest of world 2002 £000	Group 2002 £000
Turnover by destination and origin	272,480	83,377	209,191	12,356	577,404
Operating profit	8,178	730	6,338	-	15,246
Profit on disposal of business	650	-	-	-	650
Profit before interest and taxation	8,828	730	6,338	-	15,896
Net assets					
Segment net assets	37,763	24,257	11,071	-	73,091
Unallocated interest bearing net liabilities					(24,011)
Total net assets					49,080

Table is 'as restated'	UK 2001 £000	Rest of Europe 2001 £000	North America 2001 £000	Rest of world 2001 £000	Group 2001 £000
Turnover by destination and origin	255,708	80,542	204,140	6,074	546,464
Profit before interest and taxation	6,104	710	5,162	-	11,976
Net assets					
Segment net assets	41,363	23,458	10,877	-	75,698
Unallocated interest bearing net liabilities					(23,979)
Total net assets					51,719

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

Acquisitions

The turnover of Travers Food Service Ltd from the date of acquisition was £299,000 and the operating loss was £152,000.

The turnover of Servicemaster Management Services of Canada Inc from the date of acquisition was £4,697,000 and the operating loss was £25,000.

No turnover has been included in the prior year figures as a result of the acquisition of ARAMARK Entertainment Services (Canada) Inc, as the acquisition's proximity to the year end rendered it insignificant.

Notes (continued)

3 Other operating expenses

	2002 £000	As restated 2001 £000
Selling and distribution costs	176,118	158,457
Administrative expenses	176,744	172,183
	<hr/> 352,862 <hr/>	<hr/> 330,640 <hr/>

Administrative expenses include amortisation of intangible assets of £6,084,000 (2001 as restated: £5,701,000)

4 Profit on disposal of business

Sale of vending business

On 1 March 2002 the group sold the trade and certain assets of the group's division engaged in the provision of operated vending machine services to a third party. The amounts reflected in the accounts for this transaction are set out below:

Assets and liabilities disposed of:	£000
Tangible fixed assets	16
Stock	5
	<hr/>
Net assets disposed of	21
	<hr/>
Sale consideration	868
Costs and expenses	(55)
Assets written-off	(142)
	<hr/> 671 <hr/>
Gain on disposal	<hr/> 650 <hr/>

5 Investment income

	2002 £000	2001 £000
Other interest receivable and similar income	1,984	1,812
	<hr/>	<hr/>

Notes (continued)

6 Interest payable and similar charges

	2002 £000	2001 £000
On bank loans, overdrafts and other loans		
- repayable within five years, not by instalments	5,586	6,573
On all other loans	370	339
	<u>5,956</u>	<u>6,912</u>

7 Operating profit

Operating profit is stated after charging/(crediting):

	2002 £000	(As restated) 2001 £000
Amortisation and amounts written off		
Goodwill	5,787	5,404
Other intangible fixed assets	297	297
Depreciation and amounts written off tangible fixed assets	9,403	8,157
Loss/(profit) on sale of fixed assets	78	(113)
Operating lease rentals		
Land and building	2,191	1,812
Other	3,971	3,828
Auditors' remuneration	174	156
	<u> </u>	<u> </u>

Notes (continued)

8 Staff costs

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

	2002 £000	2001 £000
Employee costs during the year amounted to:		
Wages and salaries	222,467	207,989
Social security costs	19,411	21,874
Other pension costs	2,812	4,771
	<u>244,690</u>	<u>234,634</u>

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

	2002	2001
Food and other services	25,404	21,626
Distribution	574	1,175
Administration	689	808
	<u>26,667</u>	<u>23,609</u>

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

	2002 £000	2001 £000
Emoluments	<u>443</u>	<u>560</u>

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

	2002 £000	2001 £000
Highest paid director	<u>291</u>	<u>347</u>

The number of directors who participate in the group's defined benefit pension scheme is 2 (2001: 1).

