

**Certified as signed original**

**The Annual Report and Financial Statements  
of Watford Catering Limited  
for the year ended 30<sup>th</sup> June 2007**

*Pete Wastall*

**P. J. Wastall  
(Company Secretary)  
23<sup>rd</sup> April 2008**

Chantrey Vellacott DFKLLP



**Watford Catering Limited**

**Financial statements**

**30 June 2007**

**Watford Catering Limited**

**Financial statements**

**Year ended 30 June 2007**

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## **Watford Catering Limited**

### **Officers and professional advisers**

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**Board of directors**

G M Simpson  
M A Ashton

**Company secretary**

P J Wastall

**Registered office**

Vicarage Road Stadium  
Vicarage Road  
Watford  
Herts WD18

**Auditor**

Chantrey Vellacott DFK LLP  
Chartered Accountants  
Registered Auditor  
Gresham House  
53 Clarendon Road  
Watford  
Herts  
WD17 1LR

**Bankers**

Barclays Bank plc  
32 Clarendon Road  
Watford  
Herts  
WD17 1GT

**Solicitors**

Matthew Arnold & Baldwin  
21 Station Road  
Watford  
Herts  
WD17 1HT

Chantrey Vellacott DFK LLP

## **Watford Catering Limited**

### **Directors' report**

**Year ended 30 June 2007**

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The directors have pleasure in presenting their report and the audited financial statements of the company for the year ended 30 June 2007

#### **Principal activities**

The principal activity of the company is the provision of catering services

#### **Directors**

The directors who served the company during the year were as follows

G M Simpson  
V Russo  
M A Ashton

M A Ashton was appointed as a director on 29 March 2007

The directorship of V Russo was terminated on 4 May 2007

#### **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 judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

#### **Auditor**

A resolution to re-appoint Chantrey Vellacott DFK LLP as auditor for the ensuing year will be proposed at the Annual General Meeting in accordance with section 385 of the Companies Act 1985

**Watford Catering Limited**

**Directors' report** *(continued)*

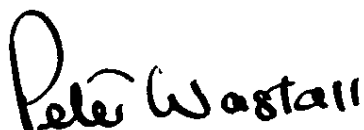
**Year ended 30 June 2007**

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**Small company provisions**

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

Signed by order of the directors



P J Wastall  
Company Secretary

Approved by the directors on **31.01.08**

Chantrey Vellacott DFK LLP

## **Watford Catering Limited**

### **Independent auditor's report to the shareholder of Watford Catering Limited**

**Year ended 30 June 2007**

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We have audited the financial statements of Watford Catering Limited for the year ended 30 June 2007 which comprise the profit and loss account, balance sheet, cash flow statement and the related notes. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's member, 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 member 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditor**

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 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.

**Watford Catering Limited**

**Independent auditor's report to the shareholder of  
Watford Catering Limited (continued)**

**Year ended 30 June 2007**

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**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 June 2007 and of its loss 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

*Chantrey Vellacott DFK LLP*

**CHANTREY VELLACOTT DFK LLP**

**Chartered Accountants  
Registered Auditor**

**Watford**

*27/7/2008*

Chantrey Vellacott DFK LLP

**Watford Catering Limited**

**Profit and loss account**

**Year ended 30 June 2007**

	<b>Note</b>	<b>2007 £</b>	<b>2006 £</b>
Turnover	<b>2</b>	<b>1,346,932</b>	1,275,374
Cost of sales		<u><b>1,203,325</b></u>	<u>1,074,473</u>
Gross profit		<b>143,607</b>	200,901
Administrative expenses		<u><b>158,862</b></u>	<u>181,469</u>
Operating (loss)/profit	<b>3</b>	<b>(15,255)</b>	19,432
Interest payable and similar charges	<b>5</b>	<b>605</b>	–
(Loss)/profit on ordinary activities before taxation		<u><b>(15,860)</b></u>	<u>19,432</u>
Tax on (loss)/profit on ordinary activities	<b>6</b>	<b>–</b>	–
(Loss)/profit for the financial year		<u><b>(15,860)</b></u>	<u>19,432</u>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

