

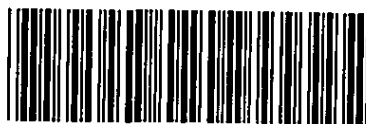
# ABM Catering (Holdings) Limited

## REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

26 July 2013

Company Registration No 07551335

WEDNESDAY



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# ABM Catering (Holdings) Limited

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# ABM Catering (Holdings) Limited

## DIRECTORS AND ADVISORS

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### DIRECTORS

P Coates – Chairman

SJ Johnson

D Coates CBE

JF Coates

DM Coates

MD Sutcliffe

S Hill

PJ Smith

### SECRETARY

S Hill

### REGISTERED OFFICE

Eagle Court

63-67 Saltisford

Warwick

Warwickshire

CV34 4AF

### AUDITOR

Baker Tilly UK Audit LLP

Chartered Accountants

Festival Way

Stoke-on-Trent

Staffordshire

ST1 5BB

# ABM Catering (Holdings) Limited

## DIRECTORS' REPORT

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The directors submit their report and the audited consolidated financial statements of ABM Catering (Holdings) Limited for the 52 week period ended 26 July 2013

### PRINCIPAL ACTIVITY

The principal activity of the company in the period under review is that of a holding company which owns office buildings used by the group

The principal activity of the company's trading subsidiary A B M Catering Limited in the period under review was that of catering facilities management

The company's other subsidiaries, Catering365 Limited, Meaujo (754) Limited and Grosvenor Catering Facilities Management Limited, continued not to trade

### REVIEW OF BUSINESS

The results for the period and financial position of the group are as shown in the financial statements, the key performance indicator's monitoring business performance are

- Turnover

Turnover has increased by 8.3% as new contracts have been gained during the period. The group closely monitors gross margins which show a slight reduction to 12.5% for the period. Strong catering contract management has helped maintain margins during a period of continued economic uncertainty.

- Overheads

Overheads have increased by 7.9% the main increases being in staff, IT and motor and travelling costs, reflecting the increase in new business and extra personnel required to support growth.

### RESULTS AND DIVIDENDS

The group's trading profit for the period, before taxation, was £352,855 (2012 £471,948). The directors have paid an interim dividend of £nil (2012 £nil) and the directors do not recommend the payment of a final dividend which leaves a profit after taxation of £263,818 (2012 £337,544) to be retained.

### RISKS AND UNCERTAINTIES

There are risk factors both external and internal to the group.

External risks include political and economic conditions, actions of competitors, the effect of legislation or other regulatory action, credit risk, environmental risks and litigation.

Internal risks include control failure risk and inability to supply.

The group seeks to mitigate exposure to all forms of risk where practicable and cost effective by transferring risk to insurers.

# ABM Catering (Holdings) Limited

## DIRECTORS' REPORT

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### 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 on site 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 group 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.

### FUTURE DEVELOPMENTS

Several new contracts began in the financial period to July 2014, and the directors are optimistic about the future performance of the group.

### DIRECTORS

The following directors have held office since 28 July 2012

P Coates – Chairman

SJ Johnson

D Coates CBE

JF Coates

DM Coates

MD Sutcliffe

S Hill

PJ Smith

SA Flatt (resigned 28 September 2012)

### EMPLOYEE INVOLVEMENT

The group 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 group 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.

### STATEMENT AS TO DISCLOSURE OF INFORMATION TO 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

Baker Tilly UK Audit LLP, Chartered Accountants, were appointed auditor by the company. Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and therefore Baker Tilly UK Audit LLP will continue in office.

# ABM Catering (Holdings) Limited

## DIRECTORS' REPORT

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By order of the board



**P Coates**  
Director

Eagle Court  
63-67 Saltisford  
Warwick  
Warwickshire  
CV34 4AF

23 December 2013

# ABM Catering (Holdings) Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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The directors are responsible for preparing 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 group and the company and of the profit or loss of the group 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 group and the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and 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 ABM CATERING (HOLDINGS) LIMITED

We have audited the group and parent company financial statements (the "financial statements") on pages 7 to 31. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 more fully explained in the Directors' Responsibilities Statement set out on page 5, 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 (APB's) Ethical Standards for Auditors.

### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at [http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-\(issued-1-December-2010\).aspx](http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-(issued-1-December-2010).aspx)

### Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 26 July 2013 and of the group's profit for the period 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 period for which the financial statements are prepared is consistent with the financial statements.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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

*Baker Tilly UK Audit LLP*

Anne Lakin (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

Festival Way

Stoke-on-Trent

Staffordshire

ST1 5BB

*23 December* 2013

**ABM Catering (Holdings) Limited**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**For the 52 week period ended 26 July 2013**

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	Note	Pre- exceptionals 52 week period ended 26 July 2013 £	Exceptional items 52 week period ended 26 July 2013 £	Total 52 week period ended 26 July 2013 £	52 week period ended 27 July 2012 £
TURNOVER – CONTINUING OPERATIONS		21,427,272	-	21,427,272	19,780,917
Cost of sales		(18,751,169)	-	(18,751,169)	(17,146,952)
GROSS PROFIT		2,676,103	-	2,676,103	2,633,965
Administrative expenses		(2,255,812)	(56,869)	(2,312,681)	(2,143,959)
OPERATING PROFIT – CONTINUING OPERATIONS		420,291	(56,869)	363,422	490,006
Interest receivable and similar income	1			56	86
Interest payable and similar charges	2			(10,623)	(18,144)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	1-4			352,855	471,948
Taxation	5			(89,037)	(134,404)
PROFIT FOR THE FINANCIAL PERIOD	15			263,818	337,544

# ABM Catering (Holdings) Limited

## CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the 52 week period ended 26 July 2013

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	52 week period ended 26 July 2013 £	52 week period ended 27 July 2012 £
Profit for the financial period	263,818	337,544
Revaluation	-	86,800
	<hr/>	<hr/>
Total gains and losses relating to the period	263,818	424,344
	<hr/>	<hr/>
Total gains and losses recognised since last annual report	263,818	424,344
	<hr/>	<hr/>

## CONSOLIDATED NOTE OF HISTORICAL COST PROFITS AND LOSSES

For the 52 week period ended 26 July 2013

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	52 week period ended 26 July 2013 £	52 week period ended 27 July 2012 £
Profit on ordinary activities before taxation	352,855	471,948
Differences between historical cost depreciation charge and the actual depreciation charge calculated on the revalued amount	1,563	-
	<hr/>	<hr/>
Historical cost profit on ordinary activities before taxation	354,418	471,948
	<hr/>	<hr/>
Historical cost profit on ordinary activities after taxation	265,381	337,544
	<hr/>	<hr/>

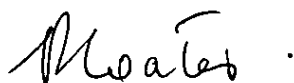
# ABM Catering (Holdings) Limited

## CONSOLIDATED BALANCE SHEET

At 26 July 2013

	Note	26 July 2013		27 July 2012	
		£	£	£	£
<b>FIXED ASSETS</b>					
Intangible assets	6		4,712		11,000
Tangible assets	7		1,100,178		1,108,484
			<u>1,104,890</u>		<u>1,119,484</u>
<b>CURRENT ASSETS</b>					
Stocks	9	226,862		162,038	
Debtors	10	3,035,522		3,665,276	
Cash at bank and in hand		310,645		74,587	
		<u>3,573,029</u>		<u>3,901,901</u>	
<b>CREDITORS</b> Amounts falling due within one year	11	(2,308,710)		(2,776,577)	
<b>NET CURRENT ASSETS</b>			<u>1,264,319</u>		<u>1,125,324</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>2,369,209</u>		<u>2,244,808</u>
<b>CREDITORS</b> Amounts falling due in more than one year	12		(48,998)		(180,294)
<b>PROVISIONS FOR LIABILITIES</b>	13		(26,148)		(34,269)
<b>NET ASSETS</b>			<u>2,294,063</u>		<u>2,030,245</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	14		147		147
Merger reserve	15		524,873		524,873
Revaluation reserve	15		85,237		86,800
Profit and loss account	15		1,683,806		1,418,425
<b>SHAREHOLDER'S FUNDS</b>			<u>2,294,063</u>		<u>2,030,245</u>

The financial statements on pages 7 to 31 were approved by the board of directors and authorised for issue on 23 December 2013 and are signed on its behalf by



