

**FACILITIES MANAGEMENT CATERING
LIMITED**

Report and Financial Statements

30 September 2008

THURSDAY



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FACILITIES MANAGEMENT CATERING LIMITED

REPORT AND FINANCIAL STATEMENTS 2008

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FACILITIES MANAGEMENT CATERING LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

A Crean	
C T E Botting	(Resigned 31 January 2008)
M F McCartney	(Resigned 31 January 2008)
P J H Rudge, FCA	(Resigned 30 November 2007)
M Thompson	

SECRETARY

T C Mason	(Resigned 24 December 2008)
Compass Secretaries Limited	(Appointed 24 December 2008)

REGISTERED OFFICE

Parklands Court
24 Parklands
Birmingham Great Park
Rubery
Birmingham
B45 9PZ

BANKERS

National Westminster Bank PLC
817 Bristol Road South
Birmingham
B31 2NQ

SOLICITORS

Hammond Suddards Edge
Rutland House
148 Edmund Street
Birmingham
B3 2JR

AUDITORS

Deloitte LLP
Chartered Accountants & Registered Auditors
Birmingham, UK

FACILITIES MANAGEMENT CATERING LIMITED

DIRECTORS' REPORT

The directors submit their report and the financial statements of Facilities Management Catering Limited for the year ended 30 September 2008.

BUSINESS REVIEW

The principal activity of the company continues to be the provision of catering services for private and public functions.

There have not been any significant changes in the principal activities of the company in the year under review.

The directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next year and anticipate the levels of business to continue at similar levels to that of 2008.

Customer satisfaction levels are measured regularly and remain high. The directors believe these levels provide an underlying level of confidence in the company's operations.

As shown in the company's profit and loss account on page 7, the company's turnover has improved by 15%, whilst the company has made a profit after taxation of £989,439 (2007: £1,146,450).

All costs, including taxes and duties, associated with the trade of the company are procured by Compass Contract Services (UK) Limited and then recharged to the company.

The balance sheet on page 8 shows a strengthening position due to the retained profit for the year.

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risks affecting the company are the ongoing successful relationship with customers and the maintenance of key contracts within the Company and/or fellow subsidiaries. The management of these risks is primarily controlled at group level rather than at an individual business unit level. For this reason, the company's directors believe that a discussion of the group's risks would not be appropriate for an understanding of the development, performance or position of Facilities Management Catering Limited's business. The principal risks and uncertainties of Facilities Management Catering Limited's parent company are disclosed in the accounts of Compass Group UK & Ireland.

A specific risk of the Company at an individual business level is the risk of theft and fraud due to the level of cash handling within the operations. Tight cash procedures minimise this risk to what the directors believe are acceptable levels.

GOING CONCERN

The company has sufficient financial resources together with support from the parent company and long term contracts. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the accounts.

Following the announcement that one of the company's major customers has gone into administration, the company is closely monitoring the situation to ensure that the company does not suffer. Should the company lose the contract with this customer then the company would be reliant on a single customer, however the directors believe that the company is in a position to remain in operational existence in the foreseeable future.

DIRECTORS

The directors who served during the year ended 30 September 2008 and subsequently are as shown on page 1.

FACILITIES MANAGEMENT CATERING LIMITED

DIRECTORS' REPORT (CONTINUED)

DIVIDENDS

The directors do not recommend the payment of a dividend for the year (2007 : £Nil).

DIRECTORS' INDEMNITIES

As at the date of this report, no indemnities are in force for the directors of this company.

AUDITORS

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

On 1 December 2008 Deloitte & Touche LLP changed their name to Deloitte LLP.

Deloitte LLP have expressed their willingness to continue in office as auditors.

Pursuant to S386 Companies Act 1985, an elective resolution has been passed dispensing with the requirement to appoint auditors annually. Therefore, Deloitte LLP are deemed to continue as auditors.

Approved by the Board of Directors and signed on behalf of the Board



A Crean
Director

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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 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). The financial statements are required by law to 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; 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 proper accounting records that 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 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.

