

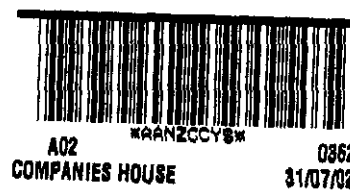


Facilities Management Catering Limited

FINANCIAL STATEMENTS

for the period ended

31 December 2001



FACILITIES MANAGEMENT CATERING LIMITED

Particulars of Directors

PETER J.H. RUDGE FCA – Chairman
M.F. McCARTNEY MVO – Managing Director
C.T.E. BOTTING
M.P. JOYCE
S. EVANS

SECRETARY

C.T.E. BOTTING

HEAD OFFICE

Church Road,
Wimbledon
London, SW19 5AE

REGISTRATION NUMBER

3669990

REGISTERED OFFICE

The Gate House
Dell Quay
Chichester
West Sussex PO20 7EE

AUDITORS

Baker Tilly
46 Clarendon Road
Watford
Herts WD17 1HE

BANKERS

National Westminster Bank plc
98 High Street
Wimbledon
London SW19 5ZH
Sort Code 60.24.07
Account Number 69597170

SOLICITORS

Over Taylor Biggs
1 Oak Tree Place
Manaton Close
Exeter
EX2 8WA

Facilities Management Catering Limited

CHAIRMAN'S STATEMENT

In this, our third year of operation our company has made major strides forward in both turnover and profitability and it is clear from our balance sheet that these achievements have been financed entirely from our own resources. Steps taken over the past year include bringing our accounting systems in house and our ongoing capital expenditure policy will ensure less reliance on external resources for future equipment requirements etc.

FMC was formed in January 1999 by Frank McCartney, Martin Joyce and Colin Botting who were joined by Simon Evans the following year. Between them have over 120 years of experience at senior management level in the event catering industry.

Since its formation the Company has recruited key personnel such as top line chefs and food & beverage management and it is now arguably the most experienced and qualified team of management working in the outside catering and special events marketplace. In addition up to 1,900 temporary staff are employed as and when required to fulfill specific contracts, there is a highly experienced permanent staff of dedicated head office personnel that ensures the smooth operation of all the company's activities.

All clients receive a personal service throughout the whole period of the contract and this allows the Company to "deliver the promise" made at the time of contract negotiation. Our contracts are negotiated by people who understand the organisation and operation of events and venues and who will be present when key decisions are taking place once the contract has been awarded.

To underline the success of this approach, we have the catering contracts for such prestigious events and locations as The Championships, Wimbledon, the National Motor Museum, Beaulieu, Castle Howard - the North Yorkshire stately home and the RHS Harlow Carr Gardens in Harrogate. We are the management caterers to Ipswich Town Football Club and the National Botanical Garden of Wales and the newly opened Friends Provident Stadium, headquarters of Premier Division Football Club, Southampton. The most recent addition to our list of prestige venues is new Kingston Communications Stadium which will be home to both Hull City Football and Hull Rugby League Clubs.

These venues are in addition to catering for such events as rugby internationals major golfing tournaments and the Michael Parkinson Charity Celebrity Weekend at Bray.

The company is highly selective about the quality of the contracts it wishes to be involved in and is able to fulfill its preference of working with clients who are like minded in the pursuit of good food and service. The management time and investment that has been spent on selecting and servicing these major contracts and the underlying work necessary to successfully set up the essential infra structure is reflected in our results.

The company will continue to concentrate its management time and attention on client satisfaction in pursuit of quality food and food service.

Peter JH Rudge, FCA
Chairman

28th June 2002



Facilities Management Catering Limited

DIRECTORS' REPORT

The directors present their report and financial statements of Facilities Management Catering Limited for the year ended 31 December 2001.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of carrying out catering services for private and public functions.

REVIEW OF THE BUSINESS

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future.

RESULTS AND DIVIDENDS

The trading profit for the year after taxation was £286,261.

The directors do not recommend payment of an ordinary dividend.

