

**Company Registration No. 3078635**

**Compass Overseas Holdings No. 2 Limited**

**Report and Financial Statements**

**30 September 2009**

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# **Compass Overseas Holdings No. 2 Limited**

## **Report and financial statements 2009**

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# **Compass Overseas Holdings No. 2 Limited**

## **Report and financial statements 2009**

### **Officers and professional advisers**

#### **Directors**

M J White

N A F Palmer

#### **Secretary**

Compass Secretaries Limited

#### **Registered Office**

Compass House

Guildford Street

Chertsey

Surrey

KT16 9BQ

#### **Auditors**

Deloitte LLP

Chartered Accountants

London

## **Compass Overseas Holdings No. 2 Limited**

### **Directors' Report**

The directors present their Annual Report and the audited financial statements for the year ended 30 September 2009

#### **Business review and principal activities**

The Company is a wholly owned subsidiary of Compass Group Holdings PLC and the ultimate holding company is Compass Group PLC. The Company acts as a holding company principally for subsidiaries resident outside the United Kingdom and it is the intention of the directors that the Company will continue to act as a holding company for overseas subsidiaries.

The results for the Company show a pre-tax loss for the year of £27,629,000 (2008 profit £5,611,000) and net assets of £1,559,853,000 (2008 £1,401,449,000) at 30 September 2009. The Company's directors believe that analysis using key performance indicators is not necessary for an understanding of the position of the Company. The performance of Compass Group PLC is discussed in its Annual Report which does not form part of this Report.

#### **Principal Risks and Uncertainties**

The Company has only intra-group investments and balances, no third party debt and hence no external interest rate exposure. Certain investments in subsidiary undertakings and intra-group balances are denominated in foreign currency. The Company has the potential to hedge account for some of its currency borrowings against equity investments and there is a gain/loss associated with the translation of residual balances taken to profit and loss account.

The Company has entered into a number of intra-group forward foreign exchange contracts in order to hedge its currency investments held in foreign operations. All outstanding contracts held as at 30 September 2009 were entered into on 30 September 2009 and consequently their fair values at the balance sheet date are zero.

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. Group risks are discussed in the Group's Annual Report which does not form part of this Report.

Due to the current economic conditions there are inherent future uncertainties that may impact the business. The directors have therefore made enquiries to identify and consider the impact of the potential uncertainties that may affect the Company. The Company's ultimate parent undertaking has provided a letter of support which confirms that it will continue to provide such financial support as is required by the Company for a period of at least 12 months from the date of signing these accounts. As a result of this, the directors have a reasonable expectation that the Company has access to adequate resources to continue in existence for the foreseeable future. For this reason the Company continues to adopt the going concern basis in preparing the accounts.

#### **Dividend**

There was no payment of an interim dividend during the year (2008 £59,975 per Ordinary share). The directors do not recommend the payment of a final dividend in respect of the financial year ended 30 September 2009 (2008 £nil).

#### **Directors**

The following served as directors throughout the year under review unless otherwise indicated.

M J White  
N A F Palmer

# **Compass Overseas Holdings No. 2 Limited**

## **Directors' Report**

### **Secretary**

On 14 October 2008 Mr A V Derham resigned as Company Secretary and on the same day Compass Secretaries Limited was appointed as Company Secretary

### **Directors' Qualifying Third Party Indemnity**

A qualifying third party indemnity provision as defined in section 234 (2)-(6) of the Companies Act 2006 ('CA2006') formerly section 309B(1) of the Companies Act 1985 (as amended) is and was in full force and effect for the benefit of each of the directors of the Company, both at the date of this Report and throughout the financial year to which this Report relates

### **Directors' disclosure of information to auditors**

Each of the persons who is a director at the date of approval of this Report confirms that

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the CA 2006

### **Auditors**

Deloitte LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting

Approved by the Board of Directors  
and signed on behalf of the Board



N A F Palmer  
Director

3 March 2010

Compass Overseas Holdings No 2 Limited  
Registered in England and Wales No 3078635

## **Compass Overseas Holdings No. 2 Limited**

### **Statement of directors' responsibilities**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the CA2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors, having prepared the financial statements, have permitted the auditors to take whatever steps and undertake whatever inspections they consider to be appropriate for the purpose of enabling them to give their audit opinion.

