

Company Registration No. 3078635

Compass Overseas Holdings No. 2 Limited

Report and Financial Statements

30 September 2010



Compass Overseas Holdings No. 2 Limited

Report and financial statements 2010

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Compass Overseas Holdings No. 2 Limited

Report and financial statements 2010

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 and Statutory Auditors
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 2010

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 profit for the year of £1,173,923,000 (2009: loss £27,629,000) and net assets of £1,647,668,000 (2009: £1,559,853,000) at 30 September 2010. 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 accounts 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 2010 were entered into on 30 September 2010 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 and the Directors have considered the ability of the ultimate parent undertaking to provide this support. 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.

Compass Overseas Holdings No. 2 Limited

Directors' Report

Dividends

The Directors do not recommend the payment of a final dividend in respect of the financial year ended 30 September 2010 (2009 £nil) The Company paid the following interim dividends to the parent company during the year on Ordinary shares of £1 each

Date	Currency '000	Currency	Per share £	2010 £'000	2009 £'000
23 August 2010	5,201	New Zealand Dollar	2 37	2,373	-
23 August 2010	79,015	Australian Dollar	45 48	45,503	-
24 August 2010	50,063	Swedish Krona	4 34	4,340	-
24 August 2010	609,937	Swedish Krona	52 85	52,873	-
25 August 2010	7,165	Euro	5 86	5,865	-
25 August 2010	150,735	Euro	123 33	123,382	-
6 September 2010	140,288	Norwegian Krone	14 87	14,878	-
6 September 2010	1,100,712	Norwegian Krone	116 69	116,738	-
8 September 2010	22,560	Euro	18 56	18,568	-
8 September 2010	245	Euro	0 20	202	-
8 September 2010	757,758	Euro	623 41	623,669	-
8 September 2010	2,509	US Dollar	1 62	1,620	-
8 September 2010	11,546	Swedish Krona	1 03	1,027	-
8 September 2010	18,322	Norwegian Krone	1 91	1,914	-
8 September 2010	3,064	Danish Kroner	0 34	339	-
8 September 2010	9,699	Australian Dollar	5 75	5,754	-
8 September 2010	1,878	Swiss Franc	1 20	1,201	-
8 September 2010	51,304	Japanese Yen	0 39	395	-
8 September 2010	84	Canadian Dollar	0 05	52	-
8 September 2010	10	Euro	0 01	8	-
8 September 2010	3,368	Euro	2 77	2,772	-
8 September 2010	12,123	Euro	9 97	9,978	-
8 September 2010	29,620	Euro	24 37	24,379	-
8 September 2010	61,550	Euro	50 64	50,658	-
8 September 2010	6,480	Euro	5 33	5,333	-
8 September 2010	3,108	Swiss Franc	1 99	1,988	-
8 September 2010	544	Swiss Franc	0 35	348	-
8 September 2010	627	US Dollar	0 40	405	-
8 September 2010	828	Euro	0 68	682	-
8 September 2010	61,125	Euro	50 29	50,309	-
8 September 2010	4,357	Swiss Franc	2 79	2,787	-
				<u>1,170,340</u>	<u>-</u>

Compass Overseas Holdings No. 2 Limited

Directors' Report

Directors

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

M J White

N A F Palmer

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 section 418 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

28 February 2011

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 Accounting Standards and Generally Accepted Accounting Practice ('GAAP') and applicable law and regulations.

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

- properly select suitable accounting policies and then apply them consistently,
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, 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 which disclose with reasonable accuracy at any time the financial position of the Company in accordance with the provisions of the applicable laws and legislation for safeguarding the assets, for taking reasonable steps for the prevention and detection of fraud and other irregularities and for the preparation of the Directors' Report.

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.

On behalf of the Board



N A F Palmer
Director

28 February 2011

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 2010 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards and Generally Accepted Accounting Practice ('GAAP') as adopted by the United Kingdom.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 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 2010 and of its profit 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 Company's 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



Kate J Houldsworth (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom
18 March 2011

Compass Overseas Holdings No. 2 Limited

Profit and loss account

For the year ended 30 September 2010

	Notes	2010 £'000	2009 £'000
Profit/(loss) on disposal of fixed asset investment	4	3	(3)
Management charges		(10)	-
Foreign exchange gain/(loss)		14,870	(7,234)
Operating profit/(loss)		14,863	(7,237)
Income from shares in Group undertakings		1,170,340	1,895
Interest receivable and similar income	5	3,856	15,849
Interest payable and similar charges	6	(15,136)	(38,136)
Profit/(loss) on ordinary activities before taxation		1,173,923	(27,629)
Tax credit on profit/(loss) on ordinary activities	7	5,711	23,656
Profit/(loss) for the financial year on ordinary activities after taxation	14	1,179,634	(3,973)

All amounts in the current and prior year relate to continuing activities

Compass Overseas Holdings No. 2 Limited

Statement of total recognised gains and losses For the year ended 30 September 2010