DIRECTORS

The following directors have held office since 1 January 2001:

P J H Rudge
M F McCartney
C T E Botting
M P Joyce
S J Evans

In accordance with the company's Articles of Association, S J Evans retires by rotation and, being eligible, offers himself for re-election.

DIRECTORS' INTERESTS IN SHARES

Directors' interests in the shares of the company, including family interests, were as follows:

	<i>Ordinary of £ 1 each</i>	
	31.12.01	1.1.01
C T E Botting	14,000	14,000
M P Joyce	15,000	15,000
M F McCartney	14,250	14,250
P J H Rudge	5,000	5,000
S J Evans	-	-

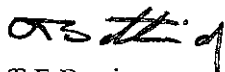
Facilities Management Catering Limited

DIRECTORS' REPORT

AUDITORS

A resolution to reappoint Baker Tilly, Chartered Accountants will be put to the members at the annual general meeting.

On behalf of the board



C T E Botting
Director

28 June 2002

Facilities Management Catering Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d. 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FACILITIES MANAGEMENT CATERING LIMITED

We have audited the financial statements on pages 6 to 15.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the other information in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies within the financial statements. Our responsibilities do not extend to any other information.

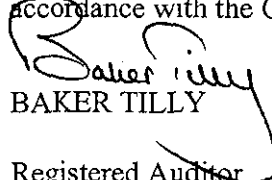
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


BAKER TILLY

Registered Auditor
Chartered Accountants
46 Clarendon Road
Watford
Hertfordshire
WD17 1HE

28 June 2002

Facilities Management Catering Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2001

	Notes	2001 £	2000 £
TURNOVER	1	11,970,387	7,350,455
Cost of sales		9,988,537	6,208,724
Gross profit		1,981,850	1,141,731
Other operating expenses (net)	2	1,604,411	1,023,218
OPERATING PROFIT		377,439	118,513
Investment income	3	42,697	43,228
		420,136	161,741
Interest payable	4	1,772	1,796
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	418,364	159,945
Taxation	7	132,103	28,000
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	14	286,261	131,945

The operating profit for the year arises from the company's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

Facilities Management Catering Limited

BALANCE SHEET

31 December 2001

	Notes	2001 £	2000 £
FIXED ASSETS			
Tangible assets	8	<u>265,698</u>	<u>276,350</u>
CURRENT ASSETS			
Stocks	9	118,651	23,964
Debtors	10	405,679	338,657
Cash at bank and in hand		<u>1,001,484</u>	<u>402,037</u>
		1,525,814	764,658
CREDITORS: Amounts falling due within one year	11	<u>987,061</u>	<u>500,358</u>
NET CURRENT ASSETS		<u>538,753</u>	<u>264,300</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		804,451	540,650
CREDITORS: Amounts falling due after more than one year	12	<u>(51,346)</u>	<u>(73,806)</u>
		<u>753,105</u>	<u>466,844</u>
CAPITAL AND RESERVES			
Called up share capital	13	50,000	50,000
Share premium account	14	17,000	17,000
Profit and loss account	14	<u>686,105</u>	<u>399,844</u>
SHAREHOLDERS' FUNDS	15	<u>753,105</u>	<u>466,844</u>

Approved by the board on 28 June 2002

M F McCartney

Director *M F McCartney*

M P Joyce

Director *M P Joyce*

Facilities Management Catering Limited

CASH FLOW STATEMENT

for the year ended 31 December 2001

	<i>Notes</i>	2001 £	2000 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	16	746,824	303,773
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		42,697	43,228
Interest paid		(1,772)	(1,796)
Net cash inflow for returns on investments and servicing of finance		40,925	41,432
TAXATION		(32,014)	(77,089)
CAPITAL EXPENDITURE			
Payments to acquire tangible assets		(136,026)	(174,886)
Receipts from sales of tangible assets		-	81,918
Net cash outflow for capital expenditure		(136,026)	(92,968)
Net cash inflow before management of liquid resources and financing		619,709	175,148
FINANCING			
Capital element of hire purchase contracts		(20,262)	(15,290)
Net cash outflow from financing		(20,262)	(15,290)
INCREASE IN CASH IN THE YEAR		599,447	159,858

Facilities Management Catering Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention in accordance with applicable accounting standards.

TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost less depreciation.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:-

Equipment	Over 3 years
Computer Equipment	Over 3 years
Motor vehicles	25% reducing balance

STOCK

Stock is valued at the lower of cost and net realisable value. Net realisable value is based upon estimated selling price less further costs expected to be incurred to completion and disposal. Provision is made for obsolete and slow-moving items.

DEFERRED TAXATION

Provision is made for taxation deferred or accelerated by the effect of timing differences, to the extent that it is probable that a liability will crystallise, at the rate expected to be ruling at that date.

LEASED ASSETS

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding.

The annual rentals on 'operating leases' are charged to the profit and loss account on a straight line basis over the lease term.

PENSIONS CONTRIBUTIONS

The pension costs charged in the financial statements represent the contributions payable by the company during the year.

TURNOVER

Turnover represents the invoiced value, net of Value Added Tax, of goods sold and services provided to customers.

Facilities Management Catering Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2001

1. TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The company's turnover and profit before taxation were all derived from its principal activity wholly undertaken in the United Kingdom.

2. OTHER OPERATING EXPENSES (NET)

	2001 £	2000 £
Administrative expenses	1,608,215	1,038,261
Other operating income	(3,804)	(15,043)
	<u>1,604,411</u>	<u>1,023,218</u>

3. INVESTMENT INCOME

	2001 £	2000 £
Bank interest	<u>42,697</u>	<u>43,228</u>

4. INTEREST PAYABLE

	2001 £	2000 £
On bank loans and overdrafts	<u>1,772</u>	<u>1,796</u>

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2001 £	2000 £
Profit on ordinary activities before taxation is stated after charging:		
Depreciation of tangible assets:		
Charge for the year:		
owned assets	118,915	63,230
leased assets	27,763	6,803
Loss on disposals	-	2,225
Operating lease rentals:		
Plant and machinery	49,269	52,881
Land and buildings	6,000	4,500
Auditors' remuneration	9,000	7,500
Remuneration of auditors for non-audit work	<u>5,500</u>	<u>5,000</u>

Facilities Management Catering Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2001

6. EMPLOYEES

The average monthly number of persons (including directors) employed by the company during the year was:	2001 No.	2000 No.
Directors	5	5
Administration	20	9
Catering	228	132
	<u>253</u>	<u>146</u>
	2001	2000
	£	£
Staff costs for the above persons:		
Wages and salaries	2,644,555	1,609,648
Social security costs	218,398	150,732
Other pension costs	121,324	92,041
	<u>2,984,277</u>	<u>1,852,421</u>

DIRECTORS' REMUNERATION

	2001 £	2000 £
Emoluments for qualifying services	302,136	251,443
Company pension contributions to money purchase schemes	114,251	87,942
	<u>416,387</u>	<u>339,385</u>

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	<u>93,100</u>	<u>65,100</u>
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7 TAXATION

	2001 £	2000 £
Domestic current year tax		
U.K. corporation tax at 24% (2000 : 20%)	128,000	28,000
Adjustment for prior years	4,103	-
	<u>132,103</u>	<u>28,000</u>
Current tax charge		

Facilities Management Catering Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2001

8. TANGIBLE FIXED ASSETS

	<i>Equipment</i>	<i>Computer Equipment</i>	<i>Motor vehicles</i>	<i>Total</i>
	£	£	£	£
Cost				
1 January 2001	229,976	38,126	109,353	377,455
Additions	78,800	48,226	9,000	136,026
31 December 2001	<u>308,776</u>	<u>86,352</u>	<u>118,353</u>	<u>513,481</u>
Depreciation				
1 January 2001	80,913	12,889	7,303	101,105
Charge in the year	90,476	28,439	27,763	146,678
31 December 2001	<u>171,389</u>	<u>41,328</u>	<u>35,066</u>	<u>247,783</u>
Net book value				
31 December 2001	<u>137,387</u>	<u>45,024</u>	<u>83,287</u>	<u>265,698</u>
31 December 2000	<u>149,063</u>	<u>25,237</u>	<u>102,050</u>	<u>276,350</u>

Included above are assets held under finance leases or hire purchase contracts in respect of motor vehicles amounting to £83,287 (2000:£102,050).

