

ABM Catering (Holdings) Limited

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

27 July 2012



Company Registration No 07551335

ABM Catering (Holdings) Limited

CONTENTS

DIRECTORS AND ADVISORS	1
DIRECTORS' REPORT	2
DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS	5
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABM CATERING (HOLDINGS) LIMITED	6
CONSOLIDATED PROFIT AND LOSS ACCOUNT	7
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES	8
CONSOLIDATED BALANCE SHEET	9
COMPANY BALANCE SHEET	10
CONSOLIDATED CASH FLOW STATEMENT	11
RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS	12
ACCOUNTING POLICIES	13
NOTES TO THE FINANCIAL STATEMENTS	16

ABM Catering (Holdings) Limited

DIRECTORS AND ADVISORS

DIRECTORS

P Coates – Chairman

SJ Johnson

D Coates CBE

JF Coates

DM Coates

MD Sutcliffe

S Hill

SA Flatt (resigned 28 September 2012)

PJ Smith (appointed 22 November 2011)

SECRETARY

S Hill

REGISTERED OFFICE

Eagle Court

63-67 Saltisford

Warwick

Warwickshire

CV34 4AF

AUDITORS

Baker Tilly UK Audit LLP

Chartered Accountants

Festival Way

Stoke-on-Trent

Staffordshire

ST1 5BB

ABM Catering (Holdings) Limited

DIRECTORS' REPORT

The directors submit their report and the audited financial statements of the company for the 73 week period ended 27 July 2012

PRINCIPAL ACTIVITY

On 3 March 2011 ABM Catering (Holdings) Limited was incorporated and acquired the shareholding in A B M Catering Limited on 20 May 2011 by way of share for share exchange. The company also acquired the shareholdings in Catering365 Limited, Meaujo (754) Limited and Grosvenor Catering Facilities Management Limited on 20 July 2012 at par value. The principal activity of the company in the period under review is that of a holding company which owns office buildings used by the group.

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

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

REVIEW OF BUSINESS

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

- **Turnover**

Turnover has increased by 8.9% as new contracts have been gained during the period, which has also contributed to an increased level of profit pre-exceptional items. The group closely monitors gross margins which have been maintained at 13.3% in the period. Strong catering contract management has maintained operating margins during a period of economic uncertainty.

- **Overheads**

Overheads have increased by 12% the main increases being in staff costs and motor and travelling, reflecting the increase in new business and extra personnel required to support growth and associated costs to relocate to new head office premises during the period.

RESULTS AND DIVIDENDS

The group's trading profit for the period, before taxation, was £471,948 (2011 £499,608). The directors have paid an interim dividend of £nil (2011 £nil) and the directors do not recommend the payment of a final dividend which leaves a profit after taxation of £337,544 (2011 £357,257) to be retained.

RISKS AND UNCERTAINTIES

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

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

Internal risks include control failure risk and inability to supply.

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

ABM Catering (Holdings) Limited

DIRECTORS' REPORT

FINANCIAL INSTRUMENTS

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

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

The business assesses pricing to ensure a fair return is achieved on the services supplied

The business has a very strong relationship with its banking team. The group has the facilities available to meet its needs on an ongoing basis. These facilities are reviewed on a regular basis by both the bank and the management team.

FUTURE DEVELOPMENTS

ABM Catering (Holdings) Limited, which was incorporated in March 2011, was formed for the purpose of purchasing freehold premises in Warwick to be leased to A B M Catering Limited. The premises have since been purposely fitted out for A B M Catering Limited to provide excellent working and training facilities whilst also providing room for the future growth and development of the business.

Several new contracts began in the financial period to July 2012, and the directors are optimistic about the future performance of the group.

DIRECTORS

The following directors have held office since 3 March 2011

P Coates – Chairman

SJ Johnson

D Coates CBE

JF Coates

DM Coates

MD Sutcliffe

S Hill

SA Flatt (resigned 28 September 2012)

PJ Smith (appointed 22 November 2011)

EMPLOYEE INVOLVEMENT

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

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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 auditors are 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.

AUDITORS

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

ABM Catering (Holdings) Limited

DIRECTORS' REPORT

By order of the board



P Coates
Director

Eagle Court
63-67 Saltisford
Warwick
Warwickshire
CV34 4AF

30 November 2012

ABM Catering (Holdings) Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group for that period.