**P Coates**  
Director

Company Registration No 07551335

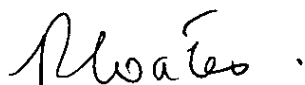
# ABM Catering (Holdings) Limited

## COMPANY BALANCE SHEET

At 26 July 2013

	Note	26 July 2013		27 July 2012	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	7		543,631		551,664
Investments	8		10,149		10,149
			<u>553,780</u>		<u>561,813</u>
<b>CREDITORS</b> Amounts falling due within one year	11	(2,883)		(1,935)	
<b>NET CURRENT LIABILITIES</b>			<u>(2,883)</u>		<u>(1,935)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>550,897</u>		<u>559,878</u>
<b>CREDITORS</b> Amounts falling due in more than one year	12		(520,647)		(480,391)
<b>PROVISIONS FOR LIABILITIES</b>	13		(19,102)		(23,733)
<b>NET ASSETS</b>			<u>11,148</u>		<u>55,754</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	14		147		147
Revaluation reserve	15		85,237		86,800
Profit and loss account	15		(74,236)		(31,193)
<b>SHAREHOLDER'S FUNDS</b>			<u>11,148</u>		<u>55,754</u>

The financial statements on pages 7 to 31 were approved by the board of directors and authorised for issue on 23 December 2013 and are signed on its behalf by



**P Coates**  
Director

# ABM Catering (Holdings) Limited

## CONSOLIDATED CASH FLOW STATEMENT

For the 52 week period ended 26 July 2013

	Note	52 week period ended 26 July 2013 £	52 week period ended 27 July 2012 £
CASH FLOW FROM OPERATING ACTIVITIES	16	1,409,584	(287,295)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		56	86
Interest paid		(7,842)	(14,306)
Interest element of finance lease rental payments		(2,781)	(3,838)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(10,567)	(18,058)
TAXATION		(115,572)	(129,072)
CAPITAL EXPENDITURE			
Purchase of intangible assets		-	(5,500)
Purchase of tangible fixed assets		(15,626)	(400,603)
Sale of tangible fixed assets		12,883	8,628
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE		(2,743)	(397,475)
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		1,280,702	(831,900)
FINANCING			
Loans received		-	950,000
Loans repaid		(620,000)	(330,000)
Capital element of finance lease rental payments		(93,877)	(67,143)
NET CASH (OUTFLOW)/INFLOW FROM FINANCING		(713,877)	552,857
INCREASE/(DECREASE) IN CASH IN THE PERIOD	18	566,825	(279,043)

# ABM Catering (Holdings) Limited

## RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

For the 52 week period ended 26 July 2013

	Group		Company	
	52 week period ended 26 July 2013 £	52 week period ended 27 July 2012 £	52 week period ended 26 July 2013 £	73 week period ended 27 July 2012 £
PROFIT/(LOSS) FOR THE FINANCIAL PERIOD	263,818	337,544	(44,606)	(31,193)
New share capital subscribed	-	-	-	147
Other recognised gains and losses	-	86,800	-	86,800
NET ADDITION TO/(REDUCTION IN) SHAREHOLDER'S FUNDS	263,818	424,344	(44,606)	55,754
Opening shareholders' funds	2,030,245	1,605,901	55,754	-
CLOSING SHAREHOLDER'S FUNDS	2,294,063	2,030,245	11,148	55,754

# ABM Catering (Holdings) Limited

## ACCOUNTING POLICIES

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### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention modified to include the revaluation of freehold land and buildings and in accordance with applicable United Kingdom accounting standards

The Group has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with entities which form part of the ABM Catering (Holdings) Limited group and are 100% controlled by the Group

### BASIS OF PREPARATION

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

The validity of the going concern basis is dependent upon the group managing the risks of the business as identified in the directors' report and its financial arrangements. The directors consider that they have sufficient controls in place to manage the risks of the group and that the group will continue to operate within the level of its current facility

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

### BASIS OF CONSOLIDATION

The financial statements consolidate the financial statements of those undertakings which are owned by the shareholders of ABM Catering (Holdings) Limited as if they had always so been owned. Accordingly, in those years when mergers take place, the whole of the results, assets, liabilities and shareholders' funds of the merged companies are consolidated, regardless of the actual merger date, and corresponding figures for previous years are re-stated

