

Company Registration No. 06122659

Compass Group Procurement Limited

Report and Financial Statements

For the year ended 30 September 2012



Compass Group Procurement Limited

Report and financial statements 2012

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Compass Group Procurement Limited

Report and financial statements 2012

Officers and professional advisers

Directors

J A Franke
B A M El Shaykh
M J White

Secretary

Compass Secretaries Limited

Registered Office

Compass House
Guildford Street
Chertsey
Surrey
KT16 9BQ

Bankers

Barclays Bank Plc
Soho Square Business Centre
London
W1A

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
London

Compass Group Procurement Limited

Directors' Report

The Directors present their Annual Report and the audited financial statements for the year ended 30 September 2012. This Directors' Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

Business review and principal activities

The Company is a wholly-owned subsidiary of Compass Group Holdings PLC. Its principal activity is to act as an agent in carrying out purchasing services in the national and international market for products and services supplied to Compass Group PLC, its subsidiaries and affiliates, and nominated third party clients and distributors.

The Company's Directors believe that analysis using key performance indicators is not necessary for understanding the position of the Company. The performance of Compass Group PLC is discussed in its Annual Report which does not form part of this Report.

The Company's employees and Directors are directly employed and paid by a fellow subsidiary, and the associated costs of services provided were re-charged to the Company.

The Directors expect the general level of activity to continue and are not aware of any post balance sheet events.

Principal risk and uncertainties

The Company has only intra-group investments and balances, no third party debt and hence no external interest rate exposure. Certain investments in subsidiary undertakings and intra-group balances are denominated in foreign currency and so there is a gain/loss associated with the translation which is taken to reserves. From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. Group risks are discussed in the Group's Annual Report which does not form part of this Report.

Due to the current economic conditions there are inherent future uncertainties that may impact the business. After making enquiries and reviewing a letter of support from the ultimate parent company, Compass Group PLC, the Directors have a reasonable expectation that the Company has adequate resources to continue in existence for the foreseeable future. For this reason the Directors continue to adopt the going concern basis in preparing the accounts.

Results and dividends

The results for the year are set out in the profit and loss account on page 7 of the financial statements.

The profit on ordinary activities before tax for the year is £1,299,000 (2011: loss £1,077,000).

The Directors do not recommend payment of a dividend for the year (2011: £nil).

Compass Group Procurement Limited

Directors' Report (continued)

Directors

The Directors who served throughout the financial year ended 30 September 2012 and up to the date of this Report, except as noted below, are as follows

J A Franke

B A M El Shaykh (appointed 1st November 2011)

M J White (appointed 1st November 2011)

O W Cock (resigned 30th November 2011)

Directors' qualifying third party indemnity

A qualifying third party indemnity provision as defined in section 234 (2) – (6) of the Companies Act 2006 is and was in full force and effect for the benefit of each of the Directors of the Company, both at the date of this Report and throughout the financial period to which this Report relates

Directors' disclosure of information to auditor

Each of the persons who is a Director at the date of approval of this Report confirms that

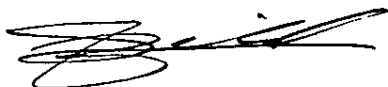
- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Elective resolutions

Deloitte LLP have expressed their willingness to continue in office as auditor and arrangements are being made for them to be reappointed in the absence of an Annual General Meeting

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



B A M El Shaykh

Director

20th February 2013

Compass Group Procurement Limited

Registered in England and Wales No 06122659

Compass Group Procurement Limited

Directors' Responsibilities Statement

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 ('GAAP') and applicable law and regulations.

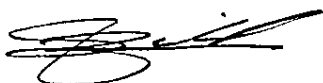
Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to

- properly select suitable accounting policies and then apply them consistently,
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,
- make judgments and accounting 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 adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Company in accordance with the provisions of the applicable laws and legislation, for safeguarding the assets, for taking reasonable steps for the prevention and detection of fraud and other irregularities and for the preparation of the Directors' Report.

The Directors, having prepared the financial statements, have permitted the auditor to take whatever steps and undertake whatever inspections they consider to be appropriate for the purpose of enabling them to give their audit opinion.