FACILITIES MANAGEMENT CATERING LIMITED

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF FACILITIES MANAGEMENT CATERING LIMITED

We have audited the financial statements of Facilities Management Catering Limited for the year ended 30 September 2008 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 17. These financial statements have been prepared under the accounting policies set out therein.

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 auditors' 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 financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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.

FACILITIES MANAGEMENT CATERING LIMITED

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

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 September 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Deloitte LLP

Deloitte LLP
Chartered Accountants and Registered Auditors
Birmingham, United Kingdom

20 May 2009.

FACILITIES MANAGEMENT CATERING LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 30 September 2008

	Note	2008 £	2007 £
TURNOVER	2	14,834,444	12,946,429
Cost of sales		(11,539,523)	(9,728,194)
Gross profit		3,294,921	3,218,235
Administrative expenses		(1,944,661)	(1,777,884)
OPERATING PROFIT	4	1,350,260	1,440,351
Interest receivable and similar income	5	53,094	87,913
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,403,354	1,528,264
Tax on Profit on ordinary activities	6	(413,915)	(381,814)
PROFIT FOR THE FINANCIAL YEAR	12	989,439	1,146,450

The accompanying notes are an integral part of this profit and loss account.

All results derive from continuing operations.

There are no recognised gains or losses other than the profit for the above financial years. Accordingly, a statement of total recognised gains and losses is not given.

FACILITIES MANAGEMENT CATERING LIMITED

BALANCE SHEET

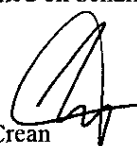
30 September 2008

	Note	2008	2007
		£	£
FIXED ASSETS			
Tangible assets	7	39,516	6,453
		<u>39,516</u>	<u>6,453</u>
CURRENT ASSETS			
Stocks	8	147,676	151,396
Debtors	9	6,225,865	4,713,514
Cash at bank and in hand		268,027	820,282
		<u>6,641,568</u>	<u>5,685,192</u>
NET CURRENT ASSETS			
		<u>6,641,568</u>	<u>5,685,192</u>
NET ASSETS		<u>6,681,084</u>	<u>5,691,645</u>
CAPITAL AND RESERVES			
Called up share capital	10	71,429	71,429
Share premium account	12	17,000	17,000
Profit and loss account	12	6,592,655	5,603,216
		<u>6,681,084</u>	<u>5,691,645</u>
SHAREHOLDERS' FUNDS	13	<u>6,681,084</u>	<u>5,691,645</u>

The accompanying notes form an integral part of this balance sheet.

These financial statements were approved by the Board of Directors on 20 May 2009.

Signed on behalf of the Board of Directors


A Crean
Director

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2008

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards and under the historical cost basis.

As the company is a wholly owned subsidiary and the ultimate parent company prepares a group cash flow statement, the company has taken advantage of the exemption in FRS1 'Cash flow statements'.

The company has taken advantage of the exemption contained in Financial Reporting Standard Number 8 ("Related party transactions") which allows it not to disclose transactions with group entities or investees of the group qualifying as related parties. There were no other transactions which would be required to be disclosed under Financial Reporting Standard Number 8.

Going Concern

The company has sufficient financial resources together with support from the parent company and long term contracts. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the accounts.

Following the announcement that one of the company's major customers has gone into administration, the company is closely monitoring the situation to ensure that the company does not suffer. Should the company lose the contract with this customer then the company would be reliant on a single customer, however the directors believe that the company is in a position to remain in operational existence in the foreseeable future.

Turnover

Turnover represents the value of goods sold and services provided and earned in the period, stated net of value added tax, all of which arises in the United Kingdom.

Contract Revenue is recognised in line with the terms of the contracts and cash sales are recognised at the point of the sale.

Pensions

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

The company has taken advantage of the multi-employer exemptions within Financial Reporting Standard No. 17. Contributions made to the scheme are accounted for as they are payable.

Further information in respect of pensions is shown in note 16.

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.