On 3 March 2011 ABM Catering (Holdings) Limited was incorporated with a 73 week financial period ended 27 July 2012. ABM Catering (Holdings) Limited acquired A B M Catering Limited by way of a share for share exchange and therefore this acquisition has been accounted for using merger principles. The consolidated financial statements have adopted the financial period ends of the trading subsidiary A B M Catering Limited of 52 week periods ended 26 July 2013 and 27 July 2012

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred

As permitted by Section 408 of the Companies Act 2006, the company has not presented its own profit and loss account

### MERGER RESERVE

The merger reserve arose on the share for share exchange by ABM Catering (Holdings) Limited and A B M Catering Limited of £147. The reserve is the difference between the nominal value of ABM Catering (Holdings) Limited share capital and the share capital and share premium value of the shares acquired

### PURCHASED GOODWILL

Goodwill representing the cost of contracts acquired in the period is capitalised and written off evenly over the contract length 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

Goodwill acquired on certain contracts is amortised over the contract length currently 20 years



# ABM Catering (Holdings) Limited

## ACCOUNTING POLICIES

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### INVESTMENTS

Fixed asset investments are stated at cost. Provision is made for any impairment in the value of fixed asset investments.

### TANGIBLE FIXED ASSETS

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

Land	-	no depreciation
Buildings	-	2% straight line
Freehold buildings		
- fixed plant	-	10% per annum
Motor vehicles	-	25% per annum straight line
Fixtures and fittings	-	15% per annum straight line

### REVALUATION OF PROPERTIES

Freehold properties are revalued in accordance with FRS 15 with a full valuation carried by professionally qualified Chartered Surveyors on an existing use open market value basis, in accordance with the Statement of Assets Valuation Practice No. 4 and the Guidance Notes of the Royal Institution of Chartered Surveyors every five years and an interim valuation is carried out in year three.

### STOCKS

Stocks are stated at the lower of cost and net realisable value.

### DEFERRED TAXATION

Deferred tax is recognised in respect of 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.

Deferred tax is measured at the average tax rates that are expected to apply in the period in which 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.

Deferred tax assets are only recognised when their recoverability can be assessed with certainty.

### 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 profit and loss on a straight line basis over the lease term.

# ABM Catering (Holdings) Limited

## ACCOUNTING POLICIES

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### RETIREMENT BENEFITS

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

As the group 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 group's employees. Consequently, contributions are charged to the profit and loss account as they become payable.

### EXCEPTIONAL ITEMS

Exceptional items are material items which individually, or if of a similar type, in aggregate, need to be disclosed by virtue of their size or incidence in order to assist in understanding the group's financial performance.

### 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.

### CASH

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

# ABM Catering (Holdings) Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 26 July 2013

### 1 INTEREST RECEIVABLE AND SIMILAR INCOME

	52 week period ended 26 July 2013 £	52 week period ended 27 July 2012 £
Corporation tax interest	-	72
Other interest	56	14
	<u>56</u>	<u>86</u>

### 2 INTEREST PAYABLE AND SIMILAR CHARGES

	52 week period ended 26 July 2013 £	52 week period ended 27 July 2012 £
Bank overdraft	150	820
Finance leases	2,781	3,838
Interest on loans	7,692	13,486
	<u>10,623</u>	<u>18,144</u>

### 3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	52 week period ended 26 July 2013 £	52 week period ended 27 July 2012 £
Profit on ordinary activities before taxation is stated after charging/(crediting)		
Depreciation and amounts written off tangible fixed assets		
Charge for the period		
Owned assets	122,819	115,583
Leased assets	38,973	29,731
Amortisation of goodwill	3,268	-
Operating lease rentals		
Plant and machinery	29,383	20,919
Land and buildings	4,349	26,047
Auditor's remuneration		
Audit services	13,450	13,100
(Profit)/loss on disposal of fixed assets	(12,883)	2,787
Exceptional items		
Abortive acquisition costs	56,869	-
Relocation costs to new premises	-	84,654
	<u></u>	<u></u>

During the prior period the group relocated to new premises incurring one-off costs of £84,654

# ABM Catering (Holdings) Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 26 July 2013

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### 4 EMPLOYEES

The average monthly number of persons employed by the group (including directors) during the period was	52 week period ended 26 July 2013 Number	52 week period ended 27 July 2012 Number
Catering staff	915	815
Management and administration	38	35
	<u>953</u>	<u>850</u>