9. STOCKS

	2001	2000
	£	£
Goods for resale	<u>118,651</u>	<u>23,964</u>

10. DEBTORS

	2001	2000
	£	£
Due within one year:		
Trade debtors	341,689	132,978
Other debtors	28,885	195,619
Prepayments and accrued income	35,105	10,060
	<u>405,679</u>	<u>338,657</u>

Facilities Management Catering Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2001

11. CREDITORS: Amounts falling due within one year	2001 £	2000 £
Obligations under finance lease and hire purchase contracts	22,455	20,257
Trade creditors	366,320	301,402
Corporation tax	128,000	27,911
Other taxes and social security costs	76,554	22,832
Other creditors	32,831	10,693
Accruals and deferred income	360,901	117,263
	<u>987,061</u>	<u>500,358</u>
12. CREDITORS: Amounts falling due in more than one year	2001 £	2000 £
Obligations under finance leases and hire purchase agreements	<u>51,346</u>	<u>73,806</u>
	2001 £	2000 £
Obligations under finance leases and hire purchase contracts:		
Repayable within one year	25,653	25,653
Repayable between two and five years	52,451	78,104
	<u>78,104</u>	<u>103,757</u>
Finance charges and interest allocated to future accounting periods	(4,303)	(9,694)
	<u>73,801</u>	<u>94,063</u>
Included in current liabilities	(22,455)	(20,257)
	<u>51,346</u>	<u>73,806</u>
13. SHARE CAPITAL	2001 £	2000 £
Authorised:		
100,000 Ordinary of £ 1 each	<u>100,000</u>	<u>100,000</u>
Allotted, issued and fully paid:		
50,000 Ordinary of £ 1 each	<u>50,000</u>	<u>50,000</u>

Facilities Management Catering Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2001

14. STATEMENT OF MOVEMENT ON RESERVES

	<i>Share premium account</i> £	<i>Profit and loss account</i> £
1 January 2001	17,000	399,844
Retained profit for the year	-	286,261
31 December 2001	<u>17,000</u>	<u>686,105</u>

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2001 £	2000 £
Profit for the financial year	286,261	131,945
Opening shareholders' funds	<u>466,844</u>	<u>334,899</u>
Closing shareholders' funds	<u>753,105</u>	<u>466,844</u>

16. CASH FLOWS

	2001 £	2000 £
a. Reconciliation of operating profit to net cash inflow from operating activities		
Operating profit	377,439	118,513
Depreciation of tangible assets	146,678	70,033
Loss on disposal of tangible assets	-	2,225
(Increase)/decrease in stocks	(94,687)	2,650
(Increase)/decrease in debtors	(67,022)	405,342
Increase/(decrease) in creditors within one year	<u>384,416</u>	<u>(294,990)</u>
Net cash inflow from operating activities	<u>746,824</u>	<u>303,773</u>

Facilities Management Catering Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2001

b. Analysis of net funds	1 January 2001	Cash flow	Other non- cash changes	31 December 2001
	£	£	£	£
Net cash:				
Cash at bank and in hand	402,037	599,447	-	1,001,484
Debt:				
Finance leases	(94,063)	20,262	-	(73,801)
Net funds	307,974	619,709	-	927,683
c. Reconciliation of net cash flow to movement in net debt			2001	2000
			£	£
Increase in cash in the year			599,447	159,858
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing			20,262	(94,063)
Movement in net funds in the year			619,709	65,795
Opening net funds			307,974	242,179
Closing net funds			927,683	307,974

17. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund. The contributions payable by the company for the year amounted to £121,324 (2000: £92,041).