In preparing those financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and accounting estimates that are reasonable and prudent,
- c prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABM CATERING (HOLDINGS) LIMITED

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

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 27 July 2012 and of the group's profit for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

Baker Tilly UK Audit LLP

Anne Lakin (Senior Statutory Auditor)

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

Chartered Accountants

Festival Way

Stoke-on-Trent

Staffordshire

ST1 5BB

3 December 2012

ABM Catering (Holdings) Limited
CONSOLIDATED PROFIT AND LOSS ACCOUNT
For the 52 week period ended 27 July 2012

	Note	Pre- exceptionals 52 week period ended 27 July 2012 £	Exceptional items 52 week period ended 27 July 2012 £	Total 52 week period ended 27 July 2012 £	52 week period ended 29 July 2011 £
TURNOVER – CONTINUING OPERATIONS		19,780,917	-	19,780,917	18,168,680
Cost of sales		(17,146,952)	-	(17,146,952)	(15,750,470)
		<hr/>	<hr/>	<hr/>	<hr/>
GROSS PROFIT		2,633,965	-	2,633,965	2,418,210
Administrative expenses		(2,059,305)	(84,654)	(2,143,959)	(1,913,979)
		<hr/>	<hr/>	<hr/>	<hr/>
OPERATING PROFIT – CONTINUING OPERATIONS		574,660	(84,654)	490,006	504,231
Interest receivable and similar income	1	86	-	86	53
Interest payable and similar charges	2	(18,144)	-	(18,144)	(4,676)
		<hr/>	<hr/>	<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	1-4	556,602	(84,654)	471,948	499,608
Taxation	5	<u> </u>	<u> </u>	<u>(134,404)</u>	<u>(142,351)</u>
				<hr/>	<hr/>
PROFIT FOR THE FINANCIAL PERIOD	15			<u>337,544</u>	<u>357,257</u>

ABM Catering (Holdings) Limited

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the 52 week period ended 27 July 2012

	52 week period ended 27 July 2012 £	Group 52 week period ended 29 July 2011 £	Company 73 week period ended 27 July 2012 £
Profit/(loss) for the financial period	337,544	357,257	(31,193)
Revaluation	86,800	-	86,800
	<hr/>	<hr/>	<hr/>
Total gains and losses relating to the period	424,344	357,257	55,607
	<hr/>	<hr/>	<hr/>
Total gains and losses recognised since last annual report	424,344	357,257	55,607
	<hr/>	<hr/>	<hr/>

ABM Catering (Holdings) Limited

CONSOLIDATED BALANCE SHEET

At 27 July 2012

	Note	27 July 2012	29 July 2011
		£	£
FIXED ASSETS			
Intangible assets	6	11,000	-
Tangible assets	7	1,108,484	715,953
		<u>1,119,484</u>	<u>715,953</u>
CURRENT ASSETS			
Stocks	9	162,038	124,814
Debtors	10	3,665,276	2,873,024
Cash at bank and in hand		74,587	54,035
		<u>3,901,901</u>	<u>3,051,873</u>
CREDITORS Amounts falling due within one year	11	(2,776,577)	(2,111,411)
NET CURRENT ASSETS		<u>1,125,324</u>	<u>940,462</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,244,808</u>	<u>1,656,415</u>
CREDITORS Amounts falling due in more than one year	12	(180,294)	(43,314)
PROVISIONS FOR LIABILITIES	13	(34,269)	(7,200)
NET ASSETS		<u>2,030,245</u>	<u>1,605,901</u>
CAPITAL AND RESERVES			
Called up share capital	14	147	147
Merger reserve	15	524,873	524,873
Revaluation reserve	15	86,800	-
Profit and loss account	15	1,418,425	1,080,881
SHAREHOLDER'S FUNDS		<u>2,030,245</u>	<u>1,605,901</u>

The financial statements on pages 7 to 31 were approved by the board of directors and authorised for issue on 30 November 2012 and are signed on its behalf by

P Coates

P Coates
Director

Company Registration No 07551335

ABM Catering (Holdings) Limited

COMPANY BALANCE SHEET

At 27 July 2012

	Note	27 July 2012 £	£
FIXED ASSETS			
Tangible assets	7		551,664
Investments	8		10,149
			<hr/>
			561,813
CREDITORS Amounts falling due within one year	11	(1,935)	
		<hr/>	
NET CURRENT LIABILITIES			(1,935)
			<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES			559,878
CREDITORS Amounts falling due in more than one year	12		(480,391)
PROVISIONS FOR LIABILITIES	13		(23,733)
			<hr/>
NET ASSETS			55,754
			<hr/>
CAPITAL AND RESERVES			
Called up share capital	14		147
Revaluation reserve	15		86,800
Profit and loss account	15		(31,193)
			<hr/>
SHAREHOLDER'S FUNDS			55,754
			<hr/>