The notes on pages 9 to 14 form part of these financial statements



# Watford Catering Limited

## Balance sheet

As at 30 June 2007

	Note	2007 £	2006 £
<b>Fixed assets</b>			
Tangible assets	7	<u>35,645</u>	<u>27,340</u>
<b>Current assets</b>			
Stocks	8	22,998	25,553
Debtors	9	218,681	183,975
Cash at bank and in hand		<u>21,066</u>	<u>119,902</u>
		262,745	329,430
<b>Creditors amounts falling due within one year</b>	10	<u>49,989</u>	<u>92,509</u>
<b>Net current assets</b>		212,756	236,921
<b>Total assets less current liabilities</b>		<u>248,401</u>	<u>264,261</u>
<b>Capital and reserves</b>			
Called up equity share capital	12	1	1
Profit and loss account	13	<u>248,400</u>	<u>264,260</u>
<b>Shareholder's funds</b>	14	<u>248,401</u>	<u>264,261</u>

These financial statements were approved by the Board and authorised for issue on 31.01.08 and were signed on its behalf by



G M Simpson

The notes on pages 9 to 14 form part of these financial statements

**Watford Catering Limited**

**Cash flow statement**

**Year ended 30 June 2007**

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	<b>Note</b>	<b>2007 £</b>	<b>2006 £</b>
<b>Net cash (outflow)/inflow from operating activities</b>	<b>15(a)</b>	<b>(56,603)</b>	<b>114,498</b>
<b>Returns on investments and servicing of finance</b>			
Interest paid		<u>(605)</u>	<u>—</u>
<b>Net cash outflow from returns on investments and servicing of finance</b>		<b>(605)</b>	<b>—</b>
<b>Capital expenditure</b>			
Payments to acquire tangible fixed assets		<u>(41,628)</u>	<u>(12,430)</u>
<b>Net cash outflow from capital expenditure</b>		<b>(41,628)</b>	<b>(12,430)</b>
<b>(Decrease)/increase in cash</b>	<b>15(b)</b>	<u><b>(98,836)</b></u>	<u><b>102,068</b></u>

Chantrey Vellacott DFKLLP

The notes on pages 9 to 14 form part of these financial statements

# Watford Catering Limited

## Notes to the financial statements

Year ended 30 June 2007

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### 1 Accounting policies

#### Basis of accounting

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

#### Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax

#### Fixed assets

All fixed assets are initially recorded at cost

#### Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Fixtures & Fittings - 50% reducing balance and over 2 years

#### Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

#### Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted

#### Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

### 2 Turnover

The turnover and loss before tax are attributable to the one principal activity of the company

An analysis of turnover is given below

	2007 £	2006 £
United Kingdom	<u>1,346,932</u>	<u>1,275,374</u>

# Watford Catering Limited

## Notes to the financial statements

Year ended 30 June 2007

### 3 Operating (loss)/profit

Operating (loss)/profit is stated after charging

	2007 £	2006 £
Depreciation of owned fixed assets	33,323	24,609
Auditor's remuneration		
- as auditor	4,500	2,325
Operating lease costs		
Plant and equipment	<u>22,272</u>	<u>25,086</u>

### 4 Particulars of employees

The average number of staff, including executive directors, employed by the company during the financial year can be analysed as follows

	2007 No	2006 No
Management and catering staff (full time)	4	4
Catering staff (part time)	<u>73</u>	<u>102</u>
	<u>77</u>	<u>106</u>

The aggregate payroll costs of the above were

	2007 £	2006 £
Wages and salaries	511,700	558,713
Social security costs	<u>26,709</u>	<u>32,478</u>
	<u>538,409</u>	<u>591,191</u>

In addition to the above the company employed an average of 106 (2006 - 83) part-time staff on event days during the year

