

REGISTERED NUMBER: 03222546 (England and Wales)

**Strategic Report, Report of the Directors and
Financial Statements
for the Year Ended 31 December 2016
for
Independent Catering Management Limited**



**Contents of the Financial Statements
for the Year Ended 31 December 2016**

	Page
Company Information	1
Strategic Report	2
Report of the Directors	3
Report of the Independent Auditors	5
Income Statement	7
Other Comprehensive Income	8
Balance Sheet	9
Cash Flow Statement	10
Notes to the Cash Flow Statement	11
Notes to the Financial Statements	12

Independent Catering Management Limited

**Company Information
for the Year Ended 31 December 2016**

DIRECTORS:	A Saunders Mrs D L Shepherd
SECRETARY:	Mrs D L Shepherd
REGISTERED OFFICE:	8/10 South St Epsom Surrey KT18 7PF
REGISTERED NUMBER:	03222546 (England and Wales)
AUDITORS:	Williams & Co Chartered Accountants & Statutory Auditors 8/10 South Street Epsom Surrey KT18 7PF
BANKERS:	NatWest Bank Plc 67 High Street Sevenoaks Kent TN13 1JY

**Strategic Report
for the Year Ended 31 December 2016**

The directors present their strategic report for the year ended 31 December 2016.

REVIEW OF BUSINESS

The company has enjoyed another successful year with turnover within the units run just under £13.3m resulting in a very healthy profit before tax figure of just over £887,000. Profits have reduced from last year as the company has incurred more costs up front in taking on new units for the next few financial years ahead.

PRINCIPAL RISKS AND UNCERTAINTIES

The company operates in a very competitive environment that has also seen a number of industry changes over the last few years. Healthy eating and the need for the caterer to provide cost effective menus to meet these objectives are key in the school sector where the company operates.

The company has always tried to ensure that its liquidity and net asset value fund any expansion in activities but also have reserves in case levels of business fall unexpectedly.

COMPANY STRATEGY

The company since its formation has grown consistently each year. The plans at present are to consolidate the present position and grow by winning the better catering units which operate to the standards expected by the company.

KEY PERFORMANCE INDICATORS


The company has always reported net current assets in its accounts as the directors recognise that this is key way to minimise risk.

The company reported a gross profit margin of 14.6% (2015 15.8%) and margins are also carefully monitored during the year.

POLICY ON PAYMENT OF CREDITORS

The company has strong relationships with its suppliers and ensures that payment is made in line with the terms of that supplier.

ON BEHALF OF THE BOARD:



A Saunders - Director

8 June 2017

**Report of the Directors
for the Year Ended 31 December 2016**

The directors present their report with the financial statements of the company for the year ended 31 December 2016.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the provision of catering services to schools.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2016 to the date of this report.

A Saunders
Mrs D L Shepherd

COMPANY POLICY FOR EMPLOYMENT OF DISABLED PERSONS

The company gives full and fair consideration to applications for employment by disabled persons, having regard to their particular aptitudes and abilities. Opportunities are available to disabled employees for training, career development and promotion.

The company offers continuing employment wherever practical and appropriate training for employees of the company who became disabled during the period when they were employed by the company.

EMPLOYEE INVOLVEMENT

The company operates a framework for employee information and consultation which complies with the requirements of the Information and Consultation of Employees Regulations 2014.

Regular meetings are held between unit management and employees to allow a free flow of information and ideas.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 judgements and accounting estimates that are reasonable and prudent;
- 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 Companies Act 2006. 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent Catering Management Limited (Registered number: 03222546)

**Report of the Directors
for the Year Ended 31 December 2016**

AUDITORS

The auditors, Williams & Co, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'D L Shepherd', written in a cursive style.

Mrs D L Shepherd - Director

8 June 2017

Report of the Independent Auditors to the Members of Independent Catering Management Limited

We have audited the financial statements of Independent Catering Management Limited for the year ended 31 December 2016 on pages seven to seventeen. 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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. 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 a Report of the Auditors 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 Statement of Directors' Responsibilities set out on page three, 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 and express an opinion on 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 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. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 31 December 2016 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 Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements, and has been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the company and its environment, we have not identified any material misstatements in the Strategic Report or the Report of the Directors.

**Report of the Independent Auditors to the Members of
Independent Catering Management Limited**

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.