The financial statements on pages 7 to 31 were approved by the board of directors and authorised for issue on 30 November 2012 and are signed on its behalf by



P Coates
Director

ABM Catering (Holdings) Limited

CONSOLIDATED CASH FLOW STATEMENT

For the 52 week period ended 27 July 2012

	Note	52 week period ended 27 July 2012 £	52 week period ended 29 July 2011 £
CASH FLOW FROM OPERATING ACTIVITIES	16	(287,295)	44,669
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		86	53
Interest paid		(14,306)	(321)
Interest element of finance lease rental payments		(3,838)	(4,355)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(18,058)	(4,623)
TAXATION		(129,072)	(147,717)
CAPITAL EXPENDITURE			
Purchase of intangible assets		(5,500)	-
Purchase of tangible fixed assets		(400,603)	(510,393)
Sale of tangible fixed assets		8,628	15,250
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE		(397,475)	(495,143)
CASH OUTFLOW BEFORE FINANCING		(831,900)	(602,814)
FINANCING			
Loans received		950,000	-
Loans repaid		(330,000)	-
Capital element of finance lease rental payments		(67,143)	(79,890)
NET CASH INFLOW/(OUTFLOW) FROM FINANCING		552,857	(79,890)
DECREASE IN CASH IN THE PERIOD	18	(279,043)	(682,704)

ABM Catering (Holdings) Limited

RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

For the 52 week period ended 27 July 2012

	Group 52 week period ended 27 July 2012 £	52 week period ended 29 July 2011 £	Company 73 week period ended 27 July 2012 £
PROFIT/(LOSS) FOR THE FINANCIAL PERIOD	337,544	357,257	(31,193)
New share capital subscribed	-	-	147
Other recognised gains and losses	86,800	-	86,800
	<hr/>	<hr/>	<hr/>
NET ADDITION TO SHAREHOLDER'S FUNDS	424,344	357,257	55,754
Opening shareholders' funds	1,605,901	1,248,644	-
	<hr/>	<hr/>	<hr/>
CLOSING SHAREHOLDER'S FUNDS	2,030,245	1,605,901	55,754
	<hr/>	<hr/>	<hr/>

ABM Catering (Holdings) Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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

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

BASIS OF PREPARATION

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

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

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

BASIS OF CONSOLIDATION

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

On 3 March 2011 ABM Catering (Holdings) Limited was incorporated with a 73 week financial period ended 27 July 2012. ABM Catering (Holdings) Limited acquired A B M Catering Limited by way of a share for share exchange and therefore this acquisition has been accounted for using merger principles. The consolidated financial statements have adopted the financial period ends of the trading subsidiary A B M Catering Limited of 52 week periods ended 27 July 2012 and 29 July 2011. The results for ABM Catering (Holdings) Limited have therefore been shown in the respective periods within the consolidation

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

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

MERGER RESERVE

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

PURCHASED GOODWILL

Goodwill representing the cost of contracts acquired in the period is capitalised and written off evenly over the contract length as in the opinion of the directors this represents the period over which the goodwill is expected to give rise to economic benefits. Goodwill is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable

ABM Catering (Holdings) Limited

ACCOUNTING POLICIES

INVESTMENTS

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

TANGIBLE FIXED ASSETS

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

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

REVALUATION OF PROPERTIES

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

STOCKS

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

DEFERRED TAXATION

Deferred tax is recognised in respect of timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the period in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

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

LEASED ASSETS AND OBLIGATIONS

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

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

All other leases are "operating leases" and the annual rentals are charged to profit and loss on a straight line basis over the lease term.