## **Independent auditors' report to the members of Compass Overseas Holdings No. 2 Limited**

We have audited the financial statements of Compass Overseas Holdings No. 2 Limited for the year ended 30 September 2009 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with sections 495 and 496 of the Companies Act 2006 ('CA2006'). 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**

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

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 30 September 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the CA2006.

### **Opinion on other matter prescribed by the CA2006**

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

## **Independent auditors' report to the members of Compass Overseas Holdings No. 2 Limited (continued)**

### **Matters on which we are required to report by exception**

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

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

Ian Waller

Ian Waller (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditors  
London, United Kingdom

05 March 2010



## Compass Overseas Holdings No. 2 Limited

### Profit and loss account

For the year ended 30 September 2009

	Notes	2009 £'000	2008 £'000
Loss on disposal of fixed asset investment	4	(3)	-
Provision for impairment of investments in subsidiary undertakings		-	(5,341)
Foreign exchange loss		(7,234)	(6,240)
<b>Operating loss</b>		<b>(7,237)</b>	<b>(11,581)</b>
Income from shares in Group undertakings		1,895	60,780
Interest receivable and similar income	5	15,849	12,629
Interest payable and similar charges	6	(38,136)	(56,217)
<b>(Loss)/profit on ordinary activities before taxation</b>		<b>(27,629)</b>	<b>5,611</b>
Tax credit on (loss)/profit on ordinary activities	7	23,656	31,533
<b>(Loss)/profit for the financial year on ordinary activities after taxation</b>		<b>(3,973)</b>	<b>37,144</b>

All amounts relate to continuing operations

## Compass Overseas Holdings No. 2 Limited

### Statement of total recognised gains and losses For the year ended 30 September 2009

	Notes	2009 £'000	2008 £'000
(Loss)/profit for the financial year		(3,973)	37,144
Foreign exchange translation differences on foreign currency net investments	14	162,377	128,081
<b>Total gains recognised in the year</b>		<u>158,404</u>	<u>165,225</u>

All operations are continuing operations

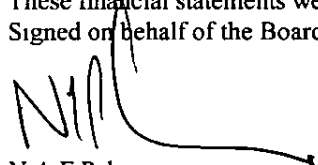
## Compass Overseas Holdings No. 2 Limited

### Balance sheet

As at 30 September 2009

	Notes	2009 £'000	2008 £'000
<b>Fixed assets</b>			
Investments	9	4,172,303	3,630,828
<b>Current assets</b>			
Debtors amounts falling due within one year	10	81,862	75,261
Debtors amounts falling due after one year	11	243	-
Cash at bank and in hand		488	462
		82,593	75,723
<b>Creditors: amounts falling due within one year</b>	12	(2,695,043)	(2,305,102)
<b>Net current liabilities</b>		(2,612,450)	(2,229,379)
<b>Net assets</b>		1,559,853	1,401,449
<b>Capital and reserves</b>			
Called up share capital	13	1,000	1,000
Share premium account	14	864,870	864,870
Revaluation reserve	14	253,602	253,602
Foreign exchange reserve	14	102,078	(60,299)
Profit and loss account	14	338,303	342,276
<b>Total shareholders' funds</b>		1,559,853	1,401,449

These financial statements were approved by the Board of Directors on 3 March 2010  
Signed on behalf of the Board of Directors



N A F Palmer  
Director

# Compass Overseas Holdings No. 2 Limited

## Notes to the accounts

### For the year ended 30 September 2009

#### 1. Accounting policies

The particular policies adopted are described below and have been applied consistently (except where detailed otherwise) in the current and preceding year

##### Accounting convention

The financial statements are prepared in accordance with applicable United Kingdom laws and accounting standards and under the historical cost convention, except as where discussed below. The Company has not prepared consolidated financial statements as it is a wholly-owned subsidiary of Compass Group PLC, a United Kingdom company and ultimate parent which prepares consolidated financial statements (Companies Act 2006 s400 (formerly s228 of the Companies Act 1985 (as amended))) These financial statements thus present information about the Company as an individual undertaking not as a Group undertaking