### 5 Interest payable and similar charges

	2007 £	2006 £
Interest payable on bank borrowing	<u>605</u>	<u>-</u>

### 6 Taxation on ordinary activities

No charge to corporation tax arises due to the availability of group losses

# Watford Catering Limited

## Notes to the financial statements

Year ended 30 June 2007

### 6 Taxation on ordinary activities (continued)

#### Factors affecting current tax charge

	2007 £	2006 £
(Loss)/profit on ordinary activities before taxation	(15,860)	19,432
(Loss)/profit on ordinary activities multiplied by rate of tax	(3,013)	3,692
Capital allowances for period in excess of depreciation	2,802	2,135
Utilisation of tax losses	-	(5,827)
Unrelieved tax losses	211	-
Total current tax	-	-

### 7 Tangible fixed assets

	Fixtures & Fittings £
<b>Cost</b>	
At 1 July 2006	117,714
Additions	41,628
<b>At 30 June 2007</b>	<b>159,342</b>
<b>Depreciation</b>	
At 1 July 2006	90,374
Charge for the year	33,323
<b>At 30 June 2007</b>	<b>123,697</b>
<b>Net book value</b>	
<b>At 30 June 2007</b>	<b>35,645</b>
At 30 June 2006	27,340

### 8 Stocks

	2007 £	2006 £
Goods for resale	22,998	25,553

# Watford Catering Limited

## Notes to the financial statements

Year ended 30 June 2007

### 9 Debtors

	2007 £	2006 £
Trade debtors	32,977	60,496
Amounts owed by group undertakings	184,004	123,479
Prepayments and accrued income	1,700	—
	<u>218,681</u>	<u>183,975</u>

### 10 Creditors amounts falling due within one year

	2007 £	2006 £
Trade creditors	15,524	14,692
Taxation and social security	29,173	46,173
Other creditors	592	1,017
Accruals and deferred income	4,700	30,627
	<u>49,989</u>	<u>92,509</u>

### 11 Related party transactions

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

### 12 Share capital

#### Authorised share capital

	2007 £	2006 £
1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>

#### Allotted, called up and fully paid

	No	2007 £	No	2006 £
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
<b>Equity shares</b>				
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

**Watford Catering Limited****Notes to the financial statements****Year ended 30 June 2007****13 Profit and loss account**

	2007 £	2006 £
Balance brought forward	264,260	244,828
(Loss)/profit for the financial year	(15,860)	19,432
Balance carried forward	<u>248,400</u>	<u>264,260</u>

**14 Reconciliation of movements in shareholder's funds**

	2007 £	2006 £
(Loss)/profit for the financial year	(15,860)	19,432
Opening shareholder's funds	<u>264,261</u>	<u>244,829</u>
Closing shareholder's funds	<u>248,401</u>	<u>264,261</u>

**15 Notes to the cash flow statement****(a) Reconciliation of operating (loss)/profit to net cash (outflow)/inflow from operating activities**

	2007 £	2006 £
Operating (loss)/profit	(15,255)	19,432
Depreciation	33,323	24,609
Decrease in stocks	2,555	10,843
(Increase)/decrease in debtors	(34,706)	77,358
Decrease in creditors	<u>(42,520)</u>	<u>(17,744)</u>
Net cash (outflow)/inflow from operating activities	<u>(56,603)</u>	<u>114,498</u>

**(b) Reconciliation of net cash flow to movement in net funds**

	2007 £	2006 £
(Decrease)/Increase in cash in the period	(98,836)	102,068
Movement in net funds in the period	<u>(98,836)</u>	<u>102,068</u>
Net funds at 1 July 2006	119,902	17,834
Net funds at 30 June 2007	<u>21,066</u>	<u>119,902</u>

# Watford Catering Limited

## Notes to the financial statements

Year ended 30 June 2007

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### 15 Notes to the cash flow statement *(continued)*

#### (c) Analysis of changes in net funds

	At 1 Jul 2006 £	Cash flows £	At 30 Jun 2007 £
Net cash			
Cash in hand and at bank	119,902	(98,836)	21,066
Net funds	<u>119,902</u>	<u>(98,836)</u>	<u>21,066</u>

### 16 Ultimate parent company

The parent company, and ultimate controlling party, is Watford Leisure PLC. Copies of the financial statements of Watford Leisure PLC can be obtained from the company's registered office.