Paul Smith BSc FCA (Senior Statutory Auditor)
for and on behalf of Williams & Co
Chartered Accountants & Statutory Auditors
8/10 South Street
Epsom
Surrey
KT18 7PF

8 June 2017

Independent Catering Management Limited (Registered number: 03222546)

**Income Statement
for the Year Ended 31 December 2016**

	Notes	2016 £	2015 £
TURNOVER		13,252,032	12,229,609
Cost of sales		<u>(11,313,443)</u>	<u>(10,293,178)</u>
GROSS PROFIT		1,938,589	1,936,431
Administrative expenses		<u>(1,056,492)</u>	<u>(876,333)</u>
OPERATING PROFIT	4	882,097	1,060,098
Interest receivable and similar income		<u>36,810</u>	<u>29,311</u>
		918,907	1,089,409
Interest payable and similar expenses	5	<u>(31,776)</u>	<u>(33,850)</u>
PROFIT BEFORE TAXATION		887,131	1,055,559
Tax on profit	6	<u>(174,599)</u>	<u>(207,201)</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>712,532</u></u>	<u><u>848,358</u></u>

The notes form part of these financial statements

Independent Catering Management Limited (Registered number: 03222546)

**Other Comprehensive Income
for the Year Ended 31 December 2016**

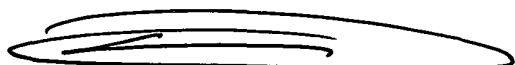
	Notes	2016 £	2015 £
PROFIT FOR THE YEAR		712,532	848,358
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>712,532</u>	<u>848,358</u>

The notes form part of these financial statements

Balance Sheet
31 December 2016

	Notes	2016 £	2015 £
FIXED ASSETS			
Tangible assets	7	209,704	165,006
Investments	8	<u>86,620</u>	<u>86,620</u>
		296,324	251,626
CURRENT ASSETS			
Debtors	9	885,960	949,175
Cash at bank		<u>478,056</u>	<u>385,456</u>
		1,364,016	1,334,631
CREDITORS			
Amounts falling due within one year	10	<u>1,165,748</u>	<u>889,591</u>
NET CURRENT ASSETS		<u>198,268</u>	<u>445,040</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		494,592	696,666
PROVISIONS FOR LIABILITIES	11	<u>41,308</u>	<u>27,914</u>
NET ASSETS		<u>453,284</u>	<u>668,752</u>
CAPITAL AND RESERVES			
Called up share capital	12	100	100
Retained earnings		<u>453,184</u>	<u>668,652</u>
SHAREHOLDERS' FUNDS		<u>453,284</u>	<u>668,752</u>

The financial statements were approved by the Board of Directors on 8 June 2017 and were signed on its behalf by:



A Saunders - Director

Independent Catering Management Limited (Registered number: 03222546)

**Cash Flow Statement
for the Year Ended 31 December 2016**

	Notes	2016 £	2015 £
Cash flows from operating activities			
Cash generated from operations	1	1,396,428	1,355,724
Tax paid		(199,392)	(179,117)
Cash collection charges		<u>(31,776)</u>	<u>(33,850)</u>
Net cash from operating activities		<u>1,165,260</u>	<u>1,142,757</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(114,396)	(86,161)
Sale of tangible fixed assets		13,900	7,319
Interest received		<u>36,810</u>	<u>29,311</u>
Net cash from investing activities		<u>(63,686)</u>	<u>(49,531)</u>
Cash flows from financing activities			
Amount withdrawn by directors		(80,974)	(59,544)
Equity dividends paid		<u>(928,000)</u>	<u>(975,000)</u>
Net cash from financing activities		<u>(1,008,974)</u>	<u>(1,034,544)</u>
Increase in cash and cash equivalents		<u>92,600</u>	<u>58,682</u>
Cash and cash equivalents at beginning of year	2	<u>385,456</u>	<u>326,774</u>
Cash and cash equivalents at end of year	2	<u><u>478,056</u></u>	<u><u>385,456</u></u>

The notes form part of these financial statements

**Notes to the Cash Flow Statement
for the Year Ended 31 December 2016**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2016 £	2015 £
Profit before taxation	887,131	1,055,559
Depreciation charges	55,256	43,145
Loss/(profit) on disposal of fixed assets	542	(2,542)
Finance costs	31,776	33,850
Finance income	<u>(36,810)</u>	<u>(29,311)</u>
	937,895	1,100,701
Decrease in trade and other debtors	63,215	256,365
Increase/(decrease) in trade and other creditors	<u>395,318</u>	<u>(1,342)</u>
Cash generated from operations	<u>1,396,428</u>	<u>1,355,724</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2016

	31.12.16 £	1.1.16 £
Cash and cash equivalents	<u>478,056</u>	<u>385,456</u>

Year ended 31 December 2015

	31.12.15 £	1.1.15 £
Cash and cash equivalents	<u>385,456</u>	<u>326,774</u>

**Notes to the Financial Statements
for the Year Ended 31 December 2016**

1. STATUTORY INFORMATION

Independent Catering Management Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents net invoiced sales and goods and services, excluding value added tax, except in respect of service contracts where turnover is recognised when the company obtains the right to consideration.