ABM Catering (Holdings) Limited

ACCOUNTING POLICIES

RETIREMENT BENEFITS

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

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

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

EXCEPTIONAL ITEMS

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

TURNOVER

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

CASH

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

ABM Catering (Holdings) Limited

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 27 July 2012

1 INTEREST RECEIVABLE AND SIMILAR INCOME

	52 week period ended 27 July 2012 £	52 week period ended 29 July 2011 £
Corporation tax interest	72	-
Other interest	14	53
	<u>86</u>	<u>53</u>

2 INTEREST PAYABLE AND SIMILAR CHARGES

	52 week period ended 27 July 2012 £	52 week period ended 29 July 2011 £
Bank overdraft	820	321
Finance leases	3,838	4,355
Interest on loans	13,486	-
	<u>18,144</u>	<u>4,676</u>

3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	52 week period ended 27 July 2012 £	52 week period ended 29 July 2011 £
Profit on ordinary activities before taxation is stated after charging/(crediting)		
Depreciation and amounts written off tangible fixed assets		
Charge for the period		
Owned assets	115,583	80,271
Leased assets	29,731	33,148
Operating lease rentals		
Plant and machinery	20,919	20,716
Land and buildings	26,047	33,945
Auditor's remuneration		
Audit services	13,100	9,850
Loss/(profit) on disposal of fixed assets	2,787	(11,040)
Exceptional items		
Relocation costs to new premises	84,654	-
	<u>84,654</u>	<u>-</u>

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

ABM Catering (Holdings) Limited

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 27 July 2012

4 EMPLOYEES

	52 week period ended 27 July 2012 Number	52 week period ended 29 July 2011 Number
The average monthly number of persons employed by the group (including directors) during the period was		
Catering staff	815	776
Management and administration	35	32
	<u>850</u>	<u>808</u>

	52 week period ended 27 July 2012 £	52 week period ended 29 July 2011 £
Staff costs for the above persons		
Wages and salaries	8,854,837	8,553,262
Social security costs	513,231	536,048
Other pension costs	91,721	64,498
	<u>9,459,789</u>	<u>9,153,808</u>

DIRECTORS' REMUNERATION

	52 week period ended 27 July 2012 £	52 week period ended 29 July 2011 £
Emoluments	510,551	429,166
Money purchase pension contributions	21,861	19,880
	<u>532,412</u>	<u>449,046</u>

ABM Catering (Holdings) Limited

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 27 July 2012

4 EMPLOYEES (continued)

Directors' emoluments disclosed above include the following payments

	Highest paid director 52 week period ended 27 July 2012 £	52 week period ended 29 July 2011 £
Emoluments	231,676	209,307
Money purchase pension contributions	12,500	10,658
	<u>244,176</u>	<u>219,965</u>
	52 week period ended 27 July 2012 Number	52 week period ended 29 July 2011 Number
Number of directors for whom relevant benefits are accruing under		
Money purchase pension schemes	<u>3</u>	<u>3</u>

ABM Catering (Holdings) Limited

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 27 July 2012

5 TAXATION

	52 week period ended 27 July 2012 £	52 week period ended 29 July 2011 £
Current tax		
UK corporation tax on profits of the period	106,681	128,342
Adjustment in respect of prior periods	654	(839)
Total current tax	107,335	127,503
Deferred tax		
Origination and reversal of timing differences	27,100	14,302
Adjustment in respect of prior periods	(31)	546
Total deferred tax	27,069	14,848
Tax on profit on ordinary activities	134,404	142,351
Factors affecting tax charge for the period	52 week period ended 27 July 2012 £	52 week period ended 29 July 2011 £
The tax assessed for the period is lower (2011 lower) than the standard rate of corporation tax in the UK 25 3% (2011 27 3%) The differences are explained below		
Profit on ordinary activities before tax	471,948	499,608
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK 25 3% (2011 27 3%)	119,402	136,393
<i>Effects of</i>		
Expenses not deductible for tax purposes	14,631	11,351
Fixed asset timing differences	(26,085)	(14,412)
Other timing differences	(3,764)	(969)
Adjustment to tax charge in respect of previous periods	654	(839)
Group relief	2,541	(4,003)
Difference in tax rate	(44)	(18)
Current tax charge for the period	107,335	127,503

ABM Catering (Holdings) Limited

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 27 July 2012

6 INTANGIBLE FIXED ASSETS

Goodwill
£

GROUP

Cost

At beginning of period

-

Additions

11,000

At end of period

11,000

Amortisation

At beginning of period

-

Charged in the period

-

At end of period

-

Net book value

At 27 July 2012

11,000

At 29 July 2011

-

The additions relate to goodwill recognised on a number of contracts acquired during the year, these will be amortised over the contract period