##### Going concern

The financial statements are prepared on a going concern basis. As disclosed on page 2 the directors believe that the Company has adequate resources to continue in operational existence for the foreseeable future

##### Investments

Investments are stated using an alternative valuation technique and translated into Sterling in accordance with the policy on foreign currencies below, less any provision for impairment in value

##### Taxation

Current tax is the expected tax payable on the taxable income for the accounting period, using tax rates that have been enacted or substantively enacted by the balance sheet date

Deferred tax is provided at the anticipated tax rates on timing differences arising from the inclusion of items of income and expenditure in tax computations in periods different from those in which they are included in the financial statements. Deferred tax assets and liabilities are not discounted. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered

##### Foreign currencies

The revalued cost of currency investments in foreign subsidiary companies is translated into Sterling at the rates of exchange ruling at the year end. Gains and losses resulting from the realignment of opening foreign currency balances to the year end rates including external loans and inter-company long-term loans are treated as movements on reserves. All other exchange differences are dealt with through the profit and loss account

##### Cash flow statement

Under the provisions of FRS1, the Company is exempt from the requirement to produce a cash flow statement on the grounds that it is a wholly-owned subsidiary of a parent undertaking which has produced a consolidated cash flow statement in its consolidated accounts

##### Derivatives held for net investment hedging

The Company has entered into a number of intra-group forward foreign exchange contracts in order to hedge its currency investments held in foreign operations. All outstanding contracts held as at 30 September 2009 were entered into on 30 September 2009 and consequently their fair values at the balance sheet date are zero

#### 2. Auditors' remuneration

Fees of £3,000 (2008: £3,000) were received by the auditors in respect of the Company's statutory audit for the current and preceding years. These fees were borne by another Group company. No fees were received by the auditors in respect of any non-statutory audit services in either the current or preceding year

## Compass Overseas Holdings No. 2 Limited

### Notes to the accounts

#### For the year ended 30 September 2009

**3. Directors' and employees**

The directors received no emoluments during the year (2008 £nil)

There were no employees during the year (2008 none)

**4. Loss on disposal of fixed asset investments**

On 22 May 2009, the Company wrote off its investment in Compass Global Holdings (Mauritius) Limited of £5,510,000, against a provision previously made of £5,267,000 and inter-group balance of £240,000, resulting in a loss on disposal of £3,000

**5. Interest receivable and similar income**

	2009 £'000	2008 £'000
Interest receivable from other Group companies	15,849	12,629

**6. Interest payable and similar income**

	2009 £'000	2008 £'000
Interest payable to other Group companies	38,136	56,217

**7 Tax credit on (loss)/profit on ordinary activities**

	2009 £'000	2008 £'000
UK corporation tax at 28% (2008 29%)	18,406	35,473
Current period tax credit on (loss)/profit on ordinary activities	18,406	35,473
Adjustments in respect of prior years		
UK corporation tax	5,007	(3,940)
UK deferred tax	243	-
	23,656	31,533

## Compass Overseas Holdings No. 2 Limited

### Notes to the accounts

#### For the year ended 30 September 2009

##### 7. Tax credit on (loss)/profit on ordinary activities (continued)

Reconciliation of the tax credit/(charge) at the UK statutory rate to the current tax credit

	2009 £'000	2008 £'000
Tax credit/(charge) on (loss)/profit on ordinary activities at the UK statutory rate of 28% (2008 29%)	7,736	(1,627)
Increase/(decrease) arising from		
Non-taxable income from other Group companies	-	17,626
Non-taxable impairment of investments in subsidiaries	-	(1,549)
UK/UK transfer pricing adjustment	10,670	21,023
Prior year adjustments	5,007	(3,940)
Current tax credit on (loss)/profit on ordinary activities	<u>23,413</u>	<u>31,533</u>

##### 8. Dividends

	Per share £	2009 £'000	2008 £'000
On Ordinary shares of £1 each			
Dividend to parent company – 19 September 2008	59 975	-	60,000

