A.B.M. Catering Limited

REPORT AND FINANCIAL STATEMENTS

28 July 2017

Company Registration No. 04168334

A.B.M. Catering Limited
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A.B.M. Catering Limited
DIRECTORS AND ADVISORS

DIRECTORS
P Coates – Chairman
SJ Johnson
D Coates CBE
JF Coates
DM Coates
S Hill
PJ Smith
NC Floyd

SECRETARY
S Hill

REGISTERED OFFICE
Eagle Court
63-67 Saltisford
Warwick
Warwickshire
CV34 4AF

AUDITOR
RSM UK Audit LLP
Chartered Accountants
Festival Way
Stoke-on-Trent
Staffordshire
ST1 5BB

The directors have pleasure in submitting their Strategic Report for A.B.M. Catering Limited for the 52 week period ended 28 July 2017.

REVIEW OF BUSINESS AND KEY PERFORMANCE INDICATORS
The results for the period and financial position of the company are as shown in the annexed financial statements on pages 10 and 11.

The trading profit for the period, before taxation, was £711,051 (2016: £697,715). The directors have paid interim dividends of £200,000 (2016: £300,000) and do not recommend the payment of a final dividend giving a total dividend for the period of £200,000 (2016: £300,000) which leaves a profit of £371,674 (2016: £258,245) to be retained.

The key performance indicators monitoring business performance are:

Gross profit margin
Turnover has increased significantly compared to the prior period as the company had a strong year with the award of contracts for 18 new sites within the first quarter of the period. In addition, 6 new sites were opened under the Company's Business and Industry brand, Honest, during the year. ABM now provide catering at 2 more professional football clubs after successfully winning competitive tenders providing strong growth under our Stadia and Commercial brand; Venue. There has also been an increase in gross profit margins to 16.1% (2016: 14.9%) driven partially by strong catering contract management along with the award of new business.

Overheads %
Overheads as a percentage of turnover were 13.2% (2016: 12.0%) due to further investment in the Company's infrastructure to facilitate future growth.

STATEMENT OF FINANCIAL POSITION
The directors are pleased to present a strong balance sheet which shows good improvement in Net Assets whilst maintaining Net Current Assets. Cash balances within the Company remain healthy and good liquidity ratios enable the Company to meet its liabilities as they fall due.

RISKS AND UNCERTAINTIES
The directors continue to monitor the effects of Brexit; In particular the trend of the weakening GB£. This risk is mitigated by not operating services outside of the UK and having long term supply contracts with the Company's major suppliers, who may source product from outside the UK, with price rise restrictions linked to CPI.

The directors monitor legislation within the food industry and ensure our policies and procedures are regularly reviewed, trained and implemented to ensure compliance.

The directors keep a risk register of the risks perceived to the business. This is discussed and updated regularly and processes and procedures are modified, where applicable, to mitigate developing risks.

RISKS AND UNCERTAINTIES (continued)
The risks identified include the following:

Potential Risk	Consequence of Identified Risk	Action / Process
Food Safety	Provision of unsafe food causing allergic reaction, illness or death to customers	• Comprehensive manual maintained that outlines key processes and procedures for food safety • Consultants retained to give advice on Food Safety protocols and the process is further supported by our in-house Health & Safety Manager & in-house Nutritionist • Robust induction and training process for all employees including Food Hygiene and allergens • Public liability Insurance cover in place
Workplace Safety	Accidents in the workplace leading to an injury or death	• Staff undertake induction training and relevant skill based training • Comprehensive manual maintained that outlines the correct operational procedures for safe working • Staff are issued with personal protective equipment • Safety advice is provided for all chemicals and they are stored properly labelled in their original packaging • Employers liability insurance cover in place
Safeguarding of clients/ Right to Work	Employing unsuitable people into the business who may be a danger to others	• Right to Work checks carried out before employment commences • Enhanced DBS checks for staff in schools and care sites before employment commences • Safeguarding training completed for school staff
Theft of Cash or Stock	Liquid assets such as cash or stock are desirable and easy to steal	• Monitor purchasing, stock levels and gross profit % on a monthly basis • separation of duties in connection with cash handling

FINANCIAL INSTRUMENTS
The directors and managers are constantly reviewing the objectives of the business operations to identify areas where it is able to reduce financial risk without hindrance to onsite operations.

The directors consider there is limited exposure to credit risk as a substantial amount of sales are on a cash basis and close monitoring of debtors is also performed.

