

Absolute Taste Limited

**Directors' report and financial
statements**

Registered number 03308362

31 December 2012



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Officers and professional advisers

Directors

R Dennis
M Edgecombe
A Myers
LJ Redding
GA Kennerley

Secretary

T Murnane

Registered office

McLaren Technology Centre
Chertsey Road
Woking
Surrey
GU21 4YH

Auditors

KPMG LLP
1 Forest Gate
Brighton Road
Crawley
West Sussex
RH11 9PT

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2012

Registered number

The company's registered number is 03308362

Principal activity

The company's principal activity is providing hospitality services at sporting and social events and on site catering

Results

The profit on ordinary activities for the year after taxation amounted to £81,422 (2011 loss £260,016)

Business review and future prospects

2012 has seen a significant turnaround on our 2011 performance with a £0.5m improvement in operating profits

This improvement was derived from the establishment of the new business gains from the previous 2 years, as well as gaining significant new business that resulted in a 35% growth in revenues

Our Events business traded very strongly delivering record sales and profit conversion. The margin improvement was achieved through development of additional controls which were put in place by the management team. This is a continued priority for the future.

Absolute Taste also gained a prestigious contract with Westfield Stratford City to deliver large volume hospitality for the 2012 Olympic Games to a number of tier 1 and 2 sponsors.

Absolute Taste Inflight saw a small improvement on 2011 however this remained a difficult trading environment although signs for 2013 look very positive with new contracts coming on stream. Café and Restaurant operations stabilised for 2012 with signs for the new year also looking very positive with a number of new business openings being worked on.

The journey of continuing to add strength into the business procedures will continue for 2013.

Dividends

The directors do not propose a dividend for the year ended 31 December 2012 (2011 £nil)

Directors

The directors who served during the year are as reported on page 1. The directors served throughout the year unless otherwise stated.

Donations

During the year the company made charitable donations of £1,888 (2011 £1,395) and no political donations (2011 £nil).

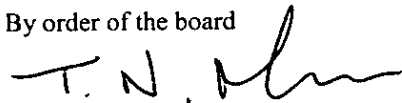
Disclosure of information

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that they or she ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

In accordance with Section 487 of the Companies Act 2006, a resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



T Murnane
Secretary

18 September 2013

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 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 Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

Independent auditor's report to the members of Absolute Taste Limited

We have audited the financial statements of Absolute Taste Limited for the year ended 31 December 2012 set out on pages 5 to 15. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to 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 an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with UK 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 the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.



Tim Widdas (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Forest Gate
Brighton Road
Crawley
West Sussex
RH11 9PT

23/9/2013

Profit and loss account
for the year ended 31 December 2012

	<i>Note</i>	2012 £000	2011 £000
Turnover	<i>1</i>	18,383	13,590
Cost of sales		(7,160)	(6,150)
Gross profit		11,223	7,440
Administrative expenses		(11,016)	(7,732)
Operating profit/(loss)		207	(292)
Interest receivable and similar income	<i>3</i>	-	3
Interest payable and similar charges	<i>4</i>	(74)	(50)
Profit/(loss) on ordinary activities before taxation	<i>5</i>	133	(339)
Tax on profit/(loss) on ordinary activities	<i>6</i>	(52)	79
Profit/(loss) for the financial year		81	(260)

In both the current year and preceding year, the company made no material acquisitions and had no discontinued operations

There were no recognised gains or losses in either the current or preceding year other than those disclosed in the profit and loss account, and therefore no separate statement of total recognised gains and losses has been presented

There is no material difference between the result reported in the profit and loss account and the result on an unmodified historical cost basis

Balance sheet
as at 31 December 2012

	<i>Note</i>	2012	2011
		£000	£000
Fixed assets			
Investments held as fixed assets	7	65	65
Tangible assets	8	478	685
		<hr/>	<hr/>
		543	750
Current assets			
Stocks	9	294	279
Debtors	10	3,584	2,965
Cash at bank and in hand		468	636
		<hr/>	<hr/>
		4,346	3,880
Creditors: amounts falling due within one year	12	(4,495)	(4,317)
		<hr/>	<hr/>
Net current liabilities		(149)	(437)
		<hr/>	<hr/>
Net assets		394	313
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	13	1	1
Capital redemption reserve	15	20	20
Profit and loss account	15	373	292
		<hr/>	<hr/>
Equity	16	394	313
		<hr/>	<hr/>

These financial statements were approved by the board of directors on *18 September* 2013 and were signed on their behalf by


R. Dennis
Director

Notes

(Forming part of the financial statements)

1 Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, and under the historical cost accounting rules. The particular accounting policies adopted are described below, and have been applied consistently throughout the current and preceding period.