Staff costs for the above persons	52 week period ended 26 July 2013 £	52 week period ended 27 July 2012 £
Wages and salaries	8,986,376	8,854,837
Social security costs	480,420	513,231
Other pension costs	95,482	91,721
	<u>9,562,278</u>	<u>9,459,789</u>

### DIRECTORS' REMUNERATION

	52 week period ended 26 July 2013 £	52 week period ended 27 July 2012 £
Emoluments	478,705	510,511
Money purchase pension contributions	23,038	21,861
	<u>501,743</u>	<u>532,372</u>

# ABM Catering (Holdings) Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 26 July 2013

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### 4 EMPLOYEES (continued)

Directors' emoluments disclosed above include the following payments

	Highest paid director	
	52 week period ended 26 July 2013 £	52 week period ended 27 July 2012 £
Emoluments	223,881	231,676
Money purchase pension contributions	13,500	12,500
	<u>237,381</u>	<u>244,176</u>
	52 week period ended 26 July 2013 Number	52 week period ended 27 July 2012 Number
Number of directors for whom relevant benefits are accruing under		
Money purchase pension schemes	<u>3</u>	<u>3</u>

# ABM Catering (Holdings) Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 26 July 2013

### 5 TAXATION

	52 week period ended 26 July 2013 £	52 week period ended 27 July 2012 £
Current tax		
UK corporation tax on profits of the period	100,867	106,681
Adjustment in respect of prior periods	(3,709)	654
Total current tax	97,158	107,335
Deferred tax		
Origination and reversal of timing differences	(67)	27,100
Adjustment in respect of prior periods	(8,054)	(31)
Total deferred tax	(8,121)	27,069
Tax on profit on ordinary activities	89,037	134,404
Factors affecting tax charge for the period	52 week period ended 26 July 2013 £	52 week period ended 27 July 2012 £
The tax assessed for the period is lower (2012 lower) than the standard rate of corporation tax in the UK 23.67% (2012 25.3%) The differences are explained below		
Profit on ordinary activities before tax	352,855	471,948
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK 23.67% (2012 25.3%)	83,521	119,402
<i>Effects of</i>		
Expenses not deductible for tax purposes	17,021	14,631
Fixed asset timing differences	(567)	(26,085)
Amortisation of goodwill	772	-
Other timing differences	648	(3,764)
Adjustment to tax charge in respect of previous periods	(3,709)	654
Group relief	-	2,541
Difference in tax rate	(528)	(44)
Current tax charge for the period	97,158	107,335

# ABM Catering (Holdings) Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 26 July 2013

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### 6 INTANGIBLE FIXED ASSETS

Goodwill  
£

#### GROUP

##### *Cost*

At beginning of period

11,000

Fair value adjustment

(3,020)

At end of period

7,980

##### *Amortisation*

At beginning of period

-

Charged in the period

3,268

At end of period

3,268

##### *Net book value*

At 26 July 2013

4,712

At 27 July 2012

11,000

# ABM Catering (Holdings) Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 26 July 2013

### 7 TANGIBLE FIXED ASSETS

GROUP	Freehold land and buildings £	Freehold buildings – fixed plant £	Motor vehicles £	Fixtures and fittings £	Total £
<i>Cost</i>					
At beginning of period	665,000	146,238	372,282	304,230	1,487,750
Additions	-	-	137,860	15,626	153,486
Disposals	-	-	(108,617)	(12,608)	(121,225)
At end of period	665,000	146,238	401,525	307,248	1,520,011
<i>Depreciation</i>					
At beginning of period	-	21,629	243,981	113,656	379,266
Charged in the period	19,367	14,624	83,887	43,914	161,792
Disposals	-	-	(108,617)	(12,608)	(121,225)
At end of period	19,367	36,253	219,251	144,962	419,833
<i>Net book value</i>					
At 26 July 2013	645,633	109,985	182,274	162,286	1,100,178
At 27 July 2012	665,000	124,609	128,301	190,574	1,108,484

Cost or valuation at 26 July 2013 is represented by

GROUP	Freehold land and buildings £	Freehold buildings – fixed plant £	Motor vehicles £	Fixtures and fittings £	Total £
Cost	-	146,238	401,525	307,248	855,011
Valuation	665,000	-	-	-	665,000
	665,000	146,238	401,525	307,248	1,520,011

On a historical cost basis freehold land and buildings would be included at

	26 July 2013 £	27 July 2012 £
Cost	586,859	586,859
Aggregate depreciation	26,463	8,659

Included in the total net book value of motor vehicles is £151,623 (2012 £95,429) in respect of assets held under finance leases and similar hire purchase contracts outstanding at the period end. Depreciation for the period on the assets still held under finance leases and similar hire purchase contracts is £38,973 (2012 £29,731).



