

Facilities Management Catering Limited

FINANCIAL STATEMENTS

for the year ended

30 September 2005



Company Registration No. 03669990

Facilities Management Catering Limited

DIRECTORS AND OFFICERS

DIRECTORS

P J H Rudge, FCA

(Chairman)

M F McCartney

(Managing Director)

C T E Botting

M P Joyce

N J Dunlop

A Crean

SECRETARY

T C Mason

COMPANY NUMBER

03669990 (England and Wales)

REGISTERED OFFICE

24 Parklands, Birmingham Great Park

Rubery

Birmingham

B45 9PZ

AUDITORS

Baker Tilly

446 Midsummer Boulevard

Milton Keynes

Buckinghamshire

MK9 2EA

Facilities Management Catering Limited

DIRECTORS' REPORT

The directors present their report and financial statements of Facilities Management Catering Limited for the year ended 30 September 2005.

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.

FUTURE DEVELOPMENTS

The trading activities of the company will be absorbed into other areas of the Compass group during the ensuing six months.

RESULTS AND DIVIDENDS

The trading profit for the year after taxation was £972,570.

The directors do not recommend payment of an ordinary dividend.

DIRECTORS

The following directors have held office since 1 October 2004:

P J H Rudge, FCA

M F McCartney

C T E Botting

M P Joyce

S J Evans

(Resigned 25 April 2005)

M S Draisey

(Resigned 3 August 2005)

N J Dunlop

A Crean

(Appointed 5 December 2005)

In accordance with the Articles of Association N J Dunlop was appointed as Special Director.

There shall not be a quorum at any meeting unless the Special Director is present. No resolution may be validly passed at the meeting unless the Special Director votes in favour.

DIRECTORS' INTERESTS IN SHARES

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

	<i>Ordinary shares of £ 1 each</i>	
	30.9.05	1.10.04
C T E Botting	-	-
M P Joyce	-	-
M F McCartney	-	-
P J H Rudge, FCA	-	-
N J Dunlop	-	-

Facilities Management Catering Limited

DIRECTORS' REPORT (CONTINUED)

EMPLOYEE INVOLVEMENT

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

DISABLED PERSONS

The company's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

CREDITOR PAYMENT POLICY

The company's current policy concerning the payment of trade creditors is to:

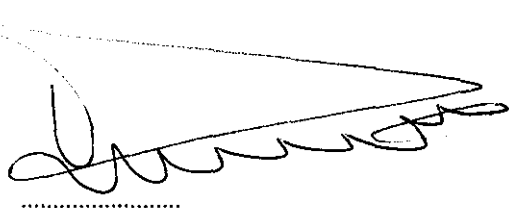
- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

On average, trade creditors at the year end represented 14 (2004- 24) days' purchases.

AUDITORS

The company has by elective resolution dispensed with the obligation to appoint auditors annually in accordance with Section 386(1) of the Companies Act 1985. Therefore, the auditors, Baker Tilly, will be deemed to be reappointed for each succeeding financial year.

On behalf of the board



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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 AUDITOR'S REPORT TO THE MEMBERS OF FACILITIES MANAGEMENT CATERING LIMITED

We have audited the financial statements on pages 6 to 14.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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

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 the Directors' Report and the Chairman's Statement. 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.

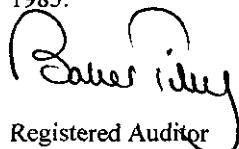
Basis of opinion

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 30 September 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Registered Auditor
Chartered Accountants

Milton Keynes
Buckinghamshire

MK9 2EA

23 March 2006

Facilities Management Catering Limited

PROFIT AND LOSS ACCOUNT

for the year ended 30 September 2005

	<i>Notes</i>	2005 £	2004 £
TURNOVER	1	16,932,975	17,656,641
Cost of sales		13,346,107	13,534,539
Gross profit		3,586,868	4,122,102
Other operating expenses	2	2,313,236	3,041,591
OPERATING PROFIT		1,273,632	1,080,511
Investment income	3	151,782	80,260
		1,425,414	1,160,771
Interest payable	4	135	61
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	1,425,279	1,160,710
Taxation	7	452,709	387,953
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	13	972,570	772,757