Going concern

The company's activities, together with the factors likely to affect its future development and position are set out in the Business Review section of the Directors' Report on page 2.

At the balance sheet date, the company's current liabilities exceeded its current assets. In light of this position, the directors have closely considered the applicability of the going concern assumption for the preparation of the financial statements.

Absolute Taste Limited is expected to generate positive cash flows on its own account for the foreseeable future. The company participates in the group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries.

The directors have made enquiries of the directors of the company's parent and following these enquiries, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of McLaren Group Limited to continue as a going concern or its ability to continue with the current banking arrangements.

The parent company's directors have committed, through a formal letter of support, that the parent company would continue to provide such funds as is necessary to enable Absolute Taste Limited to meet its liabilities as and when they fall due.

On the basis of their assessment of the company's financial position, of the enquiries made of the directors of McLaren Group Limited and on the parent company's continued support in the future, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Consolidated financial statements

The company is a wholly owned subsidiary of a company incorporated in Great Britain and therefore has taken advantage of the exemption under Section 400 Companies Act 2006 not to produce consolidated financial statements. Accordingly, these financial statements present information about the company as an individual undertaking and not as a group.

Turnover

Turnover represents the invoiced value of goods sold and services provided in the year, exclusive of Value Added Tax.

Fixed asset investments

Investments are unlisted and are stated at cost less any provision for any impairment.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided over the estimated useful lives of the assets at the following rates:

Leasehold premises and improvements	- written off over the life of the lease
Fixtures, fittings and office equipment	- 20% of reducing balance
Plant, machinery, tools and equipment	- 20% of reducing balance
Motor vehicles	- 25% of reducing balance

No depreciation is provided until the assets are brought into use.

Notes (continued)

1 Accounting policies (continued)

Stocks

Stocks are valued at the lower of invoiced cost and net realisable value

Taxation

Current taxation, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Foreign currencies

Foreign currency transactions are translated into sterling at the rates ruling at the beginning of the month in which the transactions took place, unless matching forward foreign exchange contracts have been entered into. Foreign currency assets and liabilities are translated into sterling at the period-end rates. All foreign currency differences are dealt with through the profit and loss account.

Derivative instruments utilised by the company are forward exchange contracts. The company does not enter into speculative derivative contracts. All such instruments are used for hedging purposes to alter the risk profile of an existing underlying exposure of the company in line with the company's risk management policies.

Leases

Assets held under finance leases are initially reported at the fair value of the asset with equivalent liability categorised as appropriate under creditors due within or after one year. The assets are depreciated over the shorter of the lease term and their useful economic lives. Finance charges are allocated to accounting periods over the period of the lease to produce a constant rate of charge on the outstanding balance. Rentals are apportioned between finance charges and reduction of the liability, and allocated to cost of sales and other operating expenses as appropriate. Hire purchase transactions are dealt with similarly except that assets are depreciated over their useful economic lives.

Rentals under operating leases are charged on a straight-line basis over the lease term.

Pensions

The company operates a defined contribution pension scheme and also pays contributions to personal pension schemes of certain employees. The amounts payable to these schemes during the period are charged to the profit and loss account.

Cash flow statement

Under FRS 1 (revised), the company is exempt from producing a cash flow statement as it is a subsidiary of a United Kingdom company which prepares a cash flow statement.