Depreciation

Depreciation is provided on all tangible fixed assets, other than investment properties and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life, as follows:

Equipment	-	Over 3 or 5 years
Computer Equipment	-	Over 3 years straight line

Residual value is calculated on prices prevailing at the date of acquisition or revaluation.

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 stock items.

FACILITIES MANAGEMENT CATERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2008

1. ACCOUNTING POLICIES (CONTINUED)

Taxation

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

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 group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

2. TURNOVER

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

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

On 1 February 2006 all Company employees transferred, under the Transfer of Undertakings Protection of Employment regulations, to Compass Contract Services (UK) Limited. Specific employee costs, including directors' costs, incurred by Compass Contract Services (UK) Limited relating to the Company were then recharged to the Company by Compass Contract Services (UK) Limited, total recharges for the period amounted to £1,123,506 (2007 : £1,353,381).

	2008	2007
	£	£
Directors Emoluments	43,457	130,688
Other Employee Costs	1,080,049	1,222,693
	1,123,506	1,353,381

FACILITIES MANAGEMENT CATERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2008

4. OPERATING PROFIT

	2008	2007
	£	£
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible assets	4,937	19,065
Operating lease rental:		
Land and buildings	15,000	13,000
Fees payable to the company's auditors for the audit of the company's annual accounts	-	7,000
	<u> </u>	<u> </u>

Auditors' remuneration in respect of the audit of the company's annual accounts of £7,280 is borne by another group company.

5. INTEREST RECEIVABLE

	2008	2007
	£	£
Bank interest	53,094	87,913
	<u> </u>	<u> </u>

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

The standard rate of current tax for the year, based on the UK standard rate of corporation tax is 29% (2007 :30%).The current year tax charge for the year differs from 29% (2007: 30%) for the reasons set out in the following reconciliation.

	2008	2007
	£	£
Current tax		
UK corporation tax at 29% (2007: 30%) based on the result for the year	393,274	446,493
Adjustments in respect of prior periods:	1,328	-
Total current tax	<u>394,602</u>	<u>446,493</u>
Deferred tax (note 11)		
Deferred tax charge/(credit):	15,001	(64,679)
Effect of change to UK tax rate	4,312	-
Total deferred tax	<u>19,313</u>	<u>(64,679)</u>
Total tax on profit on ordinary activities	<u>413,915</u>	<u>381,814</u>

The standard rate of current tax for the year, based on the UK standard rate of corporation tax is 29% (2007 : 30%).The current year tax charge for the year differs from 29% (2007: 30%) for the reasons set out in the following reconciliation.

FACILITIES MANAGEMENT CATERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2008

6. TAX ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)

	2008 £	2007 £
Profit on ordinary activities before taxation	1,403,354	1,528,264
Tax charge on profit on ordinary activities at the UK statutory rate of 29% (2007: 30%)	406,973	458,479
Effects of:		
Non-deductible expenses	1,837	4,500
Capital allowances in excess of depreciation	(15,537)	(16,486)
Adjustments in respect of prior periods	1,328	-
	(12,371)	(11,986)
Current tax charge for the year	394,602	446,493

7. TANGIBLE FIXED ASSETS

	Equipment £	Computer Equipment £	Total £
Cost			
At 1 October 2007	789,439	91,021	880,460
Additions	38,000	-	38,000
Disposals	(2,295)	-	(2,295)
	825,144	91,021	916,165
Depreciation			
At 1 October 2007	789,439	84,568	874,007
Charge for the year	-	4,937	4,937
Disposals	(2,295)	-	(2,295)
At 30 September 2008	787,144	89,505	876,649
Net book value			
At 30 September 2008	38,000	1,516	39,516
At 30 September 2007	-	6,453	6,453

FACILITIES MANAGEMENT CATERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2008

8. STOCKS

	2008	2007
	£	£
Food and beverage stocks	147,676	151,396

9. DEBTORS

	2008	2007
	£	£
Trade debtors	354,660	498,021
Amounts owed by other group companies	5,410,127	4,029,254
Deferred tax	45,366	64,679
Prepayments and accrued income	415,712	121,560
	<u>6,225,865</u>	<u>4,713,514</u>

