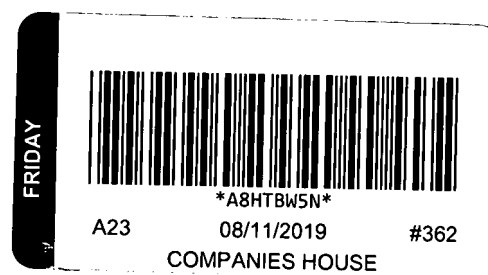


A.B.M. Catering Limited

REPORT AND FINANCIAL STATEMENTS

26 July 2019



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

A.B.M. Catering Limited

STRATEGIC REPORT

The directors have pleasure in submitting their Strategic Report for A.B.M. Catering Limited for the 52 week period ended 26 July 2019.

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 £847,930 (2018: £782,083). The directors have paid interim dividends of £50,000 (2018: £200,000) and do not recommend the payment of a final dividend giving a total dividend for the period of £50,000 (2018: £200,000) which leaves a profit of £664,378 (2018: £424,795) to be retained.

The key performance indicators monitoring business performance are:

Turnover

Turnover has increased compared to prior year by 8.0% (2018: 5.1%), this continues the ongoing trend of sales growth achieved over the past several years. This has been achieved through organic growth; improving sales at our existing units and winning new business. During the 2018/19 financial period we opened 41 new units. We had new openings in all of our brands; Primary Education, **GROW**. Secondary Education, **MINT**. Business & Industry, **HONEST** and Healthcare, Assisted Living, **ESSENCE**, and Stadia, **VENUE**.

Gross Profit

The trend of year-on-year improvement in Gross Profit margin has continued with current year Gross Profit % of 16.5% (2018: 16.7%), this is driven by strong catering management and a good working relationship with core suppliers.

Overheads %

Overheads as a percentage of turnover were 13.5% (2018: 13.7%) due to further investment in the company infrastructure primarily in the Sales Team to drive growth and the Operations Team to deliver quality services to clients.

Statement of Financial Position

The directors are pleased to present a strong Statement of Financial Position which shows a £664,378 improvement to Net Assets of £4,796,352 and a £829,527 improvement to Net Current Assets of £4,061,670. 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£ against the Euro. This risk is mitigated by not operating services outside of the UK and having long term supply contracts with its 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.

A.B.M. Catering Limited

STRATEGIC REPORT

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

A.B.M. Catering Limited

STRATEGIC REPORT

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
Director

6th November 2019

A.B.M. Catering Limited

DIRECTORS' REPORT

The directors submit their report and the audited financial statements of the company for the 52 week period ended 26 July 2019.

The directors have disclosed the *Financial Instruments* section of the directors' report 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

44 new education units, 2 assisted living units and a further Business and Industry unit were mobilised in the first quarter of the 2019-20 financial period. 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 28 July 2018:

P Coates - Chairman
SJ Johnson
D Coates CBE
JF Coates
DM Coates
S Hill
PJ Smith
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 £3,485 (2018: £3,168) of charitable donations to the Starlight Foundation, Macmillan, Institute of Cancer Research, Crisis, Birmingham Children's Hospital, Barnardo's, PDSA, British Red Cross, Prostate Cancer 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.

A.B.M. Catering Limited

DIRECTORS' REPORT

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:



P Coates
Director

6th November 2019

A.B.M. Catering Limited

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 26 July 2019 which comprise the statement of comprehensive income, statement of financial position, 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 26 July 2019 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 have 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.

Use of our 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 Up

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

7 November 2019

A.B.M. Catering Limited
STATEMENT OF COMPREHENSIVE INCOME
For the 52 week period ended 26 July 2019

	Note	52 week period ended 26 July 2019 £	52 week period ended 27 July 2018 £
TURNOVER		28,397,529	26,298,386
Cost of sales		(23,710,584)	(21,914,724)
GROSS PROFIT		4,686,945	4,383,662
Administrative expenses		(3,843,666)	(3,600,879)
OPERATING PROFIT		843,279	782,783
Interest receivable and similar income	3	7,645	2,384
Interest payable and similar expenses	4	(2,994)	(3,084)
PROFIT BEFORE TAXATION	1-6	847,930	782,083
Taxation	7	(133,552)	(157,288)
PROFIT FOR THE PERIOD AND TOTAL COMPREHENSIVE INCOME		714,378	624,795

A.B.M. Catering Limited
STATEMENT OF FINANCIAL POSITION
At 26 July 2019

	Note	26 July 2019		27 July 2018	
		£	£	£	£
FIXED ASSETS					
Intangible assets	9	159,469		366,887	
Tangible assets	10	683,016		618,303	
		842,485		985,190	
CURRENT ASSETS					
Stocks	11	547,535		445,296	
Debtors	12	4,205,384		3,832,095	
Cash at bank and in hand		4,035,681		3,240,988	
		8,788,600		7,518,379	
CREDITORS: Amounts falling due within one year	13	(4,726,930)		(4,286,236)	
NET CURRENT ASSETS		4,061,670		3,232,143	
TOTAL ASSETS LESS CURRENT LIABILITIES		4,904,155		4,217,333	
CREDITORS: Amounts falling due after more than one year	14	(79,009)		(19,669)	
PROVISIONS FOR LIABILITIES	16	(28,794)		(65,690)	
NET ASSETS		4,796,352		4,131,974	
CAPITAL AND RESERVES					
Called up share capital	17	147		147	
Share premium account		524,873		524,873	
Profit and loss account		4,271,332		3,606,954	
TOTAL EQUITY		4,796,352		4,131,974	

The financial statements on pages 10 to 28 were approved by the board of directors and authorised for issue on 6th November 2019 and are signed on its behalf by:

P Coates

P Coates
Director

Company Registration No. 04168334

A.B.M. Catering Limited
STATEMENT OF CHANGES IN EQUITY
For the 52 week period ended 26 July 2019

	Share capital £	Share Premium Account £	Profit and loss account £	Total £
Balance at 28 July 2017	147	524,873	3,182,159	3,707,179
Profit for the period	-	-	624,795	624,795
Total comprehensive income for the period	-	-	624,795	624,795
Transactions with owners in their capacity as owners:				
Dividends	-	-	(200,000)	(200,000)
Balance at 27 July 2018	147	524,873	3,606,954	4,131,974
Profit for the period	-	-	714,378	714,378
Total comprehensive income for the period	-	-	714,378	714,378
Transactions with owners in their capacity as owners:				
Dividends	-	-	(50,000)	(50,000)
Balance at 26 July 2019	147	524,873	4,271,332	4,796,352

A.B.M. Catering Limited

ACCOUNTING POLICIES

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.

A.B.M. Catering Limited

ACCOUNTING POLICIES

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. Customers lists are shown as a disposal if the contract is not renewed, as there will be no future inflow of economic benefit to the company and on disposal, the difference between the net disposal proceeds and the carrying amount of the intangible asset is recognised in profit or loss.

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

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.

IMPAIRMENTS

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Company estimates the recoverable amount of the asset or, for goodwill, the recoverable amount of the cash-generating unit to which the goodwill belongs.

A.B.M. Catering Limited

ACCOUNTING POLICIES

IMPAIRMENTS (continued)

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses and recognised in profit or loss.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in profit or loss. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining 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.

A.B.M. Catering Limited

ACCOUNTING POLICIES

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.

Trade debtors is shown net of a provision of £nil (2018: £nil) in respect of bad debts.

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.

A.B.M. Catering Limited

ACCOUNTING POLICIES

FINANCIAL INSTRUMENTS (continued)

Trade, group and other creditors

Trade, group 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.

A.B.M. Catering Limited

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 26 July 2019

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, assumptions and areas of judgement

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's 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 26 July 2019	52 week period ended 27 July 2018
	£	£
Other interest	7,654	2,384

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4 INTEREST PAYABLE AND SIMILAR EXPENSES

	52 week period ended 26 July 2019 £	52 week period ended 27 July 2018 £
Bank interest	28	29
Finance leases	2,966	3,055
	<u>2,994</u>	<u>3,084</u>

5 PROFIT BEFORE TAXATION

	52 week period ended 26 July 2019 £	52 week period ended 27 July 2018 £
Profit before taxation is stated after charging/(crediting):		
Depreciation and amounts written off tangible fixed assets:		
Charge for the period:		
Owned assets	193,101	175,184
Leased assets	51,149	72,650
Amortisation of intangible fixed assets	55,502	82,925
Impairment of intangible fixed assets	169,295	25,928
Operating lease rentals:		
Plant and machinery	18,925	18,925
Land and buildings	65,604	65,604
Auditor's remuneration:		
Audit services	12,330	11,970
Profit on disposal of tangible fixed assets	(8,600)	(5,900)
Stock expensed to cost of sales	11,313,400	10,674,957
	<u>11,313,400</u>	<u>10,674,957</u>

6 EMPLOYEES

	52 week period ended 26 July 2019 Number	52 week period ended 27 July 2018 Number
The average monthly number of persons employed by the Company (including directors) during the period was:		
Catering staff	1,089	1,003
Management and administration	52	49
	<u>1,141</u>	<u>1,052</u>

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6 EMPLOYEES (continued)

Staff costs for the above persons:	52 week period ended 26 July 2019 £	52 week period ended 27 July 2018 £
Wages and salaries	13,101,423	12,162,765
Social security costs	744,509	700,833
Other pension costs	428,343	249,273
	14,274,275	13,112,871

DIRECTORS' REMUNERATION

	52 week period ended 26 July 2019 £	52 week period ended 27 July 2018 £
Emoluments	661,908	636,344
Money purchase pension contributions	21,134	20,050
	683,042	656,394

Directors' emoluments disclosed above include the following payments:

	Highest paid director 52 week period ended 26 July 2019 £	52 week period ended 27 July 2018 £
Emoluments	355,235	331,653
Money purchase pension contributions	10,000	10,000
	365,235	341,653

	52 week period ended 26 July 2019 Number	52 week period ended 27 July 2018 Number
Number of directors for whom relevant benefits are accruing under:		
Money purchase pension schemes:	4	4

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7 TAXATION

	52 week period ended 26 July 2019	52 week period ended 27 July 2018
	£	£
Current tax:		
UK corporation tax on profits of the period	170,448	177,327
Adjustment in respect of prior periods	-	(2,270)
Total current tax	170,448	175,057
Deferred tax:		
Origination and reversal of timing differences	(36,896)	(19,731)
Effect of tax rate change on opening balance	-	1,962
Total deferred tax	(36,896)	(17,769)
Tax on profit	133,552	157,288

Factors affecting tax charge for the period:

	52 week period ended 26 July 2019	52 week period ended 27 July 2018
	£	£
The tax assessed for the period is higher (2018: higher) than the average standard rate of corporation tax in the UK 19% (2018: 19%). The differences are explained below:		
Profit before tax	847,930	782,083
Profit multiplied by the average standard rate of corporation tax in the UK 19% (2018: 19%)	161,107	148,596
<i>Effects of:</i>		
Expenses not deductible for tax purposes	1,889	3,286
Adjustment to tax charge in respect of previous periods	-	(308)
Fixed asset differences	3,741	-
Deferred tax not recognised	(4,351)	-
Rate differences on deferred tax	3,828	5,714
Deferred tax reversal	(32,662)	-
Total tax charge for the period	133,552	157,288

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8 DIVIDENDS

	52 week period ended 26 July 2019 £	52 week period ended 27 July 2018 £
Interim dividend paid of £3.39 per share (2018: £13.57)	50,000	200,000
	<u> </u>	<u> </u>

9 INTANGIBLE FIXED ASSETS

	Software and licences £	Goodwill £	Customer list £	Total £
<i>Cost</i>				
At beginning of period	152,059	68,860	382,556	603,475
Additions	17,379	-	-	17,379
Disposals	-	-	(286,915)	(286,915)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At end of period	169,438	68,860	95,641	333,939
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<i>Amortisation</i>				
At beginning of period	62,213	17,959	156,416	236,588
Charged in the period	20,181	6,886	28,434	55,501
Impairment in the period	-	25,825	-	25,825
On disposal	-	-	(143,444)	(143,444)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At end of period	82,394	50,670	41,406	174,470
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<i>Carrying amount</i>				
At 26 July 2019	87,044	18,190	54,235	159,469
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 27 July 2018	89,846	50,901	226,140	366,887
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Amortisation and impairment of intangible fixed assets is recognised in administrative expenses.

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10 TANGIBLE FIXED ASSETS

	Leasehold Improvements	Motor vehicles	Fixtures and fittings	Plant and Equipment	Total
	£	£	£	£	£
<i>Cost</i>					
At beginning of period	283,493	698,141	614,408	73,313	1,669,355
Additions	12,433	195,248	94,343	6,939	308,963
Disposals	-	(107,462)	-	-	(107,462)
At end of period	295,926	785,927	708,751	80,252	1,870,856
<i>Depreciation</i>					
At beginning of period	182,483	418,129	407,693	42,747	1,051,052
Charged in the period	28,453	143,509	60,653	11,635	244,250
Disposals	-	(107,462)	-	-	(107,462)
At end of period	210,936	454,176	468,346	54,382	1,187,840
<i>Carrying amount</i>					
At 26 July 2019	84,990	331,751	240,405	25,870	683,016
At 27 July 2018	101,010	280,012	206,715	30,566	618,303

Included in the total net book value of motor vehicles is £219,884 (2018: £218,344) in respect of assets held under finance leases and similar hire purchase contracts outstanding at the period end.

11 STOCKS

	26 July 2019 £	27 July 2018 £
Raw materials and consumables	547,535	445,296

A.B.M. Catering Limited

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 26 July 2019

12 DEBTORS

	26 July 2019 £	27 July 2018 £
<i>Amounts falling due within one year:</i>		
Trade debtors	3,117,465	2,870,022
Prepayments and accrued income	1,087,919	962,073
	<u>4,205,384</u>	<u>3,832,095</u>

13 CREDITORS: Amounts falling due within one year

	26 July 2019 £	27 July 2018 £
Obligations under finance leases	118,614	160,923
Payments received on account	111,901	42,486
Trade creditors	1,959,602	1,673,525
Amounts due to group undertakings	95,117	44,908
Corporation tax	83,455	89,834
Other taxation and social security costs	676,410	759,517
Other creditors	1,253,558	1,113,905
Accruals and deferred income	428,273	401,138
	<u>4,726,930</u>	<u>4,286,236</u>

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 (2018: £nil).

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NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 26 July 2019

14 CREDITORS: Amounts falling due after more than one year

	26 July 2019 £	27 July 2018 £
Obligations under finance leases	79,009	19,669

Finance leases

Obligations under finance leases are secured by related assets and bear finance charges ranging from 1.4% to 5.0% per annum (2018: 1.4% to 2.9% per annum).

The total future minimum lease payments are payable:

	26 July 2019 £	27 July 2018 £
Less than one year	118,614	160,923
Between one and five years	79,009	19,669
	<u>197,623</u>	<u>180,592</u>

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 1 year. 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 £135,318 (2018: £89,330).

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 £293,025 (2018: £185,856).

There were £235,543 (2018: £167,658) outstanding contributions at the end of the financial period.

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For the 52 week period ended 26 July 2019

16	PROVISIONS FOR LIABILITIES	Deferred taxation £
	At beginning of period	65,690
	Charge for the period	(36,896)
	At end of period	28,794

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

	26 July 2019		27 July 2018	
	Provided £	Unprovided £	Provided £	Unprovided £
Difference between accumulated depreciation and capital allowances	59,616	22,240	55,748	26,591
Other timing differences	(40,042)	-	(28,502)	-
Intangible fixed assets acquired in business combinations	9,220	-	38,444	-
	28,794	22,240	65,690	26,591

17	CALLED UP SHARE CAPITAL	26 July 2019 £	27 July 2018 £
	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.

A.B.M. Catering Limited

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 26 July 2019

18 COMMITMENTS UNDER OPERATING LEASES

The Company as a lessee

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

	26 July 2019 £	27 July 2018 £
Amounts due within one year	1,627	18,925
Amounts due between one and five years	1,712	4,731
	<u>3,339</u>	<u>23,656</u>

19 CAPITAL COMMITMENTS

There are capital commitments of £99,393 (2018: £80,110) relating to the purchase of fixed assets and £106,583 (2018: £97,238) relating to a number of investments in client contracts 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
a) £94,000	Expired but bond not released
b) £43,000	31 August 2020
c) £48,000	28 February 2021
d) £58,500	31 July 2022

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 £1,618,708 (2018: £1,538,381) net of commission and the balance due to A.B.M. Catering Limited at 26 July 2019 was £244,662 (2018: £162,976).

A.B.M. Catering Limited

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22 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Company's immediate parent and ultimate parent undertaking is ABM Catering (Holdings) Limited, a company with its registered office at Eagle Court, 63-67 Saltisford, Warwick, Warwickshire, CV34 4AF, England.

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