

# ABM Catering (Holdings) Limited

## REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

26 July 2019

Company Registration No. 07551335



# 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  
S Hill  
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

# ABM Catering (Holdings) Limited

## STRATEGIC REPORT

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The directors have pleasure in submitting their Strategic Report for ABM Catering (Holdings) 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 Group are as shown in the annexed financial statements on pages 10 and 11.

The trading profit for the period, before taxation, was £901,456 (2018: £835,379). The directors have paid interim dividends of £50,000 (2018: £100,000) and do not recommend the payment of a final dividend giving a total dividend for the period of £50,000 (2018: £100,000) which leaves a profit of £706,150 (2018: £569,287) 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 13.4% (2018: 13.5%) due to further investment in the group 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 £706,150 improvement to Net Assets of £5,383,092 and a £879,640 improvement to Net Current Assets of £4,142,592. Cash balances within the group remain healthy and good liquidity ratios enable the group 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.

# ABM Catering (Holdings) Limited

## STRATEGIC REPORT

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### 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	<ul style="list-style-type: none"><li>• Comprehensive manual maintained that outlines key processes and procedures for food safety</li><li>• Consultants retained to give advice on Food Safety protocols and the process is further supported by our in-house Health &amp; Safety Manager &amp; in-house Nutritionist</li><li>• Robust induction and training process for all employees including Food Hygiene and allergens</li><li>• Public liability Insurance cover in place</li></ul>
Workplace Safety	Accidents in the workplace leading to an injury or death	<ul style="list-style-type: none"><li>• Staff undertake induction training and relevant skill based training</li><li>• Comprehensive manual maintained that outlines the correct operational procedures for safe working</li><li>• Staff are issued with personal protective equipment</li><li>• Safety advice is provided for all chemicals and they are stored properly labelled in their original packaging</li><li>• Employers liability insurance cover in place</li></ul>
Safeguarding of clients/ Right to Work	Employing unsuitable people into the business who may be a danger to others	<ul style="list-style-type: none"><li>• Right to Work checks carried out before employment commences</li><li>• Enhanced DBS checks for staff in schools and care sites before employment commences</li><li>• Safeguarding training completed for school staff</li></ul>
Theft of Cash or Stock	Liquid assets such as cash or stock are desirable and easy to steal	<ul style="list-style-type: none"><li>• Monitor purchasing, stock levels and gross profit % on a monthly basis</li><li>• Separation of duties in connection with cash handling</li></ul>

# ABM Catering (Holdings) Limited

## STRATEGIC 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 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 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.

By order of the board:



**P Coates**  
Director

6<sup>th</sup> November 2019

# 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 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 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, ABM Property Investments Limited, Grosvenor Catering Facilities Management Limited, ABM Catering Solutions Limited and Honest Catering Limited continued not to trade.

### FUTURE DEVELOPMENTS

44 new education units, 2 new 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 Group 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  
N Floyd

### 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.

### DONATIONS

During the period, the Group made £3,485 (2018: £3,168) 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.

# ABM Catering (Holdings) Limited

## DIRECTORS' REPORT

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### 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

6<sup>th</sup> November 2019



# ABM Catering (Holdings) Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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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 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**

### **Opinion**

We have audited the financial statements of ABM Catering (Holdings) Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 26 July 2019 which comprise the statement of comprehensive income, statements of financial position, statements of changes in equity, statement of cash flows 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 group's and of the parent company's affairs as at 26 July 2019 and of the group's 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 group and parent 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 group's or the parent 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 ABM CATERING (HOLDINGS) LIMITED (continued)**

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

In the light of the knowledge and understanding of the group and the parent company and their 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 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.