10. CALLED UP SHARE CAPITAL

	2008	2007
	£	£
Authorised 100,000 Ordinary shares of £1 each	100,000	100,000
Called up and allotted and fully paid 71,429 Ordinary shares of £1 each	71,429	71,429

11. DEFERRED TAXATION

	2008	2007
	£	£
At 1 October 2007	64,679	-
Deferred tax (credit)/charge	(19,313)	64,679
At 30 September 2008	<u>45,366</u>	<u>64,679</u>
Analysis of deferred tax balances:		
Excess of capital allowances over depreciation	45,366	64,679
	<u>45,366</u>	<u>64,679</u>

FACILITIES MANAGEMENT CATERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2008

12. RESERVES

	Share Premium Account £	Profit & Loss Account £	Total £
At 1 October 2007	17,000	5,603,216	5,620,216
Retained profit for the year	-	989,439	989,439
At 30 September 2008	<u>17,000</u>	<u>6,592,655</u>	<u>6,609,655</u>

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2008 £	2007 £
Profit for the financial year	989,439	1,146,450
Opening shareholders' funds	<u>5,691,645</u>	<u>4,545,195</u>
Closing shareholders' funds	<u>6,681,084</u>	<u>5,691,645</u>

14. COMMITMENTS UNDER OPERATING LEASES

Annual commitments under non-cancellable operating leases are as follows:

	2008 £	2007 £
Land and Buildings		
Expiring in the second to fifth year	<u>15,000</u>	<u>13,000</u>
	<u>15,000</u>	<u>13,000</u>

15. CONTINGENT LIABILITIES AND GUARANTEES

Under a group registration the company is jointly and severally liable for VAT due by the other companies within the group registration. At 30 September 2008 this contingent liability amounted to £18,686,000 (2007 : £22,230,000).

The company has entered into cross guarantees in respect of the Group overdraft facility with National Westminster Bank PLC. The amount drawn down at 30 September 2008 was £nil (2007 : £nil).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2008

16. PENSIONS

Within the UK there are three main arrangements:

- (i) Compass Group Pension Plan, 'the Plan'
- (ii) Compass Pension Scheme, 'the Scheme'
- (iii) Compass Retirement Income Savings Plan, 'CRISP'

CRISP was launched on 1 February 2003. This is the main vehicle for pension provision for new joiners in the UK but existing members of the Plan and the Scheme will continue to accrue benefits under those arrangements. CRISP is a contracted-in money purchase arrangement whereby the Group will match employee contributions up to 6% of pay (minimum 3%). Within CRISP there has been a new defined contribution section established from April 2006 known as the Compass Higher Income Plan, 'CHIP'. Senior employees who contribute to CRISP, the Plan or Scheme will receive an additional employer-only contribution into CHIP. The amount of contribution and eligibility for CHIP are decided annually at the Company's discretion. The payment towards CHIP may be taken as a cash supplement instead of a pension contribution.

The total pension cost for the year was £Nil (2007: £Nil).

COMPASS PENSION PLAN AND SCHEME

The Plan and the Scheme are defined benefit arrangements that are closed to new entrants other than for transfers under public sector contracts where the Group is obliged to provide final salary benefits to transferring employees. Such transferees enter into special sections of the Plan, known collectively as 'the GAD sections', which have been certified by the Government Actuary's Department as 'broadly comparable' to the relevant public sector scheme. After a thorough review by the Group, the pensions accruing under the Plan and Scheme for service accruing after 6 April 2006 (other than for the protected members in the GAD sections) were reduced so that all members now accrue benefits on an 80th of final pensionable salary basis. In addition the link between pensionable pay and salary was removed so that pensionable pay from 6 April 2006 will only increase in line with salary up to a maximum of 5% per annum or the increase in the Retail Price Index if lower. This change, together with additional funding (including lump sums of £280 million in 2005/06 and £45 million in 2006/07 from the proceeds of disposals) and a reduction in the risk profile of investments means that the Group has taken action to substantially reduce funding deficits in the UK.