ABM Catering (Holdings) Limited

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 27 July 2012

7 TANGIBLE FIXED ASSETS

GROUP	Freehold land and buildings £	Freehold buildings – fixed plant £	Motor vehicles £	Fixtures and fittings £	Total £
<i>Cost</i>					
At beginning of period	473,443	-	349,082	236,476	1,059,001
Additions	113,416	146,238	66,358	136,448	462,460
Disposals	-	-	(43,158)	(68,694)	(111,852)
Revaluation	78,141	-	-	-	78,141
At end of period	665,000	146,238	372,282	304,230	1,487,750
<i>Depreciation</i>					
At beginning of period	2,156	-	203,320	137,572	343,048
Charged in the period	6,503	21,629	81,068	36,114	145,314
Disposals	-	-	(40,407)	(60,030)	(100,437)
Revaluation	(8,659)	-	-	-	(8,659)
At end of period	-	21,629	243,981	113,656	379,266
<i>Net book value</i>					
At 27 July 2012	665,000	124,609	128,301	190,574	1,108,484
At 29 July 2011	471,287	-	145,762	98,904	715,953

Cost or valuation at 27 July 2012 is represented by

GROUP	Freehold land and buildings £	Freehold buildings – fixed plant £	Motor vehicles £	Fixtures and fittings £	Total £
Cost	-	146,238	372,282	304,230	822,750
Valuation	665,000	-	-	-	665,000
	665,000	146,238	372,282	304,230	1,487,750

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

	27 July 2012 £	29 July 2011 £
Cost	586,859	473,443
Aggregate depreciation	8,659	2,156

Included in the total net book value of motor vehicles is £95,429 (2011 £97,961) in respect of assets held under finance leases and similar hire purchase contracts outstanding at the period end. Depreciation for the period on the assets still held under finance leases and similar hire purchase contracts is £29,731 (2011 £33,148).

ABM Catering (Holdings) Limited

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 27 July 2012

7 TANGIBLE FIXED ASSETS (continued)

COMPANY	Land and buildings £
<i>Cost</i>	
At beginning of period – 4 March 2011	-
Additions	473,523
Revaluation	78,141
	<hr/>
At end of period – 27 July 2012	551,664
	<hr/>
<i>Depreciation</i>	
At beginning of period – 4 March 2011	-
Charged in the period	8,659
Revaluation	(8,659)
	<hr/>
At end of period – 27 July 2012	-
	<hr/>
<i>Net book value</i>	
At 27 July 2012	551,664
	<hr/>

Cost or valuation at 27 July 2012 is represented by

	£
<i>Cost</i>	-
Valuation	551,664
	<hr/>
	551,664
	<hr/>

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

	27 July 2012 £
<i>Cost</i>	473,523
	<hr/>
Aggregate depreciation	8,659
	<hr/>

Land and buildings included in both the group and company

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

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

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

ABM Catering (Holdings) Limited

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 27 July 2012

8 FIXED ASSET INVESTMENTS

COMPANY	Shares in subsidiary undertakings £
<i>Cost</i>	
At beginning of period – 4 March 2011	-
Additions	10,149
	<hr/>
At end of period – 27 July 2012	10,149
	<hr/>
<i>Net book value</i>	
At 27 July 2012	10,149
	<hr/>

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

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

On 20 May 2011 ABM Catering (Holdings) Limited acquired the share capital of A B M Catering Limited totalling £147 through a share for share exchange. On 20 July 2012 ABM Catering (Holdings) Limited acquired the share capital of Catering365 Limited, Meaujo (754) Limited and Grosvenor Catering Facilities Management Limited at its nominal value of £10,000, £1 and £1 respectively.

The net assets of Catering365 Limited, Grosvenor Catering Facilities Management Limited and Meaujo (754) Limited at 27 July 2012 were £10,000 (2011 £10,000), £1 (2011 £1) and £1 (2011 £1) respectively.