Notes (continued)

9 Tax on profit on ordinary activities

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

	2002 £000	As restated 2001 £000
Current tax:		
UK corporation tax on profits of the period	2,372	1,915
Adjustments in respect of previous periods	(1)	(3,050)
Overseas taxation	2,817	3,161
	<hr/>	<hr/>
Total current tax	5,188	2,026
	<hr/>	<hr/>
Deferred tax:		
Origination and reversal of timing differences	107	179
Adjustments in respect of previous periods	(409)	-
	<hr/>	<hr/>
Total deferred tax	(302)	179
	<hr/>	<hr/>
Tax on profit on ordinary activities	4,886	2,205
	<hr/>	<hr/>

Factors affecting the tax charge for the current period

The current tax charge for the period is higher (2001: lower) than the standard rate of corporation tax in the UK, being 30% (2001: 30%). The difference is explained below:

	2002 £000	As restated 2001 £000
Current tax reconciliation		
Profit on ordinary activities before tax	11,924	6,876
	<hr/>	<hr/>
Current tax at 30% (2001: 30%)	3,577	2,063
Effects of:		
Expenses not deductible for tax purposes	1,522	2,628
Depreciation in excess of capital allowances/capital allowances in excess of depreciation	120	(5)
Other timing differences	(118)	(197)
Utilisation of tax losses	(760)	(439)
Higher tax rates on overseas earnings	848	1,026
Adjustments to tax in respect of previous periods	(1)	(3,050)
	<hr/>	<hr/>
Total current tax charge (see above)	5,188	2,026
	<hr/>	<hr/>

10 Dividends

	2002 £000	As restated 2001 £000
Equity - 33.6p per share (2001 as restated: 25.99p)	9,423	7,299
Non-equity - At 7% on cumulative redeemable preference shares of £94,930 each	628	-
	<hr/>	<hr/>
	10,051	7,299
	<hr/>	<hr/>

Notes (continued)

11 Prior year adjustments

- i. An adjustment has been made to the 2001 accounts to reflect a dividend of £7,299,000 which was declared and paid to the parent company on 27 September 2001. This final dividend was previously stated as £6,437,000 in the 2001 accounts. A corresponding reduction in the amount of cash in hand at 28 September 2001 has been made.
- ii. An adjustment has been made to the 2001 accounts to reflect the acquisition of Aramark Entertainment Services (Canada) Inc. from Aramark Corporation, which took place on 26 September 2001 but was not recorded in the accounts. The table below sets out the assets and liabilities acquired and the required restatement to the 2001 accounts. There is no impact on profit for the financial year to 28 September 2001.
- iii. The 2001 figures have been restated to include the results and balances of "Olympic Stadium", which have not previously been recognised in the accounts. "Olympic Stadium" comprises a small number of operating units in Canada but is not a statutory entity. The table on the following page sets out the assets and liabilities excluded from the 2001 accounts. The net liabilities as at 29 September 2000 were £139,000.
- iv. An adjustment has been made to the 2001 accounts, in respect of the netting off of intercompany balances. This has resulted in a decrease to both debtors and creditors of £45.7m and has had no impact on net assets.
- v. The 2001 figures have been restated, in order to fully amortise contract rights goodwill in Spain. This was being amortised over a period which was not consistent with the accounting policy. This resulted in an adjustment to net assets of £1,984,000 as at 27 September 2001 and £2,149,000 as at 29 September 2000.
- vi. An adjustment has been made to the 2001 accounts to remove a pension asset from the balance sheet, which did not comply with UK GAAP. The net assets at 28 September 2001 were reduced by £2,373,000 and at 29 September 2000 by £1,511,000.

Aramark Entertainment Services acquisition (ii)

	£000
Fixed assets	
Tangible	3,285
Current assets	
Stock	306
Debtors	52
Prepayments	64
Cash	212
Total assets	3,919
Current liabilities	
Trade creditors	(189)
Accruals	(686)
Taxation	(541)
Total liabilities	(1,416)
Net assets	2,503
Goodwill	6,980
	9,483
Satisfied by:	
Issue of preference shares	9,483

Notes (continued)

11 Prior year adjustments (continued)

"Olympic Stadium" assets and liabilities excluded in the previously stated 2001 consolidated accounts (iii)

	£000
Fixed assets	
Tangible	160
Current assets	
Stock	214
Trade debtors	224
Prepayments	6
Cash	86
Total assets	690
Current liabilities	
Trade creditors	(139)
Intercompany creditors	(716)
Accruals	(53)
Total liabilities	(908)
Net liabilities	(218)