The Plan and the Scheme are operated on a prefunded basis. The funding policy is to contribute such variable amounts, on the advice of the Actuary, as achieves a 100% funding level on a projected salary basis. The actuarial assessments covering expense and contributions are carried out by independent qualified actuaries. Formal actuarial valuations of the Plan and the Scheme are carried out every three years. The most recent valuations were as at 5 April 2007. The final results revealed a significant improvement in the funding positions since the previous valuation, even allowing for the updated mortality assumptions.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2008

16. PENSIONS (CONTINUED)

CRISP has a corporate trustee. The Chairman, Tony Allen, is independent. The other six trustee directors are UK-based employees or former employees of the Group, three of whom have been member-nominated. The Plan has a corporate trustee with two independent directors, including the Chairman, Peter Morris. There are a further eight trustee directors who are UK-based employees or former employees of the Group, four of whom have been member-nominated. The Scheme is a closed defined benefit arrangement and also has a corporate trustee. The Chairman, David Bishop, is independent. The remaining seven trustee directors are UK-based employees or former employees of the Group, three of whom have been member-nominated.

As the pension scheme has members that are employed by more than one legal entity the directors do not consider that it is practical to provide the information on an individual company basis. As the assets and liabilities are not separately identifiable, the pension scheme is accounted for as a defined contribution scheme.

Additional disclosures in respect of the Group's defined benefit pension schemes are set out below.

The assets and liabilities of the UK plans operated by Compass Group PLC at 30 September 2008 show a net pension asset of £33 million (2007 - £66 million).

The assets and liabilities in the plan and the scheme and the expected rates of return were as follows:

	30 September 2008		30 September 2007	
	Long term expected rate of return	£m	Long term expected rate of return	£m
Fair value of assets				
Equities	7.8%	321	8.0%	383
Bonds	5.3%	823	5.3%	838
Other	7.5%	60	6.0%	69
		<hr/>		<hr/>
Market value of scheme assets		1,204		1,290
Present value of scheme liabilities		(1,158)		(1,199)
		<hr/>		<hr/>
Total surplus in the schemes		46		91
Deferred tax liability		(13)		(25)
		<hr/>		<hr/>
Net FRS 17 asset		33		66
		<hr/>		<hr/>

The major assumptions used in the actuarial valuation were:

	2008	2007
Rates of increase of salaries	3.6%/4.6%*	3.2%/4.2%*
Rates of increase of pensions in payment	2.9%/3.6%*	3.5%/3.5%*
Rates of increase for deferred pensions	3.6%	3.2%
Discount rate	6.4%	5.8%
Inflation assumption	3.6%	3.2%

*varies according to the benefit structure.

The scheme is a closed scheme and therefore under the projected unit method the current service cost would be expected to increase as the members of the scheme approach retirement.

FACILITIES MANAGEMENT CATERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2008

16. PENSIONS (CONTINUED)

The mortality tables used in the actuarial valuation imply life expectancy at age 65 in years for typical members as follows:

	Male non-pensioner	Male pensioner	Female non-pensioner	Female pensioner
At 30 September 2008	21.8 years	20.7 years	24.7 years	23.7 years
At 30 September 2007	21.8 years	20.5 years	24.7 years	23.5 years

The FRS 17 surplus / (deficit) has changed in the year ended 30 September 2008 as set out below:

	2008	2007
	£m	£m
At 1 October	91	(67)
Contributions paid	25	68
Current service costs	(9)	(12)
Other financial income	10	4
Actuarial gains/(losses)	(71)	98
At 30 September	46	91

17. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The company's immediate parent company is Compass Group, UK and Ireland Limited.

The ultimate parent and controlling entity is Compass Group PLC. This is the largest and smallest group into which the company is consolidated.

The only group of undertakings for which group accounts are drawn up and of which the company is a member is Compass Group PLC. Copies of the group financial statements referred to above can be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

All the above-named companies are incorporated in Great Britain and registered in England and Wales.