

Certified a signed set:

Peter Wastall

P. J. Wastall
Secretary
Watford Catering Limited

20.12.06

Registered number : 4430353

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WATFORD CATERING LIMITED

Financial Statements
30 June 2006

WATFORD CATERING LIMITED

Financial statements for the year ended 30 June 2006

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WATFORD CATERING LIMITED

Company information

Directors

G M Simpson (Chairman)
V Russo

Secretary

P J Wastall

Registered office

Vicarage Road Stadium
Vicarage Road
Watford
Herts WD18 0ER

Registered number

4430353

Auditors

Chantrey Vellacott DFK LLP
Gresham House
53 Clarendon Road
Watford
Herts
WD17 1LR

Bankers

Barclays Bank plc
32 Clarendon Road
Watford
Herts WD17 1BZ

Solicitors

Matthew Arnold & Baldwin
21 Station Road
Watford
Herts
WD17 1HT

WATFORD CATERING LIMITED

Directors' report for the year ended 30 June 2006

The directors present their report and the financial statements of the company for the year ended 30 June 2006.

Review of the business

The principal activity of the company is the provision of catering services.

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future.

Results and dividends

The results for the year ended 30 June 2006 are shown in the profit and loss account on page 5. The profit for the year after taxation was £19,432.

The directors do not recommend payment of an ordinary dividend.

Directors

The directors who served during the year were:

G M Simpson
V Russo

Directors' interests in shares

The directors' interests in the shares of the company were as stated below:

	Share of £1 each	
	30 June 2006	1 July 2005
G M Simpson	-	-
V Russo	-	-

Details of the directors' interests in the shares of other group companies are shown in the financial statements of the company's parent, Watford Leisure PLC.

Auditors

A resolution to reappoint Chantrey Vellacott DFK LLP as auditors of the company will be proposed at the Annual General Meeting.

WATFORD CATERING LIMITED

Directors' report for the year ended 30 June 2006 (continued)

Directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. 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). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each director has taken all steps that they ought to have taken as directors in order to make themselves aware of any information relevant to the audit and to ensure that the auditors are aware of all relevant audit information. As far as each director is aware, there is no relevant audit information of which the company's auditors are unaware.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of the Board



P J WASTALL

Secretary

Approved by the Board on 16 November 2006

WATFORD CATERING LIMITED

Independent auditors' report to the shareholders of Watford Catering Limited

We have audited the financial statements of Watford Catering Limited for the year ended 30 June 2006 which are set out on pages 5 to 12. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the information given in the directors' report is consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 June 2006 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

Chantrey Vellacott DFK LLP

CHANTREY VELLACOTT DFK LLP

**Chartered Accountants
Registered Auditors**

**WATFORD
16.11.2006**

WATFORD CATERING LIMITED

Profit and loss account for the year ended 30 June 2006

	Notes	2006 £	2005 £
Turnover	2	1,275,373	1,432,904
Cost of sales		1,074,472	1,051,106
	
Gross profit		200,901	381,798
Administrative expenses		181,469	156,628
	
Profit on ordinary activities before taxation	3	19,432	225,170
Tax on profit on ordinary activities	5	-	-
	
Profit for the year	11	19,432	225,170
	

None of the company's activities was acquired or discontinued during the above two financial years.

The company has no recognised gains and losses other than those included in the profits above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profits shown above and their historical cost equivalents.

The notes on pages 8 to 12 form part of these financial statements.

WATFORD CATERING LIMITED

Balance sheet at 30 June 2006

	Notes	2006 £	2005 £
Fixed assets			
Tangible assets	6	27,340	39,519
Current assets			
Stocks	7	25,553	36,396
Debtors	8	183,975	261,333
Cash at bank and in hand		119,902	17,834
		329,430	315,563
Creditors: amounts falling due within one year	9	(92,509)	(110,253)
Net current assets		236,921	205,310
Total assets less current liabilities		264,261	244,829
Capital and reserves			
Called up share capital	10	1	1
Profit and loss account	11	264,260	244,828
Shareholders' funds	12	264,261	244,829

Approved by the Board on 16.11.2006 and signed on its behalf.


G M SIMPSON - Director

The notes on pages 8 to 12 form part of these financial statements.

WATFORD CATERING LIMITED

Cash flow statement for the year 30 June 2006

	Notes	2006 £	2005 £
Net cash inflow from operating activities	13a	114,498	40,195
Taxation		-	-
Capital expenditure			
Payments to acquire tangible assets		(12,430)	(39,881)
Net cash outflow for capital expenditure		(12,430)	(39,881)
Increase in cash in the year	13b,c	102,068	314

The notes on pages 8 to 12 form part of these financial statements.