## Compass Overseas Holdings No. 2 Limited

### Notes to the accounts For the year ended 30 September 2009

#### 9. Fixed asset investments

	Shares in Group undertakings £'000
<b>Cost or valuation</b>	
At 1 October 2007	3,027,414
Additions	363,556
Foreign exchange differences	245,199
At 30 September 2008	3,636,169
At 1 October 2008	3,636,169
Additions	168,303
Disposals	(5,510)
Foreign exchange differences	373,415
At 30 September 2009	4,172,377
<b>Provisions for impairment</b>	
At 1 October 2008	5,341
Utilised in the year	(5,267)
At 30 September 2009	74
<b>Net book value</b>	
At 30 September 2009	4,172,303
At 30 September 2008	3,630,828

Fixed asset investments have been valued using an alternative valuation technique on the basis of the underlying net assets by currency. On a historical cost basis, shares held in Group undertakings would have been stated at £3,924,285,000 (2008 £3,382,567,000)

On 1 October 2008, the Company increased its investments by £168,303,000 by making a capital contribution comprising the benefit of a loan of US dollar 300 million receivable from Compass Group PLC, to its subsidiary, Stepgates Limited

On 22 May 2009, the Company wrote off its investment of £5,510,000 in Compass Global Holdings (Mauritius) Limited resulting in a loss on disposal of £3,000 (see also note 4)

Group accounts are not prepared as the Company is a wholly-owned subsidiary of Compass Group Holdings PLC, which is incorporated in Great Britain and registered in England and Wales

## Compass Overseas Holdings No. 2 Limited

### Notes to the accounts

### For the year ended 30 September 2009

#### 9 Fixed asset investments (continued)

The Company has five direct subsidiary companies Compass Group International B V , Compass Group Vending Holding B V , Stepgates Limited, Compass Catering Services (China) Co Limited, formerly known as Shanghai Creative Food Technologies Co Limited, and Shanghai Eurest Technology Food Services Co Limited

- 1 The Company's direct subsidiary, Compass Group International B V , is a holding company incorporated in the Netherlands in which 100% of the Ordinary share capital is held The subsidiaries of Compass Group International B V include

Name and country of registration or incorporation	Principal activities
Compass Group Deutschland GmbH, Germany	Holding company
Eurest Deutschland GmbH, Germany	Foodservice to business and industry
Eurest Sports & Food GmbH, Germany	Foodservice to the sports and leisure market
Medirest GmbH & Co OHG, Germany	Foodservice to the healthcare and senior living market
Eurest Services GmbH, Germany	Support services to business and industry
Compass Group Nederland B V , the Netherlands	Foodservice and support services
Compass Group Nederland Holding B V , the Netherlands	Holding company
Eurest Services BV, the Netherlands	Foodservice and support services
Compass Group Holdings Spain, S L ,Spain	Holding company
Eurest Colectividades S A , Spain	Foodservice and support services
Compass Group Italia S P A <sup>1</sup> , Italy	Foodservice, support services and prepaid meal vouchers
Sevita Group AG, Switzerland	Holding company
Compass Group (Schweiz) AG, Switzerland	Foodservice and support services
Restorama AG, Switzerland	Foodservice
Compass Group (Australia) Pty Limited, Australia (57%)	Foodservice and support services
Eurest Support Services (Cyprus) International Ltd, Cyprus	Provision of integrated support services to the defence, offshore and remote sectors
Seiyo Food – Compass Group, Inc , Japan <sup>2</sup>	Foodservice and support services
GR SA, Brazil	Foodservice and support services

- 1 Ristomat S P A was merged into Onama S P A during the prior year and on 14 November 2008 the company was renamed Compass Group Italia S P A Palmar S P A and Lunchtime S P A were merged into the company during the year
- 2 Compass Group PLC acquired the remaining 5% shareholding in Seiyo Food – Compass Group, Inc during the year (2008 95%)

All companies listed in the table above are wholly-owned by the Company, except where otherwise indicated