The business assesses pricing to ensure a fair return is achieved on the services supplied. The business has a very strong relationship with its banking team. The company has the facilities available to meet its needs on an ongoing basis. These facilities are reviewed on a regular basis by both the bank and the management team.

By order of the board:

P Coates

P Coates
Director

2 November 2017

The directors submit their report and the audited financial statements of the company for the 52 week period ended 28 July 2017.

The directors have disclosed the following sections of the directors' report "Business review, key performance indicators, risks and uncertainties and financial instruments" within the Strategic Report on page 2.

PRINCIPAL ACTIVITY
The principal activity of the Company in the period under review was that of catering facilities management.

FUTURE DEVELOPMENTS
Several new contracts began in the early part of the 2017-18 financial year, and the directors are optimistic that the company is well placed to continue to build on the year-on-year growth experienced in turnover and profit in recent years.

DIRECTORS
The following directors have held office since 30 July 2016:

P Coates - Chairman
SJ Johnson
D Coates CBE
JF Coates
DM Coates
S Hill
PJ Smith
D Marks (resigned 6 December 2016)
N Floyd

EMPLOYEE INVOLVEMENT
The company encourages all members of staff to participate in the effective running and development of the business. Employees are encouraged to take an active interest in all matters affecting them.

The company recognises its social and statutory duty to employ disabled persons and pursues a policy of providing, where possible, the same employment opportunities to disabled persons as to others.

DONATIONS
During the period, the company made £1,515 of charitable donations to the Starlight Foundation, Breast Cancer Care, Macmillan and various local community based projects. No political donations were made.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR
The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITOR
RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

By order of the board:

PCoates

P Coates
Director

2 November 2017

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report and the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. 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).

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 those financial statements, the directors are required to:

a. select suitable accounting policies and then apply them consistently;

b. make judgements and accounting estimates that are reasonable and prudent;

c. 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 that are sufficient to show and explain the company's transactions and 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 2006. 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 A.B.M. CATERING LIMITED

Opinion
We have audited the financial statements of A.B.M. Catering Limited (the 'company') for the period ended 28 July 2017 which comprise the statement of comprehensive income, the statement of financial position and the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 July 2017 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information
The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF A.B.M. CATERING LIMITED (CONTINUED)

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 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.

Responsibilities of directors
As explained more fully in the directors' responsibilities statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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.

RSM UK Audit LLP

ANNE LAKIN (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Festival Way
Stoke-on-Trent
Staffordshire
ST1 5BB

3 November 2017

A.B.M. Catering Limited
STATEMENT OF COMPREHENSIVE INCOME
For the 52 week period ended 28 July 2017

	Note	**52 week period ended 28 July 2017 £**	52 week period ended 29 July 2016 £
TURNOVER		**25,021,894**	24,363,365
Cost of sales		**(21,002,807)**	(20,731,636)
GROSS PROFIT		**4,019,087**	3,631,729
Administrative expenses		**(3,306,552)**	(2,931,924)
OPERATING PROFIT		**712,535**	699,805
Interest receivable and similar income	3	**453**	1,307
Interest payable and similar expenses	4	**(1,937)**	(3,397)
PROFIT BEFORE TAXATION	1-6	**711,051**	697,715
Taxation	7	**(139,377)**	(139,470)
PROFIT FOR THE PERIOD AND TOTAL COMPREHENSIVE INCOME		**571,674**	558,245

A.B.M. Catering Limited
STATEMENT OF FINANCIAL POSITION
At 28 July 2017

	Note	**28 July 2017**		29 July 2016	
		£	**£**	£	£
FIXED ASSETS					
Intangible assets	9		**472,880**		589,887
Tangible assets	10		**718,072**		615,959
			1,190,952		1,205,846
CURRENT ASSETS					
Stocks	11	**354,962**		291,938	
Debtors	12	**4,250,995**		3,741,528	
Cash at bank and in hand		**1,935,412**		1,537,480	
		6,541,369		5,570,946	
CREDITORS: Amounts falling due within one year	13	**(3,815,321)**		(3,291,595)	
NET CURRENT ASSETS			**2,726,048**		2,279,351
TOTAL ASSETS LESS CURRENT LIABILITIES			**3,917,000**		3,485,197
CREDITORS: Amounts falling due after more than one year	14		**(124,113)**		(33,996)
PROVISIONS FOR LIABILITIES	16		**(85,708)**		(115,696)
NET ASSETS			**3,707,179**		3,335,505
CAPITAL AND RESERVES					
Called up share capital	17		**147**		147
Share premium account			**524,873**		524,873
Profit and loss account			**3,182,159**		2,810,485
TOTAL EQUITY			**3,707,179**		3,335,505