9 STOCKS

	Group	Company
	27 July 2012 £	73 week period ended 27 July 2012 £
Raw materials and consumables	162,038	-
	<hr/>	<hr/>

ABM Catering (Holdings) Limited

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 27 July 2012

10 DEBTORS

	Group 27 July 2012	29 July 2011	Company 73 week period ended 27 July 2012
	£	£	£
<i>Due within one year</i>			
Trade debtors	2,232,096	2,175,572	-
Prepayments and accrued income	1,433,180	697,452	-
	<u>3,665,276</u>	<u>2,873,024</u>	<u>-</u>

11 CREDITORS Amounts falling due within one year

	Group 27 July 2012	29 July 2011	Company 73 week period ended 27 July 2012
	£	£	£
Bank overdraft	330,767	31,172	-
Obligations under finance leases	65,423	57,689	-
Payments received on account	14,724	4,195	-
Trade creditors	1,015,853	1,001,771	-
Corporation tax	36,605	58,342	235
Other taxation and social security costs	314,274	449,548	-
Other creditors	673,088	233,699	-
Accruals and deferred income	325,843	274,995	1,700
	<u>2,776,577</u>	<u>2,111,411</u>	<u>1,935</u>

The group has a bank overdraft facility which is secured by fixed and floating charges over the group's assets, a personal guarantee by P Coates and J Coates and an unlimited inter-company guarantee dated 11 July 2012 between ABM Catering (Holdings) Limited, A B M Catering Limited and Catering365 Limited

ABM Catering (Holdings) Limited

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 27 July 2012

12 CREDITORS Amounts falling due in more than one year

	Group 27 July 2012	29 July 2011	Company 73 week period ended 27 July 2012
	£	£	£
Obligations under finance leases	30,294	43,314	-
Other creditors	150,000	-	-
Amounts owed to group undertakings	-	-	480,391
	<u>180,294</u>	<u>43,314</u>	<u>480,391</u>

OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

	Group 27 July 2012	29 July 2011	Company 73 week period ended 27 July 2012
	£	£	£
Amounts payable			
Within one year	65,423	57,689	-
Within two to five years	30,294	43,314	-
	<u>95,717</u>	<u>101,003</u>	<u>-</u>

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

ABM Catering (Holdings) Limited

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 27 July 2012

13 PROVISIONS FOR LIABILITIES

GROUP	£
At beginning of period	7,200
Charge for the period	27,069
At end of period	34,269

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

	27 July 2012		29 July 2011	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Difference between accumulated depreciation and capital allowances	42,608	-	20,490	-
Other timing differences	(8,339)	-	(13,290)	-
	34,269	-	7,200	-

COMPANY	£
At beginning of period - 4 March 2011	-
Charge for the period	23,733
At end of period – 27 July 2012	23,733

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

	73 week period ended 27 July 2012	
	Provided	Unprovided
	£	£
Difference between accumulated depreciation and capital allowances	23,733	-

ABM Catering (Holdings) Limited

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 27 July 2012

14 CALLED UP SHARE CAPITAL

	27 July 2012 £	29 July 2011 £
Allotted, issued and fully paid		
10,000 ordinary shares of 1p each	100	100
2,900 ordinary "B" shares of 1p each	29	29
1,843 ordinary "C" shares of 1p each	18	18
	<u>147</u>	<u>147</u>

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

On 3 March 2011 the company issued shares in respect of a share for share exchange

15 RESERVES

GROUP	Revaluation reserve £	Merger reserve £	Profit and loss account £
At beginning of period	-	524,873	1,080,881
Profit for the period	-	-	337,544
Revaluation	86,800	-	-
At end of period	86,800	524,873	1,418,425

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

COMPANY	Revaluation reserve £	Profit and loss account £
At beginning of period – 4 March 2011	-	-
Loss for the period	-	(31,193)
Revaluation	86,800	-
At end of period – 27 July 2012	86,800	(31,193)

ABM Catering (Holdings) Limited

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 27 July 2012

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

	27 July 2012 £	29 July 2011 £
Operating profit	490,006	504,231
Depreciation	145,314	113,419
Loss/(profit) on sale of fixed assets	2,787	(11,040)
(Increase)/decrease in stocks	(37,224)	5,500
Increase in debtors	(792,252)	(706,416)
(Decrease)/increase in creditors	(95,926)	138,975
Net cash flow from operating activities	(287,295)	44,669

17 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	27 July 2012 £	29 July 2011 £
Decrease in cash in the period	(279,043)	(682,704)
Cash outflow from decrease in debt and lease financing	67,143	79,890
Repayment of loans	330,000	-
Loans received	(950,000)	-
Change in net debt resulting from cash flows	(831,900)	(602,814)
New finance leases	(61,857)	(63,431)
MOVEMENT IN NET DEBT IN THE PERIOD	(893,757)	(666,245)
Net (debt)/funds at start of period	(78,140)	588,105
NET DEBT AT END OF PERIOD	(971,897)	(971,897)