On behalf of the Board



B A M El Shaykh
Director

20th February 2013

Independent Auditor's Report to the members of Compass Group Procurement Limited

We have audited the financial statements of Compass Group Procurement Limited for the year ended 30 September 2012 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards and Generally Accepted Accounting Practice ('GAAP') as adopted by the United Kingdom.

This Report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in 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 auditor

As explained more fully in the Directors' Responsibilities Statement, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 30 September 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Company's financial statements.

Independent Auditor's Report to the members of Compass Group Procurement Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the CA2006 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, or
- the Directors were not entitled to take advantage of the small companies exemption in preparing the Directors' Report



Catherine Lucy Newman (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

21 February 2013

Compass Group Procurement Limited

Profit and loss account

For the year ended 30 September 2012

| | Notes | 2012 £'000 | 2011 £'000 |
|---|-------|---------------|---------------|
| Turnover | 2 | 163 | 206 |
| Operating costs | 3 | 54 | (159) |
| Provision against investment in subsidiary undertaking | 10 | - | (22,844) |
| Operating profit/(loss) | 4 | 217 | (22,797) |
| Interest payable and similar charges | | (83) | (140) |
| Interest receivable and similar income | 6 | 1,165 | 23 |
| Income from shares in Group undertakings | 7 | - | 21,837 |
| Profit/(loss) on ordinary activities before taxation | | 1,299 | (1,077) |
| Tax (charge)/credit on profit/loss on ordinary activities | 8 | (291) | 45 |
| Profit/(loss) for the financial year on ordinary activities after taxation | 15 | 1,008 | (1,032) |

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

All amounts in the current year relate to continuing activities

Statement of total recognised gains and losses

Year ended 30 September 2012

| | | 2012 £'000 | 2011 £'000 |
|--|----|---------------|---------------|
| Profit/(loss) for the financial year | 15 | 1,008 | (1,032) |
| Foreign exchange translation differences on foreign currency net investments | 15 | - | 1,086 |
| Total gains recognised in the year | | 1,008 | 54 |

Compass Group Procurement Limited

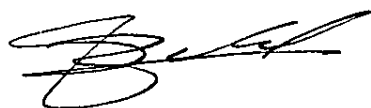
Balance sheet

As at 30 September 2012

| | Notes | 2012 £'000 | 2011 £'000 |
|---|-------|---------------|---------------|
| Fixed assets | | | |
| Tangible assets | 9 | 4 | 10 |
| Investments | 10 | 103 | 110 |
| | | <u>107</u> | <u>120</u> |
| Current assets | | | |
| Debtors | 11 | 24,709 | 25,006 |
| Cash at bank and in hand | | 3,388 | 3,397 |
| | | <u>28,097</u> | <u>28,403</u> |
| Current liabilities | | | |
| Creditors amounts falling due within one year | 12 | (16,586) | (17,929) |
| Net current assets | | <u>11,511</u> | <u>10,474</u> |
| Total assets less current liabilities | | 11,618 | 10,594 |
| Provisions for liabilities and charges | 13 | (256) | (240) |
| Net assets | | <u>11,362</u> | <u>10,354</u> |
| Capital and reserves | | | |
| Share capital | 14 | 1 | 1 |
| Share premium | 15 | 9,999 | 9,999 |
| Foreign exchange reserve | 15 | 1,245 | 1,245 |
| Profit and loss account | 15 | 117 | (891) |
| Shareholders' funds | 15 | <u>11,362</u> | <u>10,354</u> |

The financial statements of Compass Group Procurement Limited (registered number 06122659) were approved by the Board of Directors on 20th February 2013

Signed on behalf of the Board of Directors



B A M El Shaykh
Director

Compass Group Procurement Limited

Notes to the accounts

For the year ended 30 September 2012

1. Accounting policies

The particular accounting policies adopted are described below and have been applied consistently both in the current and preceding year, in dealing with items which are considered material in relation to the Company's accounts

Accounting Convention

The financial statements are prepared under the historical cost convention, except as where discussed below, and in accordance with applicable United Kingdom law and accounting standards. The Company has not prepared consolidated financial statements as it is a wholly-owned subsidiary of Compass Group PLC, a United Kingdom company and ultimate parent company which prepares consolidated financial statements (Companies Act 2006 s400). These financial statements thus present information about the Company as an individual undertaking not as a Group undertaking.