The financial statements on pages 10 to 28 were approved by the board of directors and authorised for issue on 2 November 2017 and are signed on its behalf by:

PCoates

P Coates
Director

Company Registration No. 04168334

	Share capital £	Share Premium Account £	Profit and loss account £	Total £
Balance at 31 July 2015	147	**524,873**	**2,552,240**	**3,077,260**
Profit for the period	-	-	558,245	558,245
Total comprehensive income for the period	-	-	**558,245**	**558,245**
Transactions with owners in their capacity as owners:				
Dividends	-	-	(300,000)	(300,000)
Balance at 29 July 2016	**147**	**524,873**	**2,810,485**	**3,335,505**
Profit for the period	-	-	571,674	571,674
Total comprehensive income for the period	-	-	**571,674**	**571,674**
Transactions with owners in their capacity as owners:				
Dividends	-	-	(200,000)	(200,000)
Balance at 28 July 2017	**147**	**524,873**	**3,182,159**	**3,707,179**

GENERAL INFORMATION
A.B.M. Catering Limited ("the Company") is a private company limited by shares and is registered, domiciled and incorporated in England.

The address of the Company's registered office and principal place of business is Eagle Court, 63-67 Saltisford, Warwick, Warwickshire, CV34 4AF.

The Company's principal activities and nature of operations are included in the directors' report.

BASIS OF ACCOUNTING
These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and under the historical cost convention.

Monetary amounts in these financial statements are rounded to the nearest whole £1, except where otherwise indicated.

BASIS OF PREPARATION
The financial statements have been prepared on a going concern basis, which assumes that the Company will be able to continue to trade for the foreseeable future.

The validity of the going concern basis is dependent upon the Company managing the risks of the business as identified in the Directors' report and Strategic report and its financial arrangements. The directors consider that they have sufficient controls in place to manage the risks of the Company and that the Company has and will continue to generate sufficient cash flows to meet the Company's working capital requirement without the need for any external finance.

On this basis the directors consider it appropriate to prepare financial statements on a going concern basis.

PRESENTATION AND FUNCTIONAL CURRENCIES
The financial statements are presented in sterling which is also the functional currency of the Company.

REDUCED DISCLOSURES
In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares
- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income.
- Section 33 'Related Party Disclosures – Compensation for key management personnel

The financial statements of the Company are consolidated in the financial statements of ABM Catering (Holdings) Limited. The consolidated financial statements of ABM Catering (Holdings) Limited are available from Registrar of Companies, Crown Way, Cardiff, CF14 3UZ.

INTANGIBLE FIXED ASSETS

Goodwill

Goodwill representing the excess of the consideration for acquired trade and assets compared with the fair value of net assets acquired is capitalised and written off evenly over 10 years as in the opinion of the directors this represents the period over which the goodwill is expected to give rise to economic benefits. Goodwill is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

The directors consider this useful life to be appropriate because goodwill on contracts acquired are in Business and Industry (B&I) and Care sectors, where the average length of time the Company historically runs contracts in these sectors are around 10 years.

Other intangible assets

Intangible assets purchased other than in a business combination are recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets arising on a business combination are recognised, except where the asset arises from legal or contractual rights, and there is no history or evidence of exchange transactions for the same or similar assets and estimating the asset's fair value would depend on immeasurable variables.

Intangible assets are initially recognised at cost (which for intangible assets acquired in a business combination is the fair value at acquisition date) and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised to profit or loss on a straight-line basis over their useful lives, as follows:-

Purchased computer software	-	15% per annum straight line
Customer lists	-	10% per annum straight line

The useful lives of purchased computer software is based on the length of time the software is expected to be used in the business. The useful lives of customer contracts is based on the average time that customer contracts are held within the industry.

Amortisation is revised prospectively for any significant change in useful life or residual value.

On disposal, the difference between the net disposal proceeds and the carrying amount of the intangible asset is recognised in profit or loss.

TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:

Leasehold improvements	-	10% per annum straight line
Motor vehicles	-	25% per annum straight line
Fixtures and fittings	-	15% per annum straight line
Plant and Equipment	-	15% per annum straight line

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

STOCKS

Stocks are valued at the lower of cost and estimated selling price less costs to complete and sell.