## Compass Overseas Holdings No. 2 Limited

### Notes to the accounts

### For the year ended 30 September 2009

#### 9. Fixed asset investments (continued)

- ii Compass Group Vending Holding B V is a holding company incorporated in the Netherlands in which 100% of the Ordinary share capital is held. The principal investment of Compass Group Vending Holding B V is Sevita Group AG, a company incorporated in Switzerland. Compass Group Vending Holding B V holds a 33.28% interest in Sevita Group AG.
- iii The Company holds 100% of the Ordinary share capital of Stepgates Limited which is a company incorporated in Great Britain.
- iv The Company holds 100% of the Ordinary share capital of Compass Catering Services (China) Co Limited, formerly known as Shanghai Creative Food Technologies Co Limited, and Shanghai Eurest Food Technologies Services Co Limited. Both companies provide foodservice and are incorporated in China.

#### 10. Debtors: amounts falling due within one year

	2009 £'000	2008 £'000
Amounts owed by Group undertakings	81,855	75,261
Withholding tax	7	-
	<u>81,862</u>	<u>75,261</u>

#### 11. Debtors: amounts falling due after one year

	2009 £'000	2008 £'000
Deferred tax asset on deferral of overseas interest payments	<u>243</u>	<u>-</u>

Deferred tax has been provided in accordance with the accounting policy shown in note 1. The Company has no unprovided deferred tax (2008: asset of £1,708,268 relating to prior year non-trading losses).

#### 12. Creditors: amounts falling due within one year

	2009 £'000	2008 £'000
Amounts owed to Group undertakings	<u>2,695,043</u>	<u>2,305,102</u>
	<u>2,695,043</u>	<u>2,305,102</u>

## Compass Overseas Holdings No. 2 Limited

### Notes to the accounts

### For the year ended 30 September 2009

#### 13. Called up share capital

	2009		2008	
	Number of shares	£	Number of shares	£
<b>Authorised</b>				
Ordinary shares of £1 each	1,001,000	1,001,000	1,001,000	1,001,000
<b>Allotted, called up and fully paid</b>				
Ordinary shares of £1 each	1,000,413	1,000,413	1,000,413	1,000,413

#### 14. Capital and reserves

	Share capital £'000	Share premium £'000	Revaluation reserve £'000	Foreign exchange reserve £'000	Profit and loss account £'000	Total £'000
At 1 October 2007	-	507,814	253,602	(188,380)	365,132	938,168
Issue of shares	1,000	357,056	-	-	-	358,056
Foreign exchange translation differences	-	-	-	128,081	-	128,081
Dividend payable	-	-	-	-	(60,000)	(60,000)
Profit for the year	-	-	-	-	37,144	37,144
At 30 September 2008	1,000	864,870	253,602	(60,299)	342,276	1,401,449
At 1 October 2008	1,000	864,870	253,602	(60,299)	342,276	1,401,449
Foreign exchange translation differences	-	-	-	162,377	-	162,377
Loss for the year	-	-	-	-	(3,973)	(3,973)
At 30 September 2009	1,000	864,870	253,602	102,078	338,303	1,559,853

## **Compass Overseas Holdings No. 2 Limited**

### **Notes to the accounts**

**For the year ended 30 September 2009**

**15. Ultimate parent company and controlling party**

The ultimate parent company and controlling party, Compass Group PLC, is the parent undertaking of the largest and smallest group of undertakings for which Group accounts are drawn up. The immediate parent company is Compass Group Holdings PLC.

Compass Group PLC and Compass Group Holdings PLC are incorporated in Great Britain and registered in England and Wales.

Copies of the Compass Group PLC financial statements are available from Compass House, Guildford Street, Chertsey, Surrey KT16 9BQ.

**16. Transactions with related parties**

In accordance with the exemption extended in FRS 8 "Related Party Disclosures", the Company has not disclosed transactions or balances between itself and Group undertakings on the basis that 100% of the voting rights of these companies are controlled within the Group.

**17. Post balance sheet events**

The Company holds an investment in Strategic Exports Limited, a company incorporated in Mauritius, which is in the process of being liquidated. It is anticipated that the liquidation process will be completed during 2010. The investment is fully provided for.