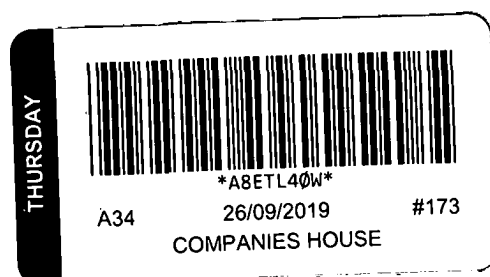


**Strategic Report, Report of the Directors and
Financial Statements
for the Year Ended 31 December 2018
for
Independent Catering Management Limited**



**Contents of the Financial Statements
for the Year Ended 31 December 2018**

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**Company Information
for the Year Ended 31 December 2018**

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 2018**

The directors present their strategic report for the year ended 31 December 2018.

REVIEW OF BUSINESS

The company has enjoyed another successful year with turnover within the units run increasing to £16.3m resulting in a profit before tax figure of just under £794,000. Profits have increased on last year as the company has benefited from a full year of new units won over the last few years and so have achieved better economies of scale in terms of costs over the increased number of units it operates.

PRINCIPAL RISKS AND UNCERTAINTIES

The company continues to operate 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 remain the key challenges faced by the company in running the catering contracts in the schools and these challenges remain the same.

The company maintains its objectives to ensure its liquidity and net asset value will be used fund any expansion in activities. Schools will re tender their catering contracts at least every three years so the company's policy is to have strong reserves in case future profits fall as tendering now involves dealing with academy groups of schools where the risk of losing more than just one school has increased.

COMPANY STRATEGY

The company since its formation has grown consistently each year. The plans are to continue to consolidate the present position and grow by winning the better catering units which operate to the standards expected by the company. The company continues to recognise that it does not always retain the business of existing contracts at the re tendering stage.

With increasing turnover and cost base from its existing units, the company has continued to increase its retained reserves to ensure its liquidity is not adversely affected by unexpected events or a fall in profits if it has a year where more contracts are lost rather than won.

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.

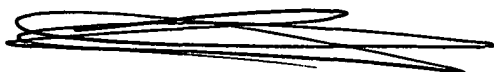
The company reported a gross profit margin of 12.3% (2016 12.6%) and margins are also carefully monitored during the year.

Margins have fallen slightly due to the upfront costs in taking on new contracts and the general rise in food prices.

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

4 June 2019

**Report of the Directors
for the Year Ended 31 December 2018**

The directors present their report with the financial statements of the company for the year ended 31 December 2018.

PRINCIPAL ACTIVITY

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

DIVIDENDS

The total distribution of dividends for the year ended 31 December 2018 will be £539,000.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2018 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.

**Report of the Directors
for the Year Ended 31 December 2018**

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 dark ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

A Saunders - Director

4 June 2019

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

Opinion

We have audited the financial statements of Independent Catering Management Limited (the 'company') for the year ended 31 December 2018 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the 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
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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.

Responsibilities of directors

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, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

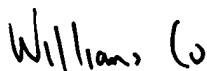
Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

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.



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

4 June 2019

**Income Statement
for the Year Ended 31 December 2018**

	Notes	2018 £	2017 £
TURNOVER		16,322,981	14,830,381
Cost of sales		14,324,791	12,968,761
GROSS PROFIT		1,998,190	1,861,620
Administrative expenses		1,178,627	1,172,793
OPERATING PROFIT	4	819,563	688,827
Interest receivable and similar income		1,321	(86,416)
		820,884	602,411
Interest payable and similar expenses	5	26,415	28,708
PROFIT BEFORE TAXATION		794,469	573,703
Tax on profit	6	153,635	129,026
PROFIT FOR THE FINANCIAL YEAR		640,834	444,677

The notes form part of these financial statements

**Other Comprehensive Income
for the Year Ended 31 December 2018**

	Notes	2018 £	2017 £
PROFIT FOR THE YEAR		640,834	444,677
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>640,834</u>	<u>444,677</u>

Balance Sheet
31 December 2018

	Notes	2018 £	2017 £
FIXED ASSETS			
Tangible assets	8	169,570	216,521
CURRENT ASSETS			
Debtors	9	1,536,570	1,283,626
Cash at bank		503,164	564,939
		<u>2,039,734</u>	<u>1,848,565</u>
CREDITORS			
Amounts falling due within one year	10	<u>1,337,291</u>	<u>1,286,245</u>
NET CURRENT ASSETS		<u>702,443</u>	<u>562,320</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>872,013</u>	<u>778,841</u>
PROVISIONS FOR LIABILITIES	12	<u>32,218</u>	<u>40,880</u>
NET ASSETS		<u><u>839,795</u></u>	<u><u>737,961</u></u>
CAPITAL AND RESERVES			
Called up share capital	13	100	100
Retained earnings	14	<u>839,695</u>	<u>737,861</u>
SHAREHOLDERS' FUNDS		<u><u>839,795</u></u>	<u><u>737,961</u></u>

The financial statements were approved by the Board of Directors on 4 June 2019 and were signed on its behalf by:



A Saunders - Director

**Statement of Changes in Equity
for the Year Ended 31 December 2018**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2017	100	453,184	453,284
Changes in equity			
Dividends	-	(160,000)	(160,000)
Total comprehensive income	-	444,677	444,677
Balance at 31 December 2017	<u>100</u>	<u>737,861</u>	<u>737,961</u>
Changes in equity			
Dividends	-	(539,000)	(539,000)
Total comprehensive income	-	640,834	640,834
Balance at 31 December 2018	<u><u>100</u></u>	<u><u>839,695</u></u>	<u><u>839,795</u></u>