At each reporting date, the Company assesses whether stocks are impaired or if an impairment loss recognised in prior periods has reversed. Any excess of the carrying amount of stock over its estimated selling price less costs to complete and sell, is recognised as an impairment loss in profit or loss.

Reversals of impairment losses are also recognised in profit or loss.

TAXATION

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the period. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

Current and deferred tax is charged or credited in profit or loss.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

LEASED ASSETS AND OBLIGATIONS

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

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

All other leases are "operating leases" and the annual rentals are charged to the statement of comprehensive income on a straight line basis over the lease term.

RETIREMENT BENEFITS

The Company operates a number of defined contribution pension schemes. The amount charged to the profit and loss account in respect of pension costs, and other post retirement benefits is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Certain of the employees of the Company participate in individual council's defined benefit schemes. The defined benefit schemes are co-sponsored by a number of different companies. The Company makes contributions to the schemes in accordance with the recommendations of the actuaries to the schemes.

As the Company is one of a number of participating employers in the schemes, it is not possible to allocate that part of any actuarial rights or deficit owing to the Company's employees. Consequently, contributions are charged to the profit and loss account as they become payable.

TURNOVER

Turnover represents the invoiced value, net of Value Added Tax, derived from the provision of catering services to UK based customers. Revenue is recognised when substantially all of the obligations under a sales contract have been fulfilled.

FINANCIAL INSTRUMENTS

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Trade, group and other debtors

Trade, group and other debtors which are receivable within one year are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

At the period end a provision of £41,788 was made in respect of bad debt provision (2016: £nil).

Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Equity instruments

Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

FINANCIAL INSTRUMENTS (continued)

Trade and other creditors

Trade and other creditors (including accruals) payable within one year are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

RESERVES

Reserves of the Company represent the following:

Share Premium

Consideration received for shares issue above their nominal value net of transaction costs.

Profit and loss account

Cumulative profit and loss net of distributions to owners.

1 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions
The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below.

Stock
Stocks are valued at the lower of cost and net realisable value. At the balance sheet date, the directors deem that no stock provision is required. Where sites' catering facilities are closed at the balance sheet date (eg school kitchens being closed due to summer school holiday) it is the company's policy to use or dispose of perishable stock before the kitchen is closed for the summer.

Income Recognition
Income is recognised when obligation under the sales contract has occurred and this is accounted for on an accruals basis. Provisions are made where there is a difference between income invoiced and the income that should be recognised as defined by the sales contract.

2 TURNOVER

The Company turnover is 100% based in the UK and relates solely to catering facilities management which is considered to be the one reporting segment.

3 INTEREST RECEIVABLE AND SIMILAR INCOME

	52 week period ended 28 July 2017 £	52 week period ended 29 July 2016 £
Other interest	**453**	1,307

4 INTEREST PAYABLE AND SIMILAR EXPENSES

	52 week period ended 28 July 2017	52 week period ended 29 July 2016
	£	£
Corporation tax interest	**-**	106
Bank interest	**285**	1,669
Finance leases	**1,652**	1,622
	1,937	3,397

5 PROFIT BEFORE TAXATION

	52 week period ended 28 July 2017	52 week period ended 29 July 2016
Profit before taxation is stated after charging/(crediting):	**£**	£
Depreciation and amounts written off tangible fixed assets:		
Charge for the period:		
Owned assets	**162,496**	147,864
Leased assets	**46,177**	50,580
Amortisation of intangible fixed assets	**83,865**	25,728
Operating lease rentals:		
Plant and machinery	**18,925**	18,925
Land and buildings	**59,670**	30,000
Auditor's remuneration:		
Audit services	**11,970**	11,400
Profit on disposal of tangible fixed assets	**(10,653)**	(2,700)
Stock expensed to cost of sales	**10,657,011**	11,120,307

6 EMPLOYEES

The average monthly number of persons employed by the Company (including directors) during the period was:	**52 week period ended 28 July 2017**	52 week period ended 29 July 2016
	Number	Number
Catering staff	**937**	907
Management and administration	**45**	42
	982	949

6 EMPLOYEES (continued)

Staff costs for the above persons:	**52 week period ended 28 July 2017**	52 week period ended 29 July 2016
	£	£
Wages and salaries	**11,257,301**	10,310,804
Social security costs	**639,082**	508,577
Other pension costs	**217,506**	199,809
	12,113,889	11,019,190

DIRECTORS' REMUNERATION	**52 week period ended 28 July 2017**	52 week period ended 29 July 2016
	£	£
Emoluments	**583,396**	615,431
Money purchase pension contributions	**20,779**	24,330
Compensation for loss of office	-	9,000
	604,175	648,761