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

30 September 2005

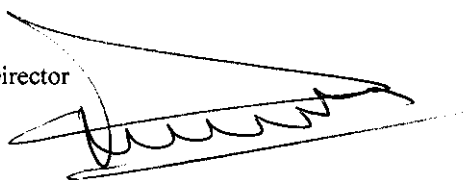
	Notes	2005 £	2004 £
FIXED ASSETS			
Tangible assets	8	<u>187,356</u>	<u>425,160</u>
CURRENT ASSETS			
Stocks	9	99,451	203,608
Debtors	10	2,250,422	898,468
Cash at bank and in hand		<u>4,627,692</u>	<u>5,051,020</u>
		6,977,565	6,153,096
CREDITORS: Amounts falling due within one year	11	<u>3,658,806</u>	<u>4,044,711</u>
NET CURRENT ASSETS		<u>3,318,759</u>	<u>2,108,385</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>3,506,115</u></u>	<u><u>2,533,545</u></u>
CAPITAL AND RESERVES			
Called up share capital	12	71,429	71,429
Share premium account	13	17,000	17,000
Profit and loss account	13	<u>3,417,686</u>	<u>2,445,116</u>
SHAREHOLDERS' FUNDS	14	<u><u>3,506,115</u></u>	<u><u>2,533,545</u></u>

Approved by the board on 20th March 2006

Director



Director



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.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

TANGIBLE FIXED ASSETS

Equipment	Over 3 years or 5 years
Computer Equipment	Over 3 years straight line and reducing balance
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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

LEASED ASSETS

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 30 September 2005

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

2005	2004
£	£

Administrative expenses	2,313,236	3,041,591
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3. INVESTMENT INCOME

2005	2004
£	£

Bank interest	151,782	80,260
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4. INTEREST PAYABLE

2005	2004
£	£

On bank loans and overdrafts	135	61
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5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

2005	2004
£	£

Profit on ordinary activities before taxation is stated after charging/(crediting):

Depreciation of tangible assets:

Charge for the year:

owned assets	183,379	222,110
Profit on disposals	-	(12,893)

Operating lease rentals:

Plant and machinery	46,854	73,438
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Land and buildings	13,002	13,000
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Auditors' remuneration	10,723	15,000
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Remuneration of auditors for non-audit work	5,688	5,711
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Facilities Management Catering Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 September 2005

6. EMPLOYEES

The average monthly number of persons (including directors) employed by the company during the year was:	2005 No.	2004 No.
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Directors	6	7
Administration	51	56
Catering	582	447
	<u>639</u>	<u>510</u>

Staff costs for the above persons:

	£	£
Wages and salaries	6,474,718	4,840,061
Social security costs	488,747	369,574
Other pension costs	153,754	203,350
	<u>7,117,219</u>	<u>5,412,985</u>

DIRECTORS' REMUNERATION

	2005 £	2004 £
Emoluments for qualifying services	200,000	414,125
Company pension contributions to money purchase schemes	126,000	172,038
	<u>326,000</u>	<u>586,163</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 4 (2004- 4).

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

Emoluments for qualifying services	100,000	110,000
Company pension contributions to money purchase schemes	63,000	48,000
	<u>163,000</u>	<u>158,000</u>

Facilities Management Catering Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 September 2005

7. TAXATION	2005 £	2004 £
Domestic current year tax		
U.K. corporation tax	452,709	385,063
Adjustment for prior years	-	2,890
	<u>452,709</u>	<u>387,953</u>
Current tax charge		
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	<u>1,425,279</u>	<u>1,160,710</u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax for small companies of 30.00% (2004: 30.00%)	<u>427,584</u>	<u>348,213</u>
Effects of:		
Non deductible expenses	7,376	22,001
Capital allowances in excess of depreciation	17,749	14,849
Adjustments to previous periods	-	2,890
Other tax adjustments	-	-
	<u>25,125</u>	<u>39,740</u>
Current tax charge	<u>452,709</u>	<u>387,953</u>