ABM Catering (Holdings) Limited

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 27 July 2012

18 ANALYSIS OF NET DEBT

	At 29 July 2011 £	Cash flow £	New loans £	New finance leases £	At 27 July 2012 £
Cash in hand and at bank	54,035	20,552	-	-	74,587
Overdraft	(31,172)	(299,595)	-	-	(330,767)
		(279,043)			
Finance leases	(101,003)	67,143	-	(61,857)	(95,717)
Other loans due in one year	-	330,000	(800,000)	-	(470,000)
Other loans due in more than one year	-	-	(150,000)	-	(150,000)
	(78,140)	118,100	(950,000)	(61,857)	(971,897)

19 CAPITAL COMMITMENTS

Group

There are capital commitments of £282,382 (2011 £405,500) relating to a number of investments in client contracts and £54,734 (2011 £nil) relating to the purchase of fixed assets at the end of the financial period

Company

There are no capital commitments at the end of the period

20 COMMITMENTS UNDER OPERATING LEASES

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

	Group 27 July 2012 £	29 July 2011 £	Company 27 July 2012 £
Plant and machinery			
Expiring within one year	1,424	2,760	-
Expiring between two and five years	24,756	17,956	-
	26,180	20,716	-

ABM Catering (Holdings) Limited

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 27 July 2012

21 CONTINGENT LIABILITIES

Company

The company and its subsidiary undertaking, A B M Catering Limited, are members of a VAT group. At 27 July 2012 the VAT liability of the VAT group excluding that of the company was £177,499

Group

At the period end the group had guarantees outstanding in respect of Local Government Pension Scheme Bonds of £27,000, £13,400, £13,500 and £25,000 in favour of four customers with expiry dates of 31 December 2013, 31 August 2016, 31 August 2016 and 31 March 2015 respectively

22 PENSION COMMITMENTS

The group operates a number of defined contribution pension schemes whose assets are held separately from those of the group in an independently administered fund. The pension cost charge for these schemes represents contributions payable by the group and amounted to £34,583 (2011 £30,224). There were £32,292 (2011 £52,109) outstanding contributions at the end of the financial period.

Certain staff of the group are members of defined benefit schemes operated by certain councils. As the group is one of a number of participating employers in these schemes, it is not possible to allocate any actuarial surplus or deficit on a meaningful basis and consequently contributions are expensed to the profit and loss account as they become payable. The assets of the scheme are held separately from those of the group. Under the provisions of FRS 17 the scheme is treated as a defined benefit multi employer scheme.

The scheme's actuary has advised that the participating employer's share of the underlying assets and liabilities cannot be identified on a reasonable and consistent basis and accordingly, no disclosures are made under the provisions of FRS 17. The contributions paid in the period in respect of these schemes amounted to £57,138 (2011 £34,274).

The company had no pension commitments in the period ending 27 July 2012 and no balances outstanding at 27 July 2012.

23 RELATED PARTY TRANSACTIONS

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

During the period the group made sales of £217,364 (2011 £30,191) to Stoke City (Property) Limited. The balance due from Stoke City (Property) Limited at 27 July 2012 was £31,688 (2011 £36,229).

During the period, the group made sales of £35,000 (2011 £nil) to Stoke City Football Club Limited. The balance due from Stoke City Football Club Limited at 27 July 2012 was £42,000 (2011 £nil).

During the period, A B M Catering Limited received a loan from Hillside (New Media) Limited of £450,000 (2011 £nil). The balance due to Hillside (New Media) Limited at 27 July 2012 was £350,000 (2011 £nil). Interest is charged at 5% per annum and interest payable at 27 July 2012 was £13,486 (2011 £nil).

ABM Catering (Holdings) Limited

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 27 July 2012

23 RELATED PARTY TRANSACTIONS (continued)

During the period, A B M Catering Limited received a loan from Brook Farm Bloodstock Partnership of £500,000 (2011 £nil), a partnership in which P Coates, JF Coates, D Coates CBE, DM Coates and S Johnson are also members. The balance due to Brook Farm Bloodstock Partnership at 27 July 2012 was £270,000 (2011 £nil), no interest is charged on this loan and it has no set repayment terms.

24 ULTIMATE CONTROLLING PARTY

The ultimate controlling party is P Coates and his family.