Directors' emoluments disclosed above include the following payments:	Highest paid director	
	52 week period ended 28 July 2017	52 week period ended 29 July 2016
	£	£
Emoluments	**283,998**	283,081
Money purchase pension contributions	**10,000**	13,000
	293,998	296,081

	52 week period ended 28 July 2017	52 week period ended 29 July 2016
	Number	Number
Number of directors for whom relevant benefits are accruing under:		
Money purchase pension schemes:	**4**	5

7 TAXATION

	52 week period ended 28 July 2017		52 week period ended 29 July 2016	
	£	**£**	£	£
Current tax:				
UK corporation tax on profits of the period	**157,481**		139,225	
Adjustment in respect of prior periods	**184**		-	
Total current tax		**157,665**		139,225
Deferred tax:				
Origination and reversal of timing differences	**(11,860)**		245	
Effect of tax rate change on opening balance	**(6,428)**		-	
Total deferred tax		**(18,288)**		245
Tax on profit		**139,377**		139,470

Factors affecting tax charge for the period:	**52 week period ended 28 July 2017**	52 week period ended 29 July 2016
	£	£
The tax assessed for the period is lower (2016: lower) than the average standard rate of corporation tax in the UK 19.67% (2016: 20%). The differences are explained below:		
Profit before tax	**711,051**	697,715
Profit multiplied by the average standard rate of corporation tax in the UK 19.67% (2016: 20%)	**139,864**	139,543
Effects of:		
Expenses not deductible for tax purposes	**1,693**	6,662
Adjustment to tax charge in respect of previous periods	**184**	-
Rate differences on deferred tax	**(2,364)**	(6,735)
Total tax charge for the period	**139,377**	139,470

8 DIVIDENDS

	52 week period ended 28 July 2017	52 week period ended 29 July 2016
	£	£
Interim dividend paid of £13.57 per share (2016: £20.35)	**200,000**	300,000

9 INTANGIBLE FIXED ASSETS

	Software and licences	Goodwill	Customer list	Total
	£	£	£	£
Cost				
At beginning of period	90,891	82,810	460,056	633,757
Adjustment to purchase price	-	(11,700)	(65,000)	(76,700)
Additions	43,558	-	-	43,558
At end of period	134,449	71,110	395,056	600,615
Amortisation				
At beginning of period	25,720	2,792	15,358	43,870
Charged in the period	15,630	-	68,235	83,865
At end of period	41,350	2,792	83,593	127,735
Carrying amount				
At 28 July 2017	**93,099**	**68,318**	**311,463**	**472,880**
At 29 July 2016	65,171	80,018	444,698	589,887

Amortisation of intangible fixed assets is recognised in administrative expenses.

10 TANGIBLE FIXED ASSETS

	Leasehold Improvements	Motor vehicles	Fixtures and fittings	Plant and Equipment	Total
	£	£	£	£	£
Cost					
At beginning of period	276,497	567,973	489,015	64,930	1,398,415
Additions	6,996	257,072	60,495	-	324,563
Disposals	-	(118,261)	-	-	(118,261)
At end of period	283,493	706,784	549,510	64,930	1,604,717
Depreciation					
At beginning of period	126,260	351,298	282,418	22,480	782,456
Charged in the period	27,874	111,225	59,834	9,740	208,673
Disposals	-	(104,484)	-	-	(104,484)
At end of period	154,134	358,039	342,252	32,220	886,645
Carrying amount					
At 28 July 2017	**129,359**	**348,745**	**207,258**	**32,710**	**718,072**
At 29 July 2016	150,237	216,675	206,597	42,450	615,959

Included in the total net book value of motor vehicles is £277,521 (2016: £176,393) in respect of assets held under finance leases and similar hire purchase contracts outstanding at the period end.

11 STOCKS

	28 July 2017	29 July 2016
	£	£
Raw materials and consumables	**354,962**	291,938

12 DEBTORS

	28 July 2017	29 July 2016
	£	£
Amounts falling due within one year:		
Trade debtors	**3,178,500**	2,484,355
Prepayments and accrued income	**966,002**	999,312
Amounts due from group undertakings	**106,493**	257,861
	4,250,995	3,741,528

13 CREDITORS: Amounts falling due within one year

	28 July 2017	29 July 2016
	£	£
Obligations under finance leases	**119,623**	119,578
Payments received on account	**43,413**	66,248
Trade creditors	**1,769,269**	1,547,297
Corporation tax	**157,481**	139,225
Other taxation and social security costs	**680,094**	625,729
Other creditors	**725,262**	570,651
Accruals and deferred income	**320,179**	222,867
	3,815,321	3,291,595

The Company has a bank overdraft facility with Lloyds Bank which is secured by an unlimited debenture dated 18 June 2013 with A.B.M. Catering Limited. There was no commitment at the period end under this guarantee (2016: £nil).