	Notes	2010 £'000	2009 £'000
Profit/(loss) for the financial year	14	1,179,634	(3,973)
Foreign exchange translation differences on foreign currency net investments	14	78,521	162,377
Total gains recognised in the year		1,258,155	158,404

All amounts in the current year relate to continuing activities

Compass Overseas Holdings No. 2 Limited

Balance sheet

As at 30 September 2010

	Notes	2010 £'000	2009 £'000
Fixed assets			
Investments	9	4,251,522	4,172,303
Current assets			
Debtors amounts falling due within one year	10	82,677	81,862
Debtors amounts falling due after one year	11	410	243
Cash at bank and in hand		489	488
		83,576	82,593
Creditors: amounts falling due within one year	12	(2,687,430)	(2,695,043)
Net current liabilities		(2,603,854)	(2,612,450)
Net assets		1,647,668	1,559,853
Capital and reserves			
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	180,599	102,078
Profit and loss account	14	347,597	338,303
Shareholders' funds		1,647,668	1,559,853

These financial statements were approved by the Board of Directors on 28 February 2011
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 2010

1. Accounting policies

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

Accounting convention

The financial statements are prepared under the historical cost convention, except as where discussed below, and in accordance with applicable United Kingdom laws and accounting standards. 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

Due to the current economic conditions there are inherent future uncertainties that may impact the business. After making enquiries and receiving a letter of support from the ultimate parent company, Compass Group PLC, the Directors have a reasonable expectation the Company, as part of the Compass Group, has adequate resources to continue in existence for the foreseeable future. For this reason the Directors continue to adopt the going concern basis in preparing the accounts.

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 2010 were entered into on 30 September 2010 and consequently their fair values at the balance sheet date are zero (fair value at 30 September 2009 – zero).

Compass Overseas Holdings No. 2 Limited

Notes to the accounts For the year ended 30 September 2010

2. Auditors' remuneration

Fees of £3,000 (2009 £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.

3. Directors' and employees

The Directors received no emoluments from the Company during the current year (2009 £nil). The Directors are remunerated for their services to the Group as a whole and it is not practical to allocate this remuneration between Group companies.

There are no other employees of Compass Overseas Holdings No 2 Limited (2009 none).

4. Profit/(loss) on disposal of fixed asset investments

During the year, the Company received £3,000 from the liquidation proceeds of Strategic Exports Limited. The investment in this company was provided against in the prior year.

In the prior year 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

	2010 £'000	2009 £'000
Interest receivable from other Group companies	3,856	15,849

6. Interest payable and similar income

	2010 £'000	2009 £'000
Interest payable to other Group companies	15,136	38,136

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

	2010 £'000	2009 £'000
UK corporation tax at 28% (2009 28%)	10,273	18,406
UK deferred tax	(15)	-
Current period tax credit on profit/(loss) on ordinary activities	10,258	18,406
Adjustments in respect of prior years		
UK corporation tax	(4,728)	5,007
UK deferred tax	181	243
	5,711	23,656

Compass Overseas Holdings No. 2 Limited

Notes to the accounts

For the year ended 30 September 2010

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

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

	2010 £'000	2009 £'000
Tax (charge)/credit on profit/(loss) on ordinary activities at the UK statutory rate of 28% (2009 28%)	(328,698)	7,736
Decrease/(increase) arising from		
Non-taxable income from other Group companies	327,695	-
Other permanent differences	(9)	-
UK/UK transfer pricing adjustment	11,285	10,670
Prior year adjustments	(4,728)	5,007
Current tax credit on profit/(loss) on ordinary activities	<u>5,545</u>	<u>23,413</u>

Compass Overseas Holdings No. 2 Limited

Notes to the accounts

For the year ended 30 September 2010

8. Dividends

Dividends to parent company on Ordinary shares of £1 each

Date	Currency '000	Currency	Per share £	2010 £'000	2009 £'000
23 August 2010	5,201	New Zealand Dollar	2 37	2,373	-
23 August 2010	79,015	Australian Dollar	45 48	45,503	-
24 August 2010	50,063	Swedish Krona	4 34	4,340	-
24 August 2010	609,937	Swedish Krona	52 85	52,873	-
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6 September 2010	1,100,712	Norwegian Krone	116 69	116,738	-
8 September 2010	22,560	Euro	18 56	18,568	-
8 September 2010	245	Euro	0 20	202	-
8 September 2010	757,758	Euro	623 41	623,669	-
8 September 2010	2,509	US Dollar	1 62	1,620	-
8 September 2010	11,546	Swedish Krona	1 03	1,027	-
8 September 2010	18,322	Norwegian Krone	1 91	1,914	-
8 September 2010	3,064	Danish Kroner	0 34	339	-
8 September 2010	9,699	Australian Dollar	5 75	5,754	-
8 September 2010	1,878	Swiss Franc	1 20	1,201	-
8 September 2010	51,304	Japanese Yen	0 39	395	-
8 September 2010	84	Canadian Dollar	0 05	52	-
8 September 2010	10	Euro	0 01	8	-
8 September 2010	3,368	Euro	2 77	2,772	-
8 September 2010	12,123	Euro	9 97	9,978	-
8 September 2010	29,620	Euro	24 37	24,379	-
8 September 2010	61,550	Euro	50 64	50,658	-
8 September 2010	6,480	Euro	5 33	5,333	-
8 September 2010	3,108	Swiss Franc	1 99	1,988	-
8 September 2010	544	Swiss Franc	0 35	348	-
8 September 2010	627	US Dollar	0 40	405	-
8 September 2010	828	Euro	0 68	682	-
8 September 2010	61,125	Euro	50 29	50,309	-
8 September 2010	4,357	Swiss Franc	2 79	2,787	-
				<u>1,170,340</u>	<u>-</u>