12 Intangible fixed assets

	Contract rights £000	Goodwill on consolidation £000	Purchased goodwill £000	Total £000
Cost				
Beginning of year (as restated)	7,867	98,714	5,777	112,358
Additions (note 15)	-	9,463	-	9,463
End of year	7,867	108,177	5,777	121,821
Amounts written off				
Beginning of year (as restated)	7,532	25,157	3,812	36,501
Amortisation	297	5,608	179	6,084
End of year	7,829	30,765	3,991	42,585
Net book value				
End of year	38	77,412	1,786	79,236
Beginning of year (as restated)	335	73,557	1,965	75,857

Notes (continued)

13 Tangible fixed assets

Group	Land and buildings		Plant and machinery	Total
	Freehold £000	Leasehold improvements £000		
Cost				
Beginning of year (<i>as restated</i>)	1,310	8,351	72,344	82,005
Additions	-	1,219	9,468	10,687
Acquisitions (note 15)	-	9	2,721	2,730
Disposals	-	(2,555)	(7,374)	(9,929)
Exchange differences	-	(436)	(2,279)	(2,715)
End of year	1,310	6,588	74,880	82,778
Depreciation				
Beginning of year (<i>as restated</i>)	580	3,582	45,847	50,009
Acquisitions	-	-	377	377
Charge	-	739	8,664	9,403
Disposals	-	(1,056)	(6,016)	(7,072)
Exchange difference	-	(180)	(1,442)	(1,622)
End of year	580	3,085	47,430	51,095
Net book value				
End of year	730	3,503	27,450	31,683
Beginning of year (<i>as restated</i>)	730	4,769	26,497	31,996

14 Fixed asset investments

	Group		Company	
	2002 £000	2001 £000	2002 £000	2001 £000
Subsidiary undertakings	-	-	31,619	31,619
Other investments and loans	-	87	-	-
End of year	-	87	31,619	31,619

Notes (continued)

14 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		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 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	92%	-	Holding company
ARAMARK Limited**	England and Wales	United Kingdom	92%	-	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
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 Worldwide Investments Limited.

b) Investment in subsidiary undertakings

	Company	
	2002 £000	2001 £000
Cost and net book value		
Beginning of year	31,619	10
Capital contribution to ARAMARK Worldwide Investments Limited	-	31,609
End of year	31,619	31,619

Notes (continued)

14 Fixed asset investments (continued)

c) Other investments

	Group	
	2002 £000	2001 £000
Cost and net book value		
Beginning of year	87	87
Additions	-	-
Disposals	(87)	-
Exchange differences	-	-
	<hr/>	<hr/>
End of year	-	87
	<hr/>	<hr/>

15 Acquisitions

On 30 November 2001, Aramark Canada Limited acquired the share capital of Servicemaster Management Services of Canada Inc. (Servicemaster) from ARAMARK Corporation at the same time that ARAMARK Corporation purchased various companies from Servicemaster Company.

On 17 July 2002, Aramark Canada Limited acquired the share capital of Travers Food Service Ltd (Travers).

The above acquisitions have been accounted for using the acquisition method of accounting.

Notes (continued)

15 Acquisitions (continued)

The following table sets out the book and fair values of the separately identifiable assets and liabilities acquired:

	2002		
	Travers £000	Servicemaster £000	Total £000
Fixed assets			
Tangible	2,132	221	2,353
Current assets			
Stock	141	36	177
Debtors	3,239	1,124	4,363
Prepayments	-	20	20
Cash	728	173	901
	<hr/>	<hr/>	<hr/>
	4,108	1,353	5,461
Total assets	<hr/>	<hr/>	<hr/>
	6,240	1,574	7,814
Current liabilities			
Trade creditors	(856)	(81)	(937)
Accruals	(1,818)	(385)	(2,203)
Taxation	(249)	-	(249)
Deferred taxation	(338)	-	(338)
	<hr/>	<hr/>	<hr/>
	(3,261)	(466)	(3,727)
Long term loan	(1,008)	(847)	(1,855)
	<hr/>	<hr/>	<hr/>
Total liabilities	(4,269)	(1,313)	(5,582)
Net assets acquired	<hr/>	<hr/>	<hr/>
	1,971	261	2,232
Goodwill	8,230	1,233	9,463
	<hr/>	<hr/>	<hr/>
	10,201	1,494	11,695
	<hr/>	<hr/>	<hr/>
Satisfied by:			
Cash	10,201	1,494	11,695
	<hr/>	<hr/>	<hr/>