Notes (continued)

2 Information regarding directors and employees

	2012 £000	2011 £000
<i>Directors' emoluments</i>		
Emoluments (excluding pension contributions)	269	237
Highest paid director's emoluments	161	159
	<hr/>	<hr/>
Aggregate of emoluments (excluding pension contributions)	430	396
	<hr/>	<hr/>
Pension contributions	12	12
	<hr/>	<hr/>
	Number	Number
Number of directors who are members of a defined contribution scheme	2	2
	<hr/>	<hr/>

R Dennis and A Myers are also directors of the holding company and their remuneration for services to the group has been borne by the holding company. The share of the total emoluments of these directors allocated in respect of services to this company is £104,037 (2011 £97,931)

	2012 £000	2011 £000
<i>Employees costs during the period (including directors)</i>		
Wages and salaries	5,156	4,250
Social security costs	547	496
Other pension costs	45	40
	<hr/>	<hr/>
	5,748	4,786
	<hr/>	<hr/>
	Number	Number
Average number of persons employed	264	249
	<hr/>	<hr/>

3 Interest receivable and similar income

	2012 £000	2011 £000
Net exchange gains	-	3
	<hr/>	<hr/>
	-	3
	<hr/>	<hr/>

4 Interest payable and similar charges

	2012 £000	2011 £000
On group company loan	69	50
Net exchange losses	5	-
	<hr/>	<hr/>
	74	50
	<hr/>	<hr/>

Notes (continued)

5 Profit/(loss) on ordinary activities before taxation

	2012 £000	2011 £000
<i>Profit/(loss) on ordinary activities before taxation is stated after charging</i>		
Depreciation	258	171
Operating lease rentals - other	215	194
Auditor's remuneration - audit of these financial statements	14	14
Profit on disposal of fixed assets	(1)	-
	<u> </u>	<u> </u>

In the opinion of the directors the company operates one class of business, as disclosed in the directors' report, which is all based in the United Kingdom

6 Tax on profit/(loss) on ordinary activities

	2012 £000	2011 £000
United Kingdom corporation tax at 24.5% (2011 26.5%)	-	-
Adjustments in respect of prior years	-	-
	<u> </u>	<u> </u>
Total current tax	-	-
<i>Deferred taxation</i>		
Origination and reversal of timing differences	48	(68)
Adjustments in respect of prior years	4	(11)
	<u> </u>	<u> </u>
	52	(79)
	<u> </u>	<u> </u>

Factors affecting tax charge for the current year

The current tax charge for the year is lower than (2011 higher than) the standard rate of corporation tax in the UK of 24.5% (2011 26.5%). The differences are explained below

	2012 £000	2011 £000
Profit/(loss) on ordinary activities before taxation	133	(339)
	<u> </u>	<u> </u>
Tax at 24.5% (2011 26.5%)	33	(90)
<i>Effects of</i>		
Expenses not deductible for tax purposes	9	(2)
Depreciation in excess of capital allowances	35	5
Tax losses (utilised)/carried forward	(77)	87
	<u> </u>	<u> </u>
Total actual amount of current tax	-	-
	<u> </u>	<u> </u>

Notes (continued)

6 Tax on profit on ordinary activities (continued)

A reduction in the UK corporation tax rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. This will reduce the company's future current tax charge accordingly. The deferred tax asset at 31 December 2012 has been calculated based on the rate of 23% substantively enacted at the balance sheet date.

The March 2013 Budget announced that the rate will further reduce to 20% by 2015 in addition to the planned reduction to 21% by 2014 previously announced in the December 2012 Autumn Statement. It has not yet been possible to quantify the full anticipated effect of the announced further 3% rate reduction, although this will further reduce the company's future current tax charge and reduce the company's deferred tax asset accordingly.

7 Investments held as fixed assets

	2012	2011
	£000	£000
<i>Cost</i>		
At 1 January	65	65
Additions	-	-
	<hr/>	<hr/>
At 31 December	65	65
	<hr/>	<hr/>

In 2010, Absolute Taste Limited established an In-flight Catering operation in Geneva, Switzerland - Absolute Taste Geneva SA. The amount disclosed above represents Absolute Taste Limited's full investment in that company.