Compass Overseas Holdings No. 2 Limited

Notes to the accounts For the year ended 30 September 2010

9. Fixed asset investments

	Shares in Group undertakings £'000
Cost or valuation	
At 1 October 2009	4,172,377
Additions	43,296
Disposals	(74)
Foreign exchange differences	35,923
	<hr/>
At 30 September 2010	4,251,522
	<hr/>
Provisions for impairment	
At 1 October 2009	74
Utilised in the year	(74)
	<hr/>
At 30 September 2010	-
	<hr/>
Net book value	
At 30 September 2010	4,251,522
	<hr/>
At 30 September 2009	4,172,303
	<hr/>

Fixed asset investments were valued at 30 September 2007 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 £4,003,501,000 (2009: £3,924,285,000).

On 29 January 2010, the Company increased its investment in Compass Group International B V, its direct subsidiary, by £23,427,000 and again on 30 September 2010 by £19,856,000. In a previous year, the Company also made an investment of £13,000 in Compass Group Mauritius Limited.

During the year, the Company wrote off its investment in Strategic Exports Limited, a company incorporated in Mauritius, which had been fully provided for in the prior year.

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 2010

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 , 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
Seryo Food – Compass Group, Inc , Japan	Foodservice and support services
GR SA, Brazil	Foodservice and support services

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 2010

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

	2010 £'000	2009 £'000
Amounts owed by Group undertakings	82,677	81,855
Withholding tax	-	7
	<u>82,677</u>	<u>81,862</u>

11. Debtors: amounts falling due after one year

	2010 £'000	2009 £'000
Deferred tax asset on deferral of overseas interest payments	<u>410</u>	<u>243</u>

Deferred tax has been provided in accordance with the accounting policy shown in note 1. The Company has no unprovided deferred tax (2009: £nil).

12. Creditors: amounts falling due within one year

	2010 £'000	2009 £'000
Amounts owed to Group undertakings	<u>2,687,430</u>	<u>2,695,043</u>
	<u>2,687,430</u>	<u>2,695,043</u>

Compass Overseas Holdings No. 2 Limited

Notes to the accounts For the year ended 30 September 2010

13. Called up share capital

	2010		2009	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary shares of £1 each	1,001,000	1,001,000	1,001,000	1,001,000
Allotted, called up and fully paid				
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 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
At 1 October 2009	1,000	864,870	253,602	102,078	338,303	1,559,853
Foreign exchange translation differences	-	-	-	78,521	-	78,521
Profit for the year	-	-	-	-	1,179,634	1,179,634
Dividends paid (note 8)	-	-	-	-	(1,170,340)	(1,170,340)
At 30 September 2010	1,000	864,870	253,602	180,599	347,597	1,647,668

Compass Overseas Holdings No. 2 Limited

Notes to the accounts

For the year ended 30 September 2010

15. Derivatives not included at fair value

The company has derivatives which are not included at fair value in the accounts

	Principal value by currency	
	2010 £'000	2009 £'000
Forward foreign exchange contracts		
Sterling	(777,588)	46,098
US Dollar	341,414	306,852
Euro	568,310	63,880
Australian Dollar	16,590	(57,844)
Brazilian Real	(29,217)	(35,062)
Canadian Dollar	14,228	13,262
Danish Krone	(28,482)	(30,038)
Japanese Yen	(120,182)	(187,367)
Norwegian Krone	24,273	(66,360)
Swedish Krona	55,818	3,123
Swiss Franc	(59,110)	(54,932)
	<u>6,054</u>	<u>1,612</u>

The company uses the derivatives to hedge its exposures to changes in foreign currency exchange rates

16. 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.

17. 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.

18. Post balance sheet events

The formal liquidation of Strategic Exports Limited, a company incorporated in Mauritius, was completed on 8 December 2010. During the year, the Company received liquidation proceeds of £3,000 and wrote off its investment which had been fully provided for in the prior year.