16 Stocks

	Group	
	2002	As restated
	£000	2001 £000
Goods for resale	13,795	13,506
Spare parts	657	670
	<hr/>	<hr/>
	14,452	14,176
	<hr/>	<hr/>

Notes (continued)

17 Debtors

	Group		Company	
	2002	As restated 2001	2002	2001
	£000	£000	£000	£000
Amounts falling due within one year:				
Trade debtors	61,587	58,706	-	-
Amounts owed by group undertakings	4,899	7,375	67,657	66,965
Other debtors	5,972	6,083	-	-
Prepayments and accrued income	3,683	2,735	-	-
Finance leases	-	59	-	-
	<u>76,141</u>	<u>74,958</u>	<u>67,657</u>	<u>66,965</u>
Amounts falling due after more than one year:				
Amounts owed by group undertakings	-	715	-	-
Notes receivable	19,885	21,666	-	-
	<u>19,885</u>	<u>22,381</u>	<u>-</u>	<u>-</u>
	<u>96,026</u>	<u>97,339</u>	<u>67,657</u>	<u>66,965</u>

18 Creditors: amounts falling due within one year

	Group		Company	
	2002	As restated 2001	2002	2001
	£000	£000	£000	£000
Bank loans and overdrafts	5,906	7,883	-	-
Trade creditors	38,752	36,940	-	-
Amounts owed to other group undertakings	22,574	11,165	17,374	15,859
Other creditors:				
UK corporation tax payable	1,405	1,618	-	-
Overseas taxation	2,917	5,383	-	-
Other	10,520	10,554	-	-
Accruals and deferred income	15,779	15,687	-	-
	<u>97,853</u>	<u>89,230</u>	<u>17,374</u>	<u>15,859</u>

Notes (continued)

19 Creditors: amounts falling due after more than one year

	Group		Company	
	2002 £000	2001 £000	2002 £000	2001 £000
Bank loans	31,430	35,023	-	-
Amounts owed to parent company	46,101	46,069	24,011	23,979
	<u>77,531</u>	<u>81,092</u>	<u>24,011</u>	<u>23,979</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.

20 Provision for liabilities and charges

	2002 £000	As restated 2001 £000
Provision for deferred taxation		
Accelerated capital allowances	154	-
Other timing differences	61	179
	<u>215</u>	<u>179</u>
Provision at start of period	179	-
Acquisitions (note 15)	338	
Deferred tax (credit)/charge in profit and loss for the period (note 9)	(302)	179
	<u>215</u>	<u>179</u>

21 Called-up share capital

	2002 £000	2001 £000
<i>Authorised</i>		
30,000,000 ordinary shares of £1 each	30,000	30,000
<i>Allotted, called up and fully paid</i>		
28,080,541 ordinary shares of £1 each	28,081	28,081

Notes (continued)

22 Reserves

	Share premium account £000	Other reserves £000	Profit and loss account £000	Total £000
Group				
At beginning of year as previously stated	28,080	371	(9,237)	19,214
Prior year adjustment	-	-	(5,097)	(5,097)
	<hr/>	<hr/>	<hr/>	<hr/>
At beginning of year as restated	28,080	371	(14,334)	14,117
Currency translation differences	-	-	823	823
Retained loss for the year	-	-	(3,474)	(3,474)
	<hr/>	<hr/>	<hr/>	<hr/>
End of year	28,080	371	(16,985)	11,466
	<hr/>	<hr/>	<hr/>	<hr/>
Company				
Beginning of year	28,080	-	2,585	30,665
Retained loss for the year	-	-	(855)	(855)
	<hr/>	<hr/>	<hr/>	<hr/>
End of year	28,080	-	1,730	29,810
	<hr/>	<hr/>	<hr/>	<hr/>