Going concern

Due to the current economic conditions, there are inherent future uncertainties that may impact the business. After making enquiries and receiving a letter of support from the ultimate parent company, Compass Group PLC, the Directors have a reasonable expectation that the Company has adequate resources to continue in existence for the foreseeable future. For this reason the Directors continue to adopt the going concern basis in preparing the accounts.

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract rate.

Exchange differences arising on translation of the opening net assets and on foreign currency borrowings, to the extent that they hedge the Group's investment in such operations, are reported in the statement of total recognised gains and losses. All other exchange differences are included in the profit and loss account.

Investments

Investments held by the Company are stated using an alternative valuation technique on the basis of underlying net assets by currency and translated into Sterling in accordance with the policy on foreign currency above. Any impairment is recognised in the profit and loss account.

Tangible fixed assets

Tangible fixed assets are held at cost less accumulated depreciation, which is provided on their book values at rates calculated to write down each asset to its residual value over its estimated remaining useful life on a straight line basis, within the following ranges:

| | |
|---------------------|----------------------|
| Plant and machinery | 20% to 33% per annum |
|---------------------|----------------------|

Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event and it is probable that the Company will be required to settle that obligation. Provisions are measured at the Directors' best estimate of the cost of settling these liabilities and are discounted to present value where the effect is material.

Cash flow Statement

Under the provisions of Financial Reporting Standard 1, the Company is exempt from the requirement to produce a cash flow statement on the grounds that it is a wholly-owned subsidiary of a parent undertaking which has produced a consolidated cash flow statement in its consolidated accounts.

Compass Group Procurement Limited

Notes to the accounts

For the year ended 30 September 2012

1. Accounting policies (continued)

Taxation

Current tax is the expected tax payable on the taxable income for the accounting period, using tax rates that have been enacted or substantively enacted by the balance sheet date

Deferred tax is provided at the anticipated tax rates on timing differences arising from the inclusion of items of income and expenditure in tax computations in periods different from those in which they are included in the financial statements. Deferred tax assets and liabilities are not discounted. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered

2. Turnover

Turnover represents amounts invoiced by the Company (excluding value added tax) in respect of the provision of purchasing services to the Compass Group, and amounts earned from Purchase Service Agreements

Turnover and costs have been invoiced in the period under reciprocal cost share plus margin agreements with fellow subsidiaries of Compass Group PLC. In accordance with FRS 5 Application Note G only the margin attributable to the Company has been reported as turnover. All the Company's turnover is derived from the Company's principal activity

3. Operating costs

Operating costs includes the following

| | 2012 £'000 | 2011 £'000 |
|---------------------------------------|---------------|---------------|
| Wages and salaries | 1,920 | 2,434 |
| Social security costs | 232 | 244 |
| Pension costs | 150 | 166 |
| Depreciation of tangible fixed assets | 8 | 9 |
| Administration expenses | 946 | 1,237 |
| Foreign exchange | (57) | 162 |
| Recharge of costs to holding company | (3,253) | (4,093) |
| | <u>(54)</u> | <u>159</u> |

Fees of £8,000 were received by the auditor in respect of the Company's statutory audit (2011 £8,000). These fees were borne and not recharged by another Group company in the current and prior year

No fees were received by the auditor in respect of any non-statutory audit services in either the current year or preceding period

Compass Group Procurement Limited

Notes to the accounts For the year ended 30 September 2012

4. Operating profit/(loss)

Operating profit/(loss) is stated after

| | 2012 £'000 | 2011 £'000 |
|---------------------------------|---------------|---------------|
| (Gain)/loss on foreign exchange | (57) | 162 |

5. Directors' emoluments and employees

The Directors received no emoluments from the Company during the year (2011 £nil). There are no other employees of the Company (2011 none). The wages and salaries costs referred to in Note 3 were incurred as a result of employees seconded from another Group company. No directors are members of a defined benefit scheme.