Turnover mainly comprises the sale of food and drink in the various catering units run by the company and revenues are recognised at the point of sale. The company also receives management charges and other related charges in this area and income here is recognised on a monthly basis as it is invoiced.

Discounts received from suppliers are included within turnover and are recognised in the period they relate to.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 20% on cost
Motor vehicles	- 25% on reducing balance
Computer equipment	- 33% on cost

Financial instruments

Loans made to associated companies are recognised on a net present value basis that includes estimating repayment periods and a discount factor as required by the calculations.

The directors have used realistic assumptions based on market factors to assess the carrying value is fair.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2016**

2. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. EMPLOYEES AND DIRECTORS

	2016 £	2015 £
Wages and salaries	4,689,877	4,037,629
Social security costs	211,675	170,883
Other pension costs	<u>95,033</u>	<u>52,532</u>
	<u>4,996,585</u>	<u>4,261,044</u>

The average monthly number of employees during the year was as follows:

	2016	2015
Catering Staff	391	349
Unit Managers	66	64
Head Office	<u>14</u>	<u>13</u>
	<u>471</u>	<u>426</u>

	2016 £	2015 £
Directors' remuneration	<u>131,100</u>	<u>124,400</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2016**

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2016 £	2015 £
Depreciation - owned assets	55,256	43,145
Loss/(profit) on disposal of fixed assets	542	(2,542)
Auditors' remuneration	6,000	6,000
Auditors' remuneration for non audit work	<u>11,945</u>	<u>12,120</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2016 £	2015 £
Cash collection charges	<u>31,776</u>	<u>33,850</u>

6. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2016 £	2015 £
Current tax:		
UK corporation tax	161,205	199,393
Deferred tax	<u>13,394</u>	<u>7,808</u>
Tax on profit	<u>174,599</u>	<u>207,201</u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2016 £	2015 £
Profit before tax	<u>887,131</u>	<u>1,055,559</u>
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20%)	177,426	211,112
Effects of:		
Expenses not deductible for tax purposes	2,382	1,425
Income not taxable for tax purposes	(6,636)	(5,983)
Capital allowances in excess of depreciation	(11,967)	(9,276)
Marginal relief	-	2,115
Deferred tax movement	<u>13,394</u>	<u>7,808</u>
Total tax charge	<u>174,599</u>	<u>207,201</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2016

7. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 January 2016	441,044	101,716	35,747	578,507
Additions	82,730	31,666	-	114,396
Disposals	-	(49,113)	-	(49,113)
At 31 December 2016	<u>523,774</u>	<u>84,269</u>	<u>35,747</u>	<u>643,790</u>
DEPRECIATION				
At 1 January 2016	331,881	45,874	35,746	413,501
Charge for year	38,378	16,878	-	55,256
Eliminated on disposal	-	(34,671)	-	(34,671)
At 31 December 2016	<u>370,259</u>	<u>28,081</u>	<u>35,746</u>	<u>434,086</u>
NET BOOK VALUE				
At 31 December 2016	<u>153,515</u>	<u>56,188</u>	<u>1</u>	<u>209,704</u>
At 31 December 2015	<u>109,163</u>	<u>55,842</u>	<u>1</u>	<u>165,006</u>

8. FIXED ASSET INVESTMENTS

	Loans to associates £
At 1 January 2016 and 31 December 2016	<u>86,620</u>

The carrying amount of the investment represents the value of the funding made available to Independent Catering Limited calculated on a net present value basis in accordance with the rules of FRS 102.

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade debtors	333,498	330,322
Other debtors	425,835	238,169
Due from related company	20	274,921
Prepayments and accrued income	<u>126,607</u>	<u>105,763</u>
	<u>885,960</u>	<u>949,175</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade creditors	825,586	456,379
Tax	161,206	199,393
Social security and other taxes	89,780	71,704
Directors' current accounts	8,033	89,007
Accrued expenses	<u>81,143</u>	<u>73,108</u>
	<u>1,165,748</u>	<u>889,591</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2016

11. PROVISIONS FOR LIABILITIES

	2016 £	2015 £
Deferred tax	<u>41,308</u>	<u>27,914</u>
		Deferred tax £
Balance at 1 January 2016		27,914
Charge to Income Statement during year		<u>13,394</u>
Balance at 31 December 2016		<u>41,308</u>

12. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2016	2015
Number:	Class:	Nominal value:	£	£
100	Ordinary shares	1	<u>100</u>	<u>100</u>

13. ULTIMATE CONTROLLING PARTY

The company is controlled by A Saunders.