23 Reconciliation of movements in equity shareholders' funds

	Group		Company	
	2002 £000	As restated 2001 £000	2002 £000	As restated 2001 £000
Profit for the financial year	6,577	4,146	8,568	5,314
Dividends paid and proposed	(10,051)	(7,299)	(9,423)	(7,299)
	<hr/>	<hr/>	<hr/>	<hr/>
Retained loss for the year	(3,474)	(3,153)	(855)	(1,985)
Unrealised gain on sale of interest in subsidiary undertaking	-	2,144	-	-
Other recognised gains and losses relating to the year	823	1,197	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net movement in year of equity shareholders' funds	(2,651)	188	(855)	(1,985)
Opening equity shareholders' funds (originally £47,295,000 before deducting net prior year adjustments of £5,097,000).	42,198	42,010	58,746	60,731
	<hr/>	<hr/>	<hr/>	<hr/>
Closing equity shareholders' funds	39,547	42,198	57,891	58,746
	<hr/>	<hr/>	<hr/>	<hr/>

Notes (continued)

24 Guarantees and other financial commitments

a) Capital commitments

At the end of the year capital commitments were:

	Group	
	2002	2001
	£000	£000
Contracted for but not provided for	6,430	1,802

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 £3,971,000 (2001: £3,828,000). 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 £2,191,000 (2001: £1,812,000). 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:

	Property	Property	Plant and machinery	Plant and machinery
	2002	2001	2002	2001
	£000	£000	£000	£000
Group				
Operating leases which expire				
within 1 year	189	102	364	35
within 2-5 years	732	943	1,131	1,991
after 5 years	1,079	1,149	-	50
	<u>2,000</u>	<u>2,194</u>	<u>1,495</u>	<u>2,076</u>

Notes (continued)

24 Guarantees and other financial commitments (continued)

d) Pension arrangements

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 £1,322,000 (2001: £1,258,000) and this represents the regular pension cost.

The latest 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.

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.

The group made contributions of £454,000 (2001: £453,000) towards the defined contribution scheme during the year.

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 27 September 2002.

The principal actuarial assumptions used as at 27 September 2002 for the purposes of FRS17 are shown below:

	2002 %	2001 %
Rate of increase in salaries	4	4
Rate of increase of pensions in payment	2½	2½
Discount rate	5½	6
Inflation assumption	2½	2½

Notes (continued)

24 Guarantees and other financial commitments (continued)

d. Pension arrangements (continued)

The value of assets and liabilities of the pension scheme operated by ARAMARK Limited at 27 September 2002, along with the weighted average expected rates of return of the scheme's assets are shown below:

	2002		2001	
	Total	Expected return	Total	Expected return
	£000	% p.a	£000	% p.a
Equities and property	9,766	7½	11,036	7½
Bonds	2,410	5	2,273	5
Cash	601	4	1,195	4
	<u>12,777</u>		<u>14,504</u>	

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

	2002	2001
	£000	£000
Present value of scheme liabilities	(24,017)	(20,011)
Market value of scheme assets	12,777	14,504
Deficit in the scheme	(11,240)	(5,507)
Related deferred tax asset	3,372	1,652
Net pension liability	<u>(7,868)</u>	<u>(3,855)</u>

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

	2002	2001
	£000	£000
Net assets excluding pension liability	49,080	51,719
Pension liability	(7,868)	(3,855)
Net assets including pension liability	<u>41,212</u>	<u>47,864</u>
Profit & loss reserve excluding pension liability	(16,985)	(14,334)
Pension liability	(7,868)	(3,855)
Profit & loss reserve including pension liability	<u>(24,853)</u>	<u>(18,189)</u>

Notes (continued)

24 Guarantees and other financial commitments (continued)

d. Pension arrangements (continued)

The following amounts would have been recognised in the performance statements in the year to 27 September 2002 under the requirements of FRS 17:

Operating profit

	2002 £000
Current service costs	1,322
Past service costs	-
Total operating charge	<u>1,322</u>

Other finance income/(cost)

	2002 £000
Expected return on scheme assets	1,029
Interest on scheme liabilities	(1,227)
Other finance cost	<u>(198)</u>

Statement of total recognised gains and losses (STRGL)