# ABM Catering (Holdings) Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 26 July 2013

### 7 TANGIBLE FIXED ASSETS (continued)

COMPANY	Land and buildings £
<i>Valuation</i>	
At beginning and end of period	551,664
<i>Depreciation</i>	
At beginning of period	-
Charged in the period	8,033
Revaluation	-
At end of period	8,033
<i>Net book value</i>	
<b>At 26 July 2013</b>	<b>543,631</b>
At 27 July 2012	551,664

Cost or valuation is represented by

	26 July 2013 £	27 July 2012 £
Cost	-	-
Valuation	551,664	551,664
	<u>551,664</u>	<u>551,664</u>

On a historical cost basis land and buildings would be included at

	26 July 2013 £	27 July 2012 £
Cost	473,523	473,523
Aggregate depreciation	15,129	8,659

Land and buildings included in both the group and company

Land costing £150,000 has not been depreciated in the accounts

Land and buildings were valued at £665,000 as at 27 July 2012 and £475,000 at 29 July 2011 by PNF Chartered Surveyors, on an existing use open market value basis, in accordance with the Valuation Standards issued by the Royal Institute of Chartered Surveyors incorporating the revised definition of market value

Included within the above group valuation is £113,336 of leasehold improvements that have been capitalised within the subsidiary company A B M Catering Limited

# ABM Catering (Holdings) Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 26 July 2013

### 8 FIXED ASSET INVESTMENTS

COMPANY	Shares in subsidiary undertakings £
<i>Cost and Net book value</i>	
At beginning and end of period	10,149

The company holds more than 20% of the equity (and no other share or loan capital) of the following undertaking

<i>Subsidiary undertaking</i>	<i>Principal activity</i>	<i>Class and percentage of shares held</i>
A B M Catering Limited	Catering facilities management	100% Ordinary
Catering365 Limited	Dormant	100% Ordinary
Grosvenor Catering Facilities Management Limited	Dormant	100% Ordinary
Meaujo (754) Limited	Dormant	100% Ordinary

The net assets of Catering365 Limited, Grosvenor Catering Facilities Management Limited and Meaujo (754) Limited at 26 July 2013 were £10,000 (2012 £10,000), £1 (2012 £1) and £1 (2012 £1) respectively

### 9 STOCKS

	Group		Company	
	26 July 2013	27 July 2012	26 July 2013	27 July 2012
	£	£	£	£
Raw materials and consumables	226,862	162,038	-	-

# ABM Catering (Holdings) Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 26 July 2013

### 10 DEBTORS

	Group		Company	
	26 July 2013	27 July 2012	26 July 2013	27 July 2012
	£	£	£	£
<i>Due within one year</i>				
Trade debtors	1,526,664	2,232,096	-	-
Prepayments and accrued income	1,508,858	1,433,180	-	-
	<u>3,035,522</u>	<u>3,665,276</u>	<u>-</u>	<u>-</u>

### 11 CREDITORS Amounts falling due within one year

	Group		Company	
	26 July 2013	27 July 2012	26 July 2013	27 July 2012
	£	£	£	£
Bank overdraft	-	330,767	-	-
Obligations under finance leases	90,702	65,423	-	-
Payments received on account	10,562	14,724	-	-
Trade creditors	1,524,793	1,015,853	-	-
Corporation tax	18,191	36,605	2,883	235
Other taxation and social security costs	346,021	314,274	-	-
Other creditors	159,851	673,088	-	-
Accruals and deferred income	158,590	325,843	-	1,700
	<u>2,308,710</u>	<u>2,776,577</u>	<u>2,883</u>	<u>1,935</u>

The group had a bank overdraft facility with The Royal Bank of Scotland which was secured by an omnibus guarantee and set off agreement between the bank, ABM Catering Limited and ABM Catering (Holdings) Limited and an unlimited debentures dated 11 July 2012 with A B M Catering Limited. There was no commitment at the period end under this guarantee (2012 £330,767)

On 18 June 2013 an unlimited debenture was created between the company and Lloyds TSB Bank Plc. The debenture held with The Royal Bank of Scotland was released on 9 October 2013

# ABM Catering (Holdings) Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 26 July 2013

### 12 CREDITORS Amounts falling due in more than one year

	Group		Company	
	26 July 2013	27 July 2012	26 July 2013	27 July 2012
	£	£	£	£
Obligations under finance leases	48,998	30,294	-	-
Other creditors	-	150,000	-	-
Amounts owed to group undertakings	-	-	520,647	480,391
	<u>48,998</u>	<u>180,294</u>	<u>520,647</u>	<u>480,391</u>

### OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

	Group		Company	
	26 July 2013	27 July 2012	26 July 2013	27 July 2012
	£	£	£	£
Amounts payable				
Within one year	90,702	65,423	-	-
Within two to five years	48,998	30,294	-	-
	<u>139,700</u>	<u>95,717</u>	<u>-</u>	<u>-</u>

Obligations under finance leases are secured by related assets and bear finance charges at rates ranging from 3.75% to 6.75% per annum

# ABM Catering (Holdings) Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 26 July 2013

### 13 PROVISIONS FOR LIABILITIES

GROUP	£
At beginning of period	34,269
Credit for the period	(8,121)
<b>At end of period</b>	<b>26,148</b>

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

	26 July 2013		27 July 2012	
	Provided £	Unprovided £	Provided £	Unprovided £
Difference between accumulated depreciation and capital allowances	33,152	-	42,608	-
Other timing differences	(7,004)	-	(8,339)	-
	<b>26,148</b>	<b>-</b>	<b>34,269</b>	<b>-</b>

COMPANY	£
At beginning of period	23,733
Credit for the period	(4,631)
<b>At end of period</b>	<b>19,102</b>

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

	26 July 2013		27 July 2012	
	Provided £	Unprovided £	Provided £	Unprovided £
Difference between accumulated depreciation and capital allowances	19,102	-	23,733	-

# ABM Catering (Holdings) Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 26 July 2013

### 14 CALLED UP SHARE CAPITAL

	26 July 2013 £	27 July 2012 £
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
	<u>147</u>	<u>147</u>

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

### 15 RESERVES

GROUP	Revaluation reserve £	Merger reserve £	Profit and loss account £
At beginning of period	86,800	524,873	1,418,425
Profit for the period	-	-	263,818
Reserves transfer	(1,563)	-	1,563
<b>At end of period</b>	<b>85,237</b>	<b>524,873</b>	<b>1,683,806</b>

The merger reserve arose on the share for share exchange by ABM Catering (Holdings) Limited and A B M Catering Limited of £147. The reserve is the difference between the nominal value of ABM Catering (Holdings) Limited share capital and the share capital and share premium value of the shares acquired.

COMPANY	Revaluation reserve £	Profit and loss account £
At beginning of period	86,800	(31,193)
Loss for the period	-	(44,606)
Reserves transfer	(1,563)	1,563
<b>At end of period</b>	<b>85,237</b>	<b>(74,236)</b>

# ABM Catering (Holdings) Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 26 July 2013

### 16 RECONCILIATION OF OPERATING PROFIT TO NET CASH FLOW FROM OPERATING ACTIVITIES

	26 July 2013 £	27 July 2012 £
Operating profit	363,422	490,006
Depreciation/amortisation	165,060	145,314
(Profit)/loss on sale of fixed assets	(12,883)	2,787
Fair value adjustment on goodwill	3,020	-
Increase in stocks	(64,824)	(37,224)
Decrease/(increase) in debtors	629,754	(792,252)
Increase/(decrease) in creditors	326,035	(95,926)
Net cash flow from operating activities	1,409,584	(287,295)

### 17 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	26 July 2013 £	27 July 2012 £
Increase/(decrease) in cash in the period	566,825	(279,043)
Cash outflow from decrease in debt and lease financing	93,877	67,143
Repayment of loans	620,000	330,000
Loans received	-	(950,000)
Change in net debt resulting from cash flows	1,280,702	(831,900)
New finance leases	(137,860)	(61,857)
MOVEMENT IN NET DEBT IN THE PERIOD	1,142,842	(893,757)
Net debt at start of period	(971,897)	(78,140)
NET FUNDS/(DEBT) AT END OF PERIOD	170,945	(971,897)

# ABM Catering (Holdings) Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 26 July 2013

### 18 ANALYSIS OF NET DEBT

	At 27 July 2012 £	Cash flow £	New finance leases £	At 26 July 2013 £
Cash in hand and at bank	74,587	236,058	-	310,645
Overdraft	(330,767)	330,767	-	-
		566,825		
Finance leases	(95,717)	93,877	(137,860)	(139,700)
Other loans due in one year	(470,000)	470,000	-	-
Other loans due in more than one year	(150,000)	150,000	-	-
	(971,897)	1,280,702	(137,860)	170,945

### 19 CAPITAL COMMITMENTS

#### *Group*

There are capital commitments of £85,753 (2012 £282,382) relating to a number of investments in client contracts and £17,640 (2012 £54,734) relating to the purchase of fixed assets at the end of the financial period

#### *Company*

There are no capital commitments at the end of the period

### 20 COMMITMENTS UNDER OPERATING LEASES

At the period end the group and company were committed to making the following annual payments during the next period under non-cancellable operating leases as follows

	Group		Company	
	26 July 2013 £	27 July 2012 £	26 July 2013 £	27 July 2012 £
Plant and machinery				
Expiring within one year	-	1,424	-	-
Expiring between two and five years	30,448	24,756	-	-
	30,448	26,180	-	-



# ABM Catering (Holdings) Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 26 July 2013

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### 21 CONTINGENT LIABILITIES

#### *Company*

The company and its subsidiary undertaking, A B M Catering Limited, are members of a VAT group. At 26 July 2013 the VAT liability of the VAT group excluding that of the company was £219,668 (2012 £177,499)

#### *Group*

At the period end the group had guarantees outstanding in respect of Local Government Pension Scheme Bonds of £27,000, £13,400 and £13,500 in favour of four customers with expiry dates of 31 December 2013, 31 August 2016 and 31 August 2016 respectively

### 22 PENSION COMMITMENTS

The group operates a number of defined contribution pension schemes whose assets are held separately from those of the group in an independently administered fund. The pension cost charge for these schemes represents contributions payable by the group and amounted to £42,065 (2012 £34,583). There were £35,024 (2012 £32,292) outstanding contributions at the end of the financial period.

Certain staff of the group are members of defined benefit schemes operated by certain councils. As the group 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 group. Under the provisions of FRS 17 the scheme is treated as a defined benefit multi employer scheme.

The scheme's actuary has advised that the participating employer's share of the underlying assets and liabilities cannot be identified on a reasonable and consistent basis and accordingly, no disclosures are made under the provisions of FRS 17. The contributions paid in the period in respect of these schemes amounted to £53,417 (2012 £57,138).

The company had no pension commitments in the period ending 26 July 2013 and no balances outstanding at 26 July 2013.

### 23 RELATED PARTY TRANSACTIONS

Hillside (New Media) Limited, Stoke City Football Club Limited and Stoke City (Property) Limited are under the control of the Coates family.

During the period the group made sales of £234,557 (2012 £217,364) to Stoke City (Property) Limited. The balance due from Stoke City (Property) Limited at 26 July 2013 was £47,361 (2012 £31,688).

During the period, the group made sales of £883,746 (2012 £35,000) to Stoke City Football Club Limited. The balance due from Stoke City Football Club Limited at 26 July 2013 was £80,345 (2012 £42,000).

During the period, A B M Catering Limited received a loan from Hillside (New Media) Limited of £nil (2012 £450,000). The balance due to Hillside (New Media) Limited at 26 July 2013 was £nil (2012 £350,000). Interest is charged at 5% per annum and interest payable at 26 July 2013 was £nil (2012 £13,486).

# ABM Catering (Holdings) Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 26 July 2013

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### 23 RELATED PARTY TRANSACTIONS (continued)

During the period, A B M Catering Limited received a loan from Brook Farm Bloodstock Partnership of £nil (2012 £500,000), a partnership in which P Coates, JF Coates, D Coates CBE, DM Coates and S Johnson are also members. The balance due to Brook Farm Bloodstock Partnership at 26 July 2013 was £nil (2012 £270,000), no interest is charged on this loan and it has no set repayment terms.

### 24 ULTIMATE CONTROLLING PARTY

The ultimate controlling party is P Coates and his family.