Notes (continued)

8 Tangible fixed assets

	Leasehold premises and improvements £000	Fixtures, fittings and office equipment £000	Plant and machinery, tools and equipment £000	Motor vehicles £000	Total £000
<i>Cost</i>					
At 1 January 2012	638	273	1,133	122	2,166
Additions	32	8	17	-	57
Disposals	-	-	(133)	(43)	(176)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2012	670	281	1,017	79	2,047
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Accumulated depreciation</i>					
At 1 January 2012	564	140	679	98	1,481
Charge for the year	101	30	121	6	258
Disposals	-	-	(131)	(39)	(170)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2012	665	170	669	65	1,569
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>					
At 31 December 2012	5	111	348	14	478
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2011	74	133	454	24	685
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

9 Stocks

	2012 £000	2011 £000
Raw materials and consumables	294	279
	<hr/>	<hr/>
	294	279
	<hr/>	<hr/>

There is no material difference between the balance sheet value of stocks and their replacement cost

10 Debtors

	2012 £000	2011 £000
Trade debtors	1,134	890
Amounts owed by related parties (note 17)	2,107	1,737
Other debtors	46	35
Taxation and social security	54	76
Deferred tax asset (note 11)	8	60
Prepayments and accrued income	235	167
	<hr/>	<hr/>
	3,584	2,965
	<hr/>	<hr/>

Notes (continued)

11 Deferred tax asset

	2012 £000	2011 £000
<i>Reconciliation of movement in the deferred tax asset</i>		
At 1 January	60	(19)
(Charge)/credit to profit and loss account	(52)	79
	<hr/>	<hr/>
At 31 December	8	60
	<hr/>	<hr/>

	2012 £000	2011 £000
<i>The deferred tax asset consists of</i>		
Depreciation in excess of capital allowances	(14)	(29)
Short-term timing differences	2	2
Trading losses carried forward	20	87
	<hr/>	<hr/>
	8	60
	<hr/>	<hr/>

12 Creditors: amounts falling due within one year

	2012 £000	2011 £000
Trade creditors	844	1,136
Amounts owed to related parties (note 17)	2,454	2,616
Taxation and social security	917	186
Other creditors	5	55
Accruals and deferred income	275	324
	<hr/>	<hr/>
	4,495	4,317
	<hr/>	<hr/>

Notes (continued)

13 Called up share capital

	2012 £000	2011 £000
<i>Authorised</i>		
1,000 ordinary shares of £1 each	1	1
30,000 nil % redeemable preference shares of £1 each	30	30
	<u>31</u>	<u>31</u>
<i>Called up, allotted and fully paid</i>		
1,000 ordinary shares of £1 each	<u>1</u>	<u>1</u>

14 Operating lease commitments

At 31 December 2012 the company was committed to make the following payments during the next year in respect of operating leases

	31 December 2012		31 December 2011	
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
Leases which expire				
Within one year	4	10	4	-
Within two to five years	180	16	184	23
	<u>184</u>	<u>26</u>	<u>188</u>	<u>23</u>

15 Reserves

	Capital redemption reserve £000	Profit and loss account £000
At 1 January 2012	20	292
Profit for the year	-	81
	<u>20</u>	<u>373</u>
At 31 December 2012		

Notes (continued)

16 Reconciliation of movement in shareholders' funds

	2012 £000	2011 £000
Profit/(loss) for the year	81	(260)
Net change in shareholders' funds	81	(260)
Opening shareholders' funds	313	573
Closing shareholders' funds	394	313

17 Related party transactions

Transactions with related companies during the period were as follows

	Year ended 31 December 2012 £000	Year ended 31 December 2011 £000	Balance outstanding at 31 December 2012 £000	Balance outstanding at 31 December 2011 £000
Sales at normal trade prices to				
TAG Group Limited	448	412	59	63
McLaren Group Limited and its subsidiaries	3,610	3,605	1,831	1,462
McLaren Automotive Limited	427	231	217	45
Greyscape Limited	17	18	-	1
Ron Dennis	2	139	-	166
M Ojeh	-	3	-	-
Purchases at normal trade prices from:				
McLaren Group Limited and its subsidiaries	175	178	2,454	2,616
Daimler AG & related companies	-	10	-	-

All related party transactions have been made under normal commercial terms and conditions

18 Ultimate parent company

In the opinion of the directors, the company's immediate parent is McLaren Racing Limited and its controlling entity is McLaren Group Limited, a company registered in England and Wales. This is also the parent undertaking of the largest and only group which includes the company and for which group financial statements are prepared.

Copies of the group financial statements of McLaren Group Limited are available from Companies House, Crown Way, Cardiff CF14 3UZ.

Ownership of McLaren Group Limited at 31 December 2012 was as follows: 50% Bahrain Mumtalakat Holding Company (incorporated in Bahrain), 25% Mr R Dennis and 25% TAG Group Limited (incorporated in Jersey).