WATFORD CATERING LIMITED

Notes to the financial statements for the year ended 30 June 2006

1 Accounting policies

a) Basis of accounting

The financial statements are prepared on the historical cost basis of accounting.

b) Depreciation of tangible fixed assets

Depreciation is not charged on expenditure on assets not yet in use. Depreciation on other tangible fixed assets is charged so as to write off their full costs less estimated residual value over their expected useful lives at the following rates:

Fixtures, fittings & equipment 50% reducing balance and over 2 years

c) Stock

Stock is valued at the lower of cost and net realisable value.

The cost of stocks is determined on the first in, first out basis. Net realisable value is the price at which stock can be realised in the normal course of business.

d) Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

e) Leasing

Rentals under operating leases are charged to the profit and loss account as they fall due.

2 Turnover

Turnover represents the amounts receivable for goods and services excluding VAT arising wholly within the United Kingdom.

3 Profit on ordinary activities before taxation

2006

2005

£

£

This is stated after charging:

Depreciation

24,609

25,183

Operating lease rentals:

Plant and machinery

25,086

39,945

Auditors' remuneration:

In respect of audit services

2,325

6,000

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WATFORD CATERING LIMITED

Notes to the financial statements for the year ended 30 June 2006 (continued)

4 Employee information	2006 £	2005 £
Staff costs:		
Wages and salaries	558,713	482,034
Social security costs	32,478	23,042

	591,191	505,076

The average monthly number of persons employed during the year, including executive directors, was made up as follows:

	Number	Number
Management & catering staff (full time)	4	2
Catering staff (part time)	102	83

	106	85

In addition to the above the company employed an average of 83 (2005 - 84) part-time staff on event days during the year.

5 Taxation	2006 £	2005 £
Current tax charge	-	-

Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	19,432	225,170

Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2005- 19.00%)	3,692	42,782

Effects of:		
Depreciation add back	4,676	4,785
Capital allowances	(2,541)	(4,781)
Tax losses surrendered from group companies	(5,827)	(42,786)

	(3,692)	(42,782)

Current tax charge	-	-

No charge to corporation tax arises due to the availability of group losses.

WATFORD CATERING LIMITED

Notes to the financial statements for the year ended 30 June 2006 (continued)

6 Tangible fixed assets

Fixtures, fittings & equipment

	£
Cost:	
At 1 July 2005	105,284
Additions	12,430

At 30 June 2006	117,714

Depreciation:	
At 1 July 2005	65,765
Provision for the year	24,609

At 30 June 2006	90,374

Net book value:	
At 30 June 2006	27,340

At 30 June 2005	39,519

7 Stocks

2006 2005
£ £

Goods for resale	25,553	36,396

8 Debtors

2006 2005
£ £

Trade debtors	60,496	121,143
Amounts owed by group undertakings	123,479	139,590
Prepayments and accrued income	-	600

	183,975	261,333

9 Creditors: amounts falling due within one year

2006 2005
£ £

Trade creditors	14,692	39,074
Taxes and social security costs	46,173	52,239
Other creditors	1,017	691
Accruals and deferred income	30,627	18,249

	92,509	110,253

WATFORD CATERING LIMITED

Notes to the financial statements for the year ended 30 June 2006 (continued)

10 Called up share capital	2006 £	2005 £
Authorised		
Equity shares:		
1,000,000 Shares of £1 each	1,000,000	1,000,000
Allotted, called up and fully paid		
Equity shares:		
1 Share of £1	1	1
11 Reserves		Profit and loss account £
At 1 July 2005		244,828
Profit for the year		19,432
At 30 June 2006		264,260
12 Reconciliation of movement on shareholders' funds	2006 £	2005 £
Profit for the financial year	19,432	225,170
Opening shareholders' funds	244,829	19,659
Closing shareholders' funds	264,261	244,829

Shareholders' funds are fully attributable to equity interests.

WATFORD CATERING LIMITED

Notes to the financial statements for the year ended 30 June 2006 (continued)

13 Notes to the cash flow statement

a) Reconciliation of operating profit to net cash inflow from operating activities	2006	2005
	£	£
Operating profit	19,432	225,170
Depreciation of tangible assets	24,609	25,183
Decrease/(increase) in stocks	10,843	(16,903)
Decrease/(increase) in debtors	77,358	(193,752)
(Decrease)/increase in creditors within one year	(17,744)	497

Net cash inflow from operating activities	114,498	40,195

b) Analysis of changes in net funds	1 July 2