	2002 £000
Actual return less expected return on scheme assets	(3,933)
Experience gains and losses arising on the scheme liabilities	1,121
Changes in assumptions underlying present value of the scheme liabilities	(2,626)
Actuarial loss recognised in STRGL	<u>(5,438)</u>

Movement in deficit during the year

	2002 £000
Deficit at start of year	(5,507)
Contributions	1,225
Current service cost	(1,322)
Other finance cost	(198)
Actuarial loss	(5,438)
Deficit at end of year	<u>(11,240)</u>

History of experience gains and losses

	2002 %	2002 £000
Difference between the expected and actual return on scheme assets	(16.4)	(3,933)
Experience losses on scheme liabilities	4.7	1,121
Total amount recognised in STRGL	(22.6)	(5,438)

Notes (continued)

Canada group – ARAMARK Canada Limited

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 £557,000 (2001 as restated: £1,218,000) and this represents the regular pension cost.

The latest valuation of the Pension Plan was carried out as at 31 December 2002, 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 £23,000 (2001: £23,000) towards the defined contribution scheme during the year.

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 27 September 2002.

The principal actuarial assumptions used as at 27 September 2002 for the purposes of FRS17 are shown below:

	2002 %	2001 %
Rate of increase in salaries	3½	3½
Rate of increase of pensions in payment	2½	2½
Discount rate	6	6½
Inflation assumption	2½	2½

Notes (continued)

24 Guarantees and other financial commitments (continued)

d. Pension arrangements (continued)

The value of assets and liabilities of the pension scheme operated by ARAMARK Canada Limited at 27 September 2002, along with the weighted average expected rates of return of the scheme's assets are shown below:

	2002		2001	
	Total	Expected	Total	Expected
	£000	return % p.a	£000	return % p.a
Equities and property	11,161	8.8	14,773	9.3
Bonds	8,191	6.9	7,590	7.1
Cash	58	3.0	157	3.8
	<u>19,410</u>		<u>22,520</u>	

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

	2002	2001
	£000	£000
Present value of scheme liabilities	(25,243)	(23,004)
Market value of scheme assets	19,410	22,520
Deficit in the scheme	<u>(5,833)</u>	<u>(484)</u>
Related deferred tax asset	2,625	218
Net pension liability	<u>(3,208)</u>	<u>(266)</u>

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

	2002	2001
	£000	£000
Net assets excluding pension liability	49,080	51,719
Pension liability	(3,208)	(266)
Net assets including pension liability	<u>45,872</u>	<u>51,453</u>
Profit & loss reserve excluding pension liability	(16,985)	(14,334)
Pension liability	(3,208)	(266)
Profit & loss reserve including pension liability	<u>(20,193)</u>	<u>(14,600)</u>

Notes (continued)

24 Guarantees and other financial commitments (continued)

d. Pension arrangements (continued)

The following amounts would have been recognised in the performance statements in the year to 27 September 2002 under the requirements of FRS 17:

Operating profit

	2002 £000
Current service costs	722
Past service costs	-
Total operating charge	<u>722</u>

Other finance income/(cost)

	2002 £000
Expected return on scheme assets	1,852
Interest on scheme liabilities	(1,451)
Other finance cost	<u>401</u>

Statement of total recognised gains and losses (STRGL)

	2002 £000
Actual return less expected return on scheme assets	(4,721)
Experience gains and losses arising on the scheme liabilities	(68)
Changes in assumptions underlying present value of the scheme liabilities	(797)
Actuarial loss recognised in STRGL	<u>(5,586)</u>

Movement in deficit during the year

	2002 £000
Deficit at start of year	(484)
Contributions	558
Current service cost	(722)
Other finance cost	401
Actuarial loss	(5,586)
Deficit at end of year	<u>(5,833)</u>

History of experience gains and losses

	2002 %	2002 £000
Difference between the expected and actual return on scheme assets	(18.7)	(4,721)
Experience losses on scheme liabilities	(0.3)	(68)
Total amount recognised in STRGL	(22.2)	(5,586)

Notes *(continued)*

25 Related party transactions

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

26 Post Balance Sheet Events

On 19 January 2004 ARAMARK Limited acquired the entire share capital of Catering Alliance Limited.

27 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.