8. TANGIBLE FIXED ASSETS

	<i>Equipment</i> £	<i>Computer Equipment</i> £	<i>Motor vehicles</i> £	<i>Total</i> £
Cost				
1 October 2004	899,292	81,426	19,700	1,000,418
Disposals	<u>(109,853)</u>	<u>(7,510)</u>	<u>(19,700)</u>	<u>(137,063)</u>
30 September 2005	<u>789,439</u>	<u>73,916</u>	<u>-</u>	<u>863,355</u>
Depreciation				
1 October 2004	515,187	49,976	10,095	575,258
Charge in the year	169,425	13,554	400	183,379
Disposals	<u>(70,248)</u>	<u>(1,895)</u>	<u>(10,495)</u>	<u>(82,638)</u>
30 September 2005	<u>614,364</u>	<u>61,635</u>	<u>-</u>	<u>675,999</u>
Net book value				
30 September 2005	<u>175,075</u>	<u>12,281</u>	<u>-</u>	<u>187,356</u>
30 September 2004	<u>384,105</u>	<u>31,450</u>	<u>9,605</u>	<u>425,160</u>

Facilities Management Catering Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 September 2005

9. STOCKS	2005 £	2004 £
Finished goods and goods for resale	<u>99,451</u>	<u>203,608</u>
10. DEBTORS	2005 £	2004 £
Trade debtors	1,248,884	744,584
Amounts owed by parent and fellow subsidiary undertakings	585,249	48,206
Other debtors	-	51,764
Prepayments and accrued income	<u>416,289</u>	<u>53,914</u>
	<u>2,250,422</u>	<u>898,468</u>
Amounts falling due after more than one year and included in the debtors above are:	2005 £	2004 £
Other debtors	<u>-</u>	<u>39,333</u>
11. CREDITORS: Amounts falling due within one year	2005 £	2004 £
Bank overdraft	110	686
Trade creditors	520,930	896,507
Corporation tax	837,772	385,063
Other taxes and social security costs	1,316,835	1,293,502
Other creditors	104,561	638,531
Accruals and deferred income	<u>878,598</u>	<u>830,422</u>
	<u>3,658,806</u>	<u>4,044,711</u>
12. SHARE CAPITAL	2005 £	2004 £
Authorised:		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Allotted, issued and fully paid:		
71,429 Ordinary shares of £1 each	<u>71,429</u>	<u>71,429</u>

Facilities Management Catering Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 September 2005

13. STATEMENT OF MOVEMENT ON RESERVES

	<i>Share premium account</i>	<i>Profit and loss account</i>
	£	£
1 October 2004	17,000	2,445,116
Retained profit for the year	-	972,570
	<u>17,000</u>	<u>3,417,686</u>
30 September 2005	<u>17,000</u>	<u>3,417,686</u>

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2005	2004
	£	£
Profit for the financial year	972,570	772,757
Opening shareholders' funds	2,533,545	1,760,788
	<u>3,506,115</u>	<u>2,533,545</u>
Closing shareholders' funds	<u>3,506,115</u>	<u>2,533,545</u>

15. COMMITMENTS UNDER OPERATING LEASES

At 30 September 2005 the company had annual commitments under non-cancellable operating leases as follows:

	2005	2004
	£	£
Land and buildings expiring in the first year	13,000	13,000
Plant and machinery expiring in the first year	19,355	-
expiring in the second to fifth year	11,893	38,145
	<u>44,248</u>	<u>51,145</u>

16. PENSION COMMITMENTS

DEFINED CONTRIBUTION

At the year end contributions of £nil (2004: £4,551) were due to the scheme.

	2005	2004
	£	£
Contributions payable by the company for the year	<u>153,754</u>	<u>203,350</u>

Facilities Management Catering Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 September 2005

17. CONTROL

The immediate parent company is Compass Group, UK and Ireland Limited, a company registered in England and Wales, and the ultimate parent company is Compass Group plc, a company registered in England and Wales.

Compass Group, UK and Ireland Limited prepares group financial statements and copies can be obtained from - Rivermead, Oxford Road, Denham, Uxbridge UB9 4BF.

Compass Group plc prepares group financial statements and copies can be obtained from - Compass House, Guilford Street, Chertsey, Surrey KT16 9BQ.

In accordance with the Articles of Association, the majority shareholder, Compass Group, UK and Ireland Limited, may appoint or remove any director.

18. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemptions conferred by Financial Reporting Standard No 8 from the requirement to make disclosures concerning group companies.

19. SUBSEQUENT EVENTS

During the course of the ensuing six months the trading activities of the company will be absorbed into other areas of the Compass group.