14 CREDITORS: Amounts falling due after more than one year

	28 July 2017	29 July 2016
	£	£
Obligations under finance leases	**124,113**	33,996

Finance leases
Obligations under finance leases are secured by related assets and bear finance charges ranging from 1.0% to 2.9%. Per annum (2016: 1.0% to 2.1% per annum).

The total future minimum lease payments are payable:

	28 July 2017	29 July 2016
	£	£
Less than one year	**119,623**	119,578
Between one and five years	**124,113**	33,996
	243,736	153,574

Finance lease payments represent rentals payable by the Company for certain items of motor vehicles. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 2 years. All leases are on a fixed repayment basis.

15 PENSION COMMITMENTS

The Company operates a number of defined contribution pension schemes whose assets are held separately from those of the Company in an independently administered fund. The pension cost charge for these schemes represents contributions payable by the Company and amounted to £67,532 (2016: £63,917).

Certain staff of the Company are members of defined benefit schemes operated by certain councils. As the Company is one of a number of participating employers in these schemes, it is not possible to allocate any actuarial surplus or deficit on a meaningful basis and consequently contributions are expensed to the profit and loss account as they become payable. The assets of the scheme are held separately from those of the Company. On this basis the scheme is treated as a defined benefit multi-employer scheme. The pension cost charge for these schemes represents contributions payable by the Company and amounted to £149,974 (2016: £135,892).

There were £125,770 (2016: £85,585) outstanding contributions at the end of the financial period.

16 PROVISIONS FOR LIABILITIES

	Deferred taxation £
At beginning of period	115,696
Charge for the period	(18,288)
Adjustment to purchase price of intangible assets acquired in a business combination	(11,700)
At end of period	**85,708**

The elements of the deferred tax liability, which is carried within provisions, are as follows:

	28 July 2017		29 July 2016	
	Provided £	**Unprovided £**	Provided £	Unprovided £
Difference between accumulated depreciation and capital allowances	**54,140**	-	51,083	-
Other timing differences	**(21,381)**	-	(15,405)	-
Intangible fixed assets acquired in business combinations	**52,949**	-	80,018	-
	85,708	-	115,696	-

17 CALLED UP SHARE CAPITAL

	28 July 2017 £	29 July 2016 £
Allotted, issued and fully paid:		
10,000 ordinary shares of 1p each	**100**	100
2,900 ordinary "B" shares of 1p each	**29**	29
1,843 ordinary "C" shares of 1p each	**18**	18
	147	147

Ordinary share rights
The Company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the Company.

The "B" ordinary and "C" ordinary shares rank pari passu with the ordinary shares.

18 COMMITMENTS UNDER OPERATING LEASES

The total future minimum payments under non-cancellable operating leases are as follows:

	28 July 2017	29 July 2016
	£	£
Amounts due within one year	**18,925**	18,911
Amounts due between one and five years	**23,656**	43,418
	42,581	62,329

19 CAPITAL COMMITMENTS

There are capital commitments of £23,922 (2016: £45,744) relating to the purchase of fixed assets at the end of the financial period.

20 CONTINGENT LIABILITIES

At the period end the Company had guarantees outstanding in respect of Local Government Pension Scheme Bonds as follows:

Bond value	**Expiry date**
£48,400	31 August 2017
£8,000	31 July 2017
£59,000	31 August 2018

At the period end the Company had an indemnity guarantee of £1 for National Westminster Bank plc.

21 RELATED PARTY TRANSACTIONS

During the period the following transactions took place with companies that are associated with A.B.M. Catering Limited due to being under common control. A.B.M. Catering Limited made sales of £1,602,208 (2016: £1,014,386) net of commission and the balance due to A.B.M. Catering Limited at 28 July 2017 was £265,873 (2016: £331,370).

22 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The largest and smallest group in which the results of the Company are consolidated is that headed by ABM Catering (Holdings) Limited. The group is under the control of P Coates and his family.

Copies of the group's financial statements may be obtained from:

The Registrar of Companies
Companies House
Crown Way
Cardiff
CF14 3UZ