**Cash Flow Statement
for the Year Ended 31 December 2018**

	Notes	2018 £	2017 £
Cash flows from operating activities			
Cash generated from operations	1	616,481	511,005
Interest element of hire purchase or finance lease rental payments paid		(26,415)	-
Tax paid		(129,446)	(161,206)
Cash collection charges		-	(28,708)
Net cash from operating activities		<u>460,620</u>	<u>321,091</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		-	(69,648)
Sale of tangible fixed assets		-	1,560
Interest received		1,321	204
Net cash from investing activities		<u>1,321</u>	<u>(67,884)</u>
Cash flows from financing activities			
Amount introduced by directors		414,000	-
Amount withdrawn by directors		(398,716)	(6,324)
Equity dividends paid		(539,000)	(160,000)
Net cash from financing activities		<u>(523,716)</u>	<u>(166,324)</u>
(Decrease)/increase in cash and cash equivalents		<u>(61,775)</u>	<u>86,883</u>
Cash and cash equivalents at beginning of year	2	564,939	478,056
Cash and cash equivalents at end of year	2	<u><u>503,164</u></u>	<u><u>564,939</u></u>

The notes form part of these financial statements

**Notes to the Cash Flow Statement
for the Year Ended 31 December 2018**

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

	2018	2017
	£	£
Profit before taxation	794,469	573,703
Depreciation charges	46,950	59,672
Loss on disposal of fixed assets	-	1,779
Finance costs	26,415	28,708
Finance income	(1,321)	86,416
	<u>866,513</u>	<u>750,278</u>
Increase in trade and other debtors	(252,943)	(397,666)
Increase in trade and other creditors	2,911	158,393
	<u>616,481</u>	<u>511,005</u>
Cash generated from operations	<u><u>616,481</u></u>	<u><u>511,005</u></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 2018

	31.12.18	1.1.18
	£	£
Cash and cash equivalents	<u>503,164</u>	<u>564,939</u>

Year ended 31 December 2017

	31.12.17	1.1.17
	£	£
Cash and cash equivalents	<u>564,939</u>	<u>478,056</u>

**Notes to the Financial Statements
for the Year Ended 31 December 2018**

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 2018**

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.

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.

Contract costs

The company accounts for the costs of running each contract on an arising basis each month and these costs are written off in full to the profit and loss account. For some contracts, the company can incur one off costs at the beginning and these costs are spread over the useful life of the contract.

3. EMPLOYEES AND DIRECTORS

	2018 £	2017 £
Wages and salaries	6,026,090	5,281,788
Social security costs	278,839	286,950
Other pension costs	57,881	90,954
	<u>6,362,810</u>	<u>5,659,692</u>

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

	2018	2017
Catering Staff	441	372
Unit Managers	69	67
Head Office	15	13
	<u>525</u>	<u>452</u>

	2018 £	2017 £
Directors' remuneration	<u>137,830</u>	<u>130,000</u>

4. OPERATING PROFIT

The operating profit is stated after charging:

	2018 £	2017 £
Depreciation - owned assets	46,951	59,492
Loss on disposal of fixed assets	-	1,779
Auditors' remuneration	8,520	6,000
Auditors' remuneration for non audit work	<u>14,555</u>	<u>18,555</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018	2017
	£	£
Cash collection charges	26,415	28,708

6. TAXATION

Analysis of the tax charge

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

	2018	2017
	£	£
Current tax:		
UK corporation tax	162,297	129,454
Deferred tax	(8,662)	(428)
Tax on profit	153,635	129,026

Reconciliation of total tax charge included in profit and loss

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

	2018	2017
	£	£
Profit before tax	794,469	573,703
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19%)	150,949	109,004
Effects of:		
Expenses not deductible for tax purposes	2,475	6,123
Capital allowances in excess of depreciation	-	(1,952)
Depreciation in excess of capital allowances	8,873	-
Effect of change in tax rate mid year	-	1,465
Deferred tax movement	(8,662)	(428)
FRS 102 interest write off	-	14,814
Total tax charge	153,635	129,026

7. DIVIDENDS

	2018	2017
	£	£
Interim	539,000	160,000

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

8. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 January 2018 and 31 December 2018	549,713	117,426	35,747	702,886
DEPRECIATION				
At 1 January 2018	406,150	44,469	35,746	486,365
Charge for year	28,713	18,238	-	46,951
At 31 December 2018	434,863	62,707	35,746	533,316
NET BOOK VALUE				
At 31 December 2018	114,850	54,719	1	169,570
At 31 December 2017	143,563	72,957	1	216,521

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade debtors	385,236	271,571
Other debtors	927,978	768,265
Prepayments and accrued income	223,356	243,790
	<u>1,536,570</u>	<u>1,283,626</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade creditors	899,858	956,351
Tax	162,305	129,454
Social security and other taxes	123,043	113,731
Directors' current accounts	16,993	1,709
Accrued expenses	135,092	85,000
	<u>1,337,291</u>	<u>1,286,245</u>

11. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2018 £	2017 £
Within one year	16,000	-
Between one and five years	46,991	-
	<u>62,991</u>	<u>-</u>

12. PROVISIONS FOR LIABILITIES

	2018 £	2017 £
Deferred tax	32,218	40,880

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

12. PROVISIONS FOR LIABILITIES - continued

	Deferred tax £
Balance at 1 January 2018	40,880
Provided during year	(8,662)
	<hr/>
Balance at 31 December 2018	<u>32,218</u>

13. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2018 £	2017 £
100	Ordinary shares	1	<u>100</u>	<u>100</u>

14. RESERVES

	Retained earnings £
At 1 January 2018	737,861
Profit for the year	640,834
Dividends	(539,000)
	<hr/>
At 31 December 2018	<u>839,695</u>

15. ULTIMATE CONTROLLING PARTY

The company is controlled by A Saunders.