6. Interest receivable and similar income

| | 2012 £'000 | 2011 £'000 |
|---|---------------|---------------|
| Bank interest | 17 | 20 |
| Interest receivable from Group undertakings | 115 | 3 |
| Foreign exchange difference | 1,033 | - |
| | <u>1,165</u> | <u>23</u> |

Foreign exchange difference arises principally from the revaluation of the CHF loan. In the prior year the foreign exchange difference was hedged against the investment and accounted for through equity. Following payment of a dividend by Sevita AG, the investment in that subsidiary undertaking was written down and this accounting treatment is no longer available.

7. Income from shares in Group undertaking

Income from shares in Group undertakings of £nil was received in the year (2011 £21,837,087).

Compass Group Procurement Limited

Notes to the accounts

For the year ended 30 September 2012

8. Tax (charge)/credit on profit/(loss) on ordinary activities

| | 2012 £'000 | 2011 £'000 |
|---------------------------------------|---------------|---------------|
| UK corporation tax at 25% (2011 27%) | (287) | 63 |
| Adjustments in respect of prior years | | |
| UK corporation tax | (4) | (18) |
| | <u>(291)</u> | <u>45</u> |

Reconciliation of the current tax (charge)/credit to the tax (charge)/credit at the UK statutory rate

| | 2012 £'000 | 2011 £'000 |
|---|---------------|----------------|
| Profit/(loss) on ordinary activities before taxation | <u>1,299</u> | <u>(1,077)</u> |
| Tax (charge)/credit on profit/(loss) at UK statutory rate of 25% (2011 27%) | (325) | 291 |
| (Increase)/decrease resulting from | | |
| Permanent differences | - | 3 |
| Non-deductible provision against investment in subsidiary undertaking | - | (6,168) |
| Non-taxable investment income | - | 5,896 |
| Tax relief for employee share acquisition | 38 | 41 |
| Adjustments in respect of prior years | (4) | (18) |
| Current tax (charge)/credit on profit/(loss) on ordinary activities | <u>(291)</u> | <u>45</u> |

Compass Group Procurement Limited

Notes to the accounts

For the year ended 30 September 2012

9. Tangible fixed assets

| | Plant and machinery £'000 |
|-----------------------|--|
| Cost | |
| At 1 October 2011 | 42 |
| Additions | 2 |
| Disposals | (7) |
| | <hr/> |
| At 30 September 2012 | 37 |
| | <hr/> |
| Depreciation | |
| At 1 October 2011 | 32 |
| Disposals | (7) |
| Charge for the year | 8 |
| | <hr/> |
| At 30 September 2012 | 33 |
| | <hr/> |
| Net book value | |
| At 30 September 2012 | 4 |
| | <hr/> |
| At 30 September 2011 | 10 |
| | <hr/> |

Compass Group Procurement Limited

Notes to the accounts

For the year ended 30 September 2012

10. Fixed asset investments

| | Shares in Group undertaking £'000 |
|---------------------------------------|--|
| Cost | |
| At 1 October 2011 | 24,864 |
| Foreign currency movement in the year | (7) |
| | <u>24,857</u> |
| At 30 September 2012 | <u>24,857</u> |
| Provisions | |
| At 1 October 2011 | (24,754) |
| Provisions charged in the year | - |
| | <u>(24,754)</u> |
| At 30 September 2012 | <u>(24,754)</u> |
| Net book value | |
| At 30 September 2012 | <u>103</u> |
| At 30 September 2011 | <u>110</u> |

The fixed asset investment relates to 100% of the Share Capital of Sevita AG, a company incorporated in Switzerland, which was purchased from Sevita Group AG in 2007 for a consideration of CHF 34,432,730. It has been valued using an alternative valuation technique on the basis of underlying net assets by currency. On a historical cost basis, shares held in group undertakings would have been stated at £14,632,301. The principal activity of Sevita AG was to act as the European purchasing function of the Compass Group PLC.

11. Debtors

| | 2012 £'000 | 2011 £'000 |
|------------------------------------|---------------|---------------|
| Amounts due within one year | | |
| Trade debtors | - | 2 |
| Amounts owed by group undertakings | 24,705 | 24,997 |
| Other debtors | 4 | 7 |
| | <u>24,709</u> | <u>25,006</u> |

Compass Group Procurement Limited

Notes to the accounts

For the year ended 30 September 2012

12 Creditors: amounts falling due within one year

| | 2012 £'000 | 2011 £'000 |
|--|---------------|---------------|
| Loan from Sevita Group AG – principal | 10,426 | 11,617 |
| Loan from Sevita Group AG – interest payable thereon | 1,813 | 1,880 |
| Loan from Compass Group PLC – principal | 1,798 | 1,875 |
| Loan from Compass Group PLC – interest payable thereon | - | 47 |
| Other amounts owed to group undertakings | 1,594 | 1,272 |
| Total amounts owed to group undertakings | 15,631 | 16,691 |
| Other taxes and social security costs | 54 | 64 |
| Trade creditors | 57 | 34 |
| Other creditors | 538 | 141 |
| Accruals and deferred income | 306 | 999 |
| | <u>16,586</u> | <u>17,929</u> |

The loan from Sevita Group AG is in respect of the purchase by the Company of its subsidiary Sevita AG for a consideration of £14,632,297, plus interest, which is payable quarterly in arrears at a rate equal to 3 months LIBOR plus 0.5% per annum, translated at a closing exchange rate of CHF 1.5176/£1. The loan is payable on demand.

13. Provisions for liabilities and charges

| | £'000 |
|------------------------------------|------------|
| At 1 October 2011 | 240 |
| Charged to profit and loss account | 16 |
| At 30 September 2012 | <u>256</u> |

Provisions relate principally to the estimated cost of sundry claims. The timing of the settlement of these claims is uncertain.

14. Share capital

| | 2012 £ | 2011 £ |
|--|--------------|--------------|
| Authorised: | | |
| 1,000 Ordinary shares of £1 | <u>1,000</u> | <u>1,000</u> |
| Allotted and fully paid: | | |
| 501 Ordinary shares of £1 (2011: 501 shares) | <u>501</u> | <u>501</u> |

Compass Group Procurement Limited

Notes to the accounts

For the year ended 30 September 2012

15. Reconciliation of movements in shareholders' funds

| | Share Capital £000 | Share Premium £000 | Foreign exchange reserve £000 | Profit and loss account £000 | Total £000 |
|--|--------------------------|--------------------------|--|---------------------------------------|---------------|
| At 1 October 2010 | - | - | 159 | 141 | 300 |
| Foreign exchange translation differences on foreign currency net investments | - | - | 1,086 | - | 1,086 |
| Issue of Ordinary share capital | 1 | 9,999 | - | - | 10,000 |
| Loss for the financial year | - | - | - | (1,032) | (1,032) |
| At 30 September 2011 | 1 | 9,999 | 1,245 | (891) | 10,354 |
| At 1 October 2011 | 1 | 9,999 | 1,245 | (891) | 10,354 |
| Profit for the financial year | - | - | - | 1,008 | 1,008 |
| At 30 September 2012 | 1 | 9,999 | 1,245 | 117 | 11,362 |

16. Transactions with related parties

In accordance with the exemption extended in FRS8 "Related Party Disclosures", the Company has not disclosed transactions or balances between itself and the Group on the basis that 100 per cent of the voting rights of these companies are controlled within the Group

17. Ultimate parent company and controlling party

The ultimate parent company and controlling party, Compass Group PLC, is the parent undertaking of the largest and smallest group of undertakings for which Group accounts are drawn up. The immediate parent company is Compass Group Holdings PLC.

Compass Group PLC and Compass Group Holdings PLC are incorporated in the United Kingdom and registered in England and Wales.

Copies of the Compass Group PLC financial statements are available from Compass House, Guildford Street, Chertsey, Surrey KT16 9BQ.