### **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 group's and the parent 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 group or the parent 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

# ABM Catering (Holdings) Limited

## CONSOLIDATED 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		<b>28,397,529</b>	26,298,386
Cost of sales		<b>(23,710,584)</b>	(21,914,723)
GROSS PROFIT		<b>4,686,945</b>	4,383,663
Administrative expenses		<b>(3,790,140)</b>	(3,547,584)
OPERATING PROFIT		<b>896,805</b>	836,079
Interest receivable and similar income	3	<b>7,645</b>	2,384
Interest payable and similar expenses	4	<b>(2,994)</b>	(3,084)
PROFIT BEFORE TAXATION	2-7	<b>901,456</b>	835,379
Taxation	8	<b>(145,306)</b>	(166,092)
PROFIT FOR THE PERIOD AND TOTAL COMPREHENSIVE INCOME		<b>756,150</b>	669,287

**ABM Catering (Holdings) Limited**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**At 26 July 2019**

	Note	26 July 2019		27 July 2018	
		£	£	£	£
<b>FIXED ASSETS</b>					
Intangible assets	10	159,469		366,887	
Tangible assets	11	1,217,183		1,160,503	
			<b>1,376,652</b>		<b>1,527,390</b>
<b>CURRENT ASSETS</b>					
Stocks	13	547,535		445,296	
Debtors	14	4,205,384		3,832,097	
Cash at bank and in hand		4,035,681		3,240,988	
		<b>8,788,600</b>		<b>7,518,381</b>	
CREDITORS: Amounts falling due within one year	15	(4,646,008)		(4,255,429)	
<b>NET CURRENT ASSETS</b>			<b>4,142,592</b>		<b>3,262,952</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>5,519,244</b>		<b>4,790,342</b>
CREDITORS: Amounts falling due after more than one year	16		(79,009)		(19,669)
PROVISIONS FOR LIABILITIES	19		(57,143)		(93,731)
<b>NET ASSETS</b>			<b>5,383,092</b>		<b>4,676,942</b>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	20		147		147
Merger reserve			524,873		524,873
Other reserve			83,674		83,674
Profit and loss account			4,774,398		4,068,248
<b>TOTAL EQUITY</b>			<b>5,383,092</b>		<b>4,676,942</b>

The financial statements on pages 10 to 36 were approved by the board of directors and authorised for issue on 6<sup>th</sup> November 2019 and are signed on its behalf by:



**P Coates**  
Director

**ABM Catering (Holdings) Limited**  
**COMPANY STATEMENT OF FINANCIAL POSITION**  
**At 26 July 2019**

	Note	26 July 2019		27 July 2018	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	11	<b>535,598</b>		535,598	
Investments	12	<b>10,151</b>		10,151	
			<b>545,749</b>		545,749
<b>CURRENT ASSETS</b>					
Debtors	14	<b>85,114</b>		34,906	
			<b>85,114</b>	34,906	
<b>CREDITORS: Amounts falling due within one year</b>	15	<b>(14,196)</b>		(14,101)	
<b>NET CURRENT LIABILITIES</b>			<b>70,918</b>		20,805
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>616,667</b>		566,554
<b>PROVISIONS FOR LIABILITIES</b>	19		<b>(18,041)</b>		(17,817)
<b>NET ASSETS</b>			<b>598,626</b>		548,737
<b>CAPITAL AND RESERVES</b>					
Called up share capital	20		<b>147</b>		147
Fair value reserve			<b>83,674</b>		83,674
Profit and loss account brought forward		<b>464,916</b>		314,879	
Profit for the period		<b>99,889</b>		250,037	
Dividends	9	<b>(50,000)</b>		(100,000)	
Profit and loss account carried forward			<b>514,805</b>		464,916
<b>TOTAL EQUITY</b>			<b>598,626</b>		548,737

The financial statements on pages 10 to 36 were approved by the board of directors and authorised for issue on **6<sup>th</sup> November** 2019 and are signed on its behalf by:

*P Coates*

**P Coates**  
Director

**ABM Catering (Holdings) Limited**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**For the 52 week period ended 26 July 2019**

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	Share capital £	Merger reserve £	Other reserve £	Profit and loss account £	Total £
<b>Balance at 28 July 2017</b>	<b>147</b>	<b>524,873</b>	<b>83,674</b>	<b>3,498,961</b>	<b>4,107,655</b>
Profit for the period	-	-	-	669,287	669,287
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>669,287</b>	<b>669,287</b>
Transactions with owners in their capacity as owners:					
Dividends	-	-	-	(100,000)	(100,000)
<b>Balance at 27 July 2018</b>	<b>147</b>	<b>524,873</b>	<b>83,674</b>	<b>4,068,248</b>	<b>4,676,942</b>
Profit for the period	-	-	-	756,150	756,150
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>756,150</b>	<b>756,150</b>
Transactions with owners in their capacity as owners:					
Dividends	-	-	-	(50,000)	(50,000)
<b>Balance at 26 July 2019</b>	<b>147</b>	<b>524,873</b>	<b>83,674</b>	<b>4,774,398</b>	<b>5,383,092</b>

**ABM Catering (Holdings) Limited**  
**COMPANY STATEMENT OF CHANGES IN EQUITY**  
For the 52 week period ended 26 July 2019

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	Share capital £	Fair value reserve £	Profit and loss account £	Total £
<b>Balance at 28 July 2017</b>	<b>147</b>	<b>83,674</b>	<b>314,879</b>	<b>398,700</b>
Profit for the period	-	-	250,037	250,037
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>250,037</b>	<b>250,037</b>
Total transactions with owners in their capacity as owners:				
Dividends	-	-	(100,000)	(100,000)
<b>Balance at 27 July 2018</b>	<b>147</b>	<b>83,674</b>	<b>464,916</b>	<b>548,737</b>
Profit for the period	-	-	99,889	99,889
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>99,889</b>	<b>99,889</b>
Transactions with owners in their capacity as owners:				
Dividends	-	-	(50,000)	(50,000)
<b>Balance at 26 July 2019</b>	<b>147</b>	<b>83,674</b>	<b>514,805</b>	<b>598,626</b>



**ABM Catering (Holdings) Limited**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
For the 52 week period ended 26 July 2019

	Note	52 week period ended 26 July 2019 £	52 week period ended 27 July 2018 £
<b>OPERATING ACTIVITIES</b>			
Cash generated from operations	21	1,328,931	1,893,325
Interest paid		(2,994)	(3,084)
Income taxes paid		(188,178)	(252,881)
		<u>(191,172)</u>	<u>(255,965)</u>
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>1,137,759</b>	<b>1,637,360</b>
<b>INVESTING ACTIVITIES</b>			
Interest received		7,645	2,384
Purchase of intangible fixed assets		(17,379)	(28,860)
Purchase of tangible fixed assets		(132,431)	(78,231)
Sale of tangible fixed assets		8,600	5,900
		<u>(133,565)</u>	<u>(98,807)</u>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(133,565)</b>	<b>(98,807)</b>
<b>FINANCING ACTIVITIES</b>			
Capital element of finance lease rental payments		(159,501)	(132,977)
Dividends	9	(50,000)	(100,000)
		<u>(209,501)</u>	<u>(232,977)</u>
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>(209,501)</b>	<b>(232,977)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS IN THE PERIOD</b>		<b>794,693</b>	<b>1,305,576</b>
<b>CASH AND CASH EQUIVALENTS AT START OF PERIOD</b>		<b>3,240,988</b>	<b>1,935,412</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>		<b>4,035,681</b>	<b>3,240,988</b>

# ABM Catering (Holdings) Limited

## ACCOUNTING POLICIES

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### GENERAL INFORMATION

ABM Catering (Holdings) 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 Group consists of ABM Catering (Holdings) Limited and all of its subsidiaries.

The Company's and the Group'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, modified to include the revaluation of freehold properties and to include investment properties at fair value.

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 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 strategic report and 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 consolidated financial statements incorporate those of ABM Catering (Holdings) Limited and all of its subsidiary undertakings for the period. 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.

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 Statement of Comprehensive Income. The Company's profit and total comprehensive income for the period is disclosed in the Company Statement of Financial Position.

# ABM Catering (Holdings) Limited

## ACCOUNTING POLICIES

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### 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

### INTANGIBLE ASSETS - 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 period following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Goodwill 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.

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 Group historically runs contracts in these sectors are around 10 years.

### INTANGIBLE FIXED ASSETS – OTHER THAN GOODWILL

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 group 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.

### INVESTMENTS

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

# ABM Catering (Holdings) Limited

## ACCOUNTING POLICIES

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### PRESENTATIONAL AND FUNCTIONAL CURRENCIES

The consolidated financial statements are presented in sterling which is also the functional currency of the Group.

### 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, other than freehold land and investment properties at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:

Freehold Buildings	-	2% per annum straight line
Freehold Buildings - fixed plant	-	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.

Land and buildings are accounted for separately even when acquired together.

### 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 Group estimates the recoverable amount of the asset or, for goodwill, the recoverable amount of the cash-generating unit to which the goodwill belongs.

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.

### INVESTMENT PROPERTIES

Investment properties (including properties held under an operating lease) are initially measured at cost and subsequently measured at fair value whilst a reliable measure of fair value is available without undue cost or effort. Changes in fair value are recognised in profit or loss.

### STOCKS

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

At each reporting date, the Group 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.

# ABM Catering (Holdings) Limited

## ACCOUNTING POLICIES

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### TAXATION (continued)

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 income or expenses from subsidiaries that will be assessed to or allow for tax in a future period except where the Group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

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.

For non-depreciable assets measured using the revaluation model and investment properties measured at fair value (except investment property with a limited useful life held by the Group to consume substantially all of its economic benefits), deferred tax is measured using the tax rates and allowances that apply to the sale of the asset or property.

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

### FINANCIAL INSTRUMENTS

The Group 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 Group becomes a party to the contractual provisions of the instrument, and are offset only when the Group 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.

# ABM Catering (Holdings) Limited

## ACCOUNTING POLICIES

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### FINANCIAL INSTRUMENTS (continued)

#### ***Financial assets***

##### ***Trade, group and other debtors***

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 Group 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.

##### ***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. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

### 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.

### 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.

# ABM Catering (Holdings) Limited

## ACCOUNTING POLICIES

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### RESERVES

Reserves of the Company and Group represent the following:

#### *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.

#### *Other reserve*

The cumulative revaluation gains and losses in respect of land and buildings, arising before the adoption of the deemed cost basis at the date of transition at 26 July 2014 under the requirements of FRS102.

#### *Fair value reserve*

The cumulative fair value gains and losses in respect of investment property are transferred to another reserve in equity as permitted under FRS102.

#### *Profit and loss account*

Cumulative profit and loss net of distributions to owners.

# ABM Catering (Holdings) Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 26 July 2019

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### 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 Group 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 year 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 Group'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 Group'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

	<b>52 week period ended 26 July 2019</b>	<b>52 week period ended 27 July 2018</b>
	<b>£</b>	<b>£</b>
Other interest	<b>7,645</b>	<b>2,384</b>



# ABM Catering (Holdings) Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 26 July 2019

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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 overdraft	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	201,134	183,217
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
Auditor's remuneration:		
Audit services	16,250	15,780
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>

# ABM Catering (Holdings) Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 26 July 2019

### 6 EMPLOYEES

	GROUP		COMPANY	
	52 week period ended 26 July 2019 Number	52 week period ended 27 July 2018 Number	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 Group (including directors) during the period was:				
Catering staff	1,089	1,003	-	-
Management and administration	52	49	7	7
	<u>1,141</u>	<u>1,052</u>	<u>7</u>	<u>7</u>

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

### DIRECTORS' REMUNERATION

	52 week period ended 26 July 2019 £	52 week period ended 27 July 2018 £
Emoluments	565,422	543,007
Money purchase pension contributions	20,158	19,520
	<u>585,580</u>	<u>562,527</u>

# ABM Catering (Holdings) Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 26 July 2019

### 6 EMPLOYEES (continued)

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
	<u>365,235</u>	<u>341,653</u>
	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	3	3
	<u>3</u>	<u>3</u>

### 7 REMUNERATION OF KEY MANAGEMENT PERSONNEL

The total remuneration of the directors and managers who are considered to be the key management personnel of the Group was £757,194 (2018: £729,155).

# ABM Catering (Holdings) Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 26 July 2019

### 8 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	181,894	188,677
Adjustment in respect of prior periods	-	(2,270)
Total current tax	181,894	186,407
Deferred tax:		
Origination and reversal of timing differences	(36,588)	(22,277)
Adjustment in respect of prior periods	-	1,962
Total deferred tax	(36,588)	(20,315)
Tax on profit	145,306	166,092

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	901,456	835,379
Profit multiplied by the average standard rate of corporation tax in the UK 19% (2018: 19%)	171,277	158,722
<i>Effects of:</i>		
Expenses not deductible for tax purposes	5,630	2,336
Deferred tax reversal	(32,662)	-
Adjustment to tax charge in respect of previous periods	-	(308)
Rate differences on deferred tax	5,412	5,342
Deferred tax not recognised	(4,351)	-
Total tax charge for the period	145,306	166,092

# ABM Catering (Holdings) Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 26 July 2019

### 9 DIVIDENDS

	52 week period ended 26 July 2019 £	52 week period ended 27 July 2018 £
Ordinary, ordinary 'B' and ordinary 'C' shares:		
Dividends paid	50,000	100,000

During the period, a dividend of £3.39 per share (2018: £6.79) was paid by the Company.

### 10 INTANGIBLE FIXED ASSETS

	Software £	Goodwill £	Customer list £	Total £
<b>GROUP</b>				
<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)
At end of period	169,438	68,860	95,641	333,939
<i>Amortisation</i>				
At beginning of period	62,213	17,959	156,416	236,588
Charged in the period	20,181	6,586	28,434	55,501
Impairment in the period	-	25,825	-	25,825
On disposals	-	-	(143,444)	(143,444)
At end of period	82,394	50,670	41,406	174,470
<i>Carrying amount</i>				
<b>At 26 July 2019</b>	<b>87,044</b>	<b>18,190</b>	<b>54,235</b>	<b>159,469</b>
At 27 July 2018	89,846	50,901	226,140	366,887

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

# ABM Catering (Holdings) Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 26 July 2019

### 11 TANGIBLE FIXED ASSETS

GROUP	Freehold land and buildings £	Freehold buildings – fixed plant £	Motor vehicles £	Fixtures and fittings £	Plant and Equipment £	Total £
<i>Cost</i>						
At beginning of period	665,000	170,157	698,141	614,408	73,313	2,221,019
Additions	-	12,433	195,248	94,343	6,939	308,963
Disposals	-	-	(107,462)	-	-	(107,462)
At end of period	665,000	182,590	785,927	708,751	80,252	2,422,520
<i>Depreciation</i>						
At beginning of period	77,468	114,479	418,129	407,693	42,747	1,060,516
Charged in the period	19,367	17,119	143,509	60,653	11,635	252,283
Disposals	-	-	(107,462)	-	-	(107,462)
At end of period	96,835	131,598	454,176	468,346	54,382	1,205,337
<i>Carrying amount</i>						
<b>At 26 July 2019</b>	<b>568,165</b>	<b>50,992</b>	<b>331,751</b>	<b>240,405</b>	<b>25,870</b>	<b>1,217,183</b>
At 27 July 2018	587,532	55,678	280,012	206,715	30,566	1,160,503

The Group has uplifted the deemed cost of the freehold land and buildings to its fair value of £665,000 at the date of transition being 26 July 2014 as permitted by FRS102 section 35.10 (c).

Included in freehold land and buildings is £150,000 (2018: £150,000) which is not depreciated.

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

	26 July 2019 £	27 July 2018 £
Cost	586,859	586,859
Aggregate depreciation	133,247	115,443

Included in the total net book value of motor vehicles is £219,884 (2018: £218,355) in respect of assets held under finance leases and similar hire purchase contracts outstanding at the period end.

# ABM Catering (Holdings) Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 26 July 2019

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### 11 TANGIBLE FIXED ASSETS (continued)

#### COMPANY

Investment  
property  
£

#### *Fair value*

At beginning and end of period

535,598

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Investment property comprises freehold land and buildings. The fair value of the Company's investment property at 26 July 2019 has been arrived at by the directors by considering the valuation carried out at 27 July 2012 by PNF Chartered Surveyors along with subsequent rental income streams and local property market factors. PNF Chartered Surveyors are not connected with the Company.

On a historical cost basis the investment property would be included at:

	26 July 2019 £	27 July 2018 £
Cost	473,523	473,523
Aggregate depreciation	53,949	47,479

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# ABM Catering (Holdings) Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 26 July 2019

### 12 FIXED ASSET INVESTMENTS

COMPANY	Shares in subsidiary undertakings £
<i>Cost and net book value</i>	
At beginning and end of period	10,151

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
ABM Property Investments Limited	Dormant	100% Ordinary
ABM Catering Solutions Limited	Dormant	100% Ordinary
Honest Catering Limited	Dormant	100% Ordinary

The net assets of Catering365 Limited, Grosvenor Catering Facilities Management Limited, ABM Property Investments Limited, ABM Catering Solutions Limited and Honest Catering Limited at 26 July 2019 were £10,000 (2018: £10,000), £1 (2018: £1), £1 (2018: £1), £1 (2018: £1) and £1 (2018: £1) respectively.

The registered address for all of the companies listed above is Eagle Court, 63-67 Saltisford, Warwick, Warwickshire, CV34 4AF.

### 13 STOCKS

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



# ABM Catering (Holdings) Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 26 July 2019

### 14 DEBTORS

	Group		Company	
	26 July 2019	27 July 2018	26 July 2019	27 July 2018
	£	£	£	£
<i>Amounts falling due within one year:</i>				
Trade debtors	3,117,465	2,870,024	-	-
Prepayments and accrued income	1,087,919	962,073	-	-
Amounts owed by group undertakings	-	-	85,114	34,906
	<u>4,205,384</u>	<u>3,832,097</u>	<u>85,114</u>	<u>34,906</u>

### 15 CREDITORS: Amounts falling due within one year

	Group		Company	
	26 July 2019	27 July 2018	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	-	-
Corporation tax	94,901	101,185	11,446	11,351
Other taxation and social security costs	676,410	759,517	-	-
Other creditors	1,253,558	1,113,905	-	-
Accruals and deferred income	431,022	403,888	2,750	2,750
	<u>4,646,008</u>	<u>4,255,429</u>	<u>14,196</u>	<u>14,101</u>

The Group 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).

# ABM Catering (Holdings) Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 26 July 2019

### 16 CREDITORS: Amounts falling due after more than one year

	Group		Company	
	26 July 2019	27 July 2018	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 2.8% per annum).

	Group		Company	
	26 July 2019	27 July 2018	26 July 2019	27 July 2018
	£	£	£	£
The total future minimum lease payments are payable:				
Less than one year	118,614	160,923	-	-
Between one and five years	79,009	19,669	-	-
	197,623	180,592	-	-

Finance lease payments represent rentals payable by the Group 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.

### 17 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 £135,318 (2018: £89,330).

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. 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 Group and amounted to £293,025 (2018: £185,856).

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

The Company had no pension commitments in the period ending 26 July 2019.

# ABM Catering (Holdings) Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 26 July 2019

### 18 FINANCIAL INSTRUMENTS

The carrying amounts of the Group's financial instruments were:

	26 July 2019 £	27 July 2018 £
Financial assets:		
Debt instruments measured at amortised cost	3,117,465	2,870,024
Financial liabilities:		
Measured at amortised cost	3,644,182	3,191,318

### 19 PROVISIONS FOR LIABILITIES

GROUP	Deferred taxation £
At beginning of period	93,731
Charge for the period	(36,588)
<b>At end of period</b>	<b>57,143</b>

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	77,656	22,240	73,565	26,591
Other timing differences	(40,042)	-	(28,502)	-
Assets measured at valuation	10,309	-	10,224	-
Intangible assets acquired in business combinations	9,220	-	38,444	-
	<b>57,143</b>	<b>22,240</b>	<b>93,731</b>	<b>26,591</b>

# ABM Catering (Holdings) Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 26 July 2019

### 19 PROVISIONS FOR LIABILITIES (continued)

#### COMPANY

	Deferred taxation £
At beginning of period	17,817
Credit for the period	224
<b>At end of period</b>	<b>18,041</b>

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	<b>18,041</b>	-	17,817	-

### 20 CALLED UP SHARE CAPITAL

	26 July 2019 £	27 July 2018 £
Allotted, issued and fully paid:		
10,000 ordinary shares of 1p each	<b>100</b>	100
2,900 ordinary "B" shares of 1p each	<b>29</b>	29
1,843 ordinary "C" shares of 1p each	<b>18</b>	18
	<b>147</b>	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.

# ABM Catering (Holdings) Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 26 July 2019

### 21 RECONCILIATION OF PROFIT AFTER TAX TO NET CASH GENERATED FROM OPERATIONS

	52 week period ended 26 July 2019 £	52 week period ended 27 July 2018 £
Profit after tax	756,150	669,287
Depreciation of tangible fixed assets	252,283	255,867
Amortisation, impairment and loss on disposal of intangible fixed assets	224,797	108,853
Profit on sale of tangible fixed assets	(8,600)	(5,900)
Interest receivable	(7,645)	(2,384)
Interest payable	2,994	3,084
Taxation	145,306	166,092
Operating cash flows before movements in working capital	1,365,285	1,194,899
Increase in stock	(102,239)	(90,334)
(Increase)/decrease in debtors	(373,287)	312,405
Increase in creditors	439,172	476,355
Cash generated from operations	1,328,931	1,893,325

The principal non-cash transactions are new finance leases.

### 22 COMMITMENTS UNDER OPERATING LEASES

#### *The Group as a lessee*

The total future minimum lease 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
	3,339	23,656

#### *The Company as a lessee*

At 26 July 2019, the total future minimum lease payments under non-cancellable operating leases were £nil (27 July 2018: £nil).

#### *The Group and the Company as a lessor*

At 26 July 2019, the Group and the Company had contracted with tenants, under non-cancellable operating leases, for future minimum lease payments of £nil (27 July 2018: £nil).

# ABM Catering (Holdings) Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 26 July 2019

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### 23 CAPITAL COMMITMENTS

#### *Group*

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.

#### *Company*

There are no capital commitments at the end of the period (2018: £nil).

### 24 CONTINGENT LIABILITIES

#### *Group*

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

<b>Bond Value</b>	<b>Expiry Date</b>
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 Group had an indemnity guarantee of £1 for National Westminster Bank plc.

#### *Company*

The Company and its subsidiary undertaking, A.B.M. Catering Limited, are members of a VAT group. At 26 July 2019 the VAT liability of the VAT group excluding that of the Company was £474,168 (2018: £567,063).

### 25 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).

### 26 ULTIMATE CONTROLLING PARTY

The ultimate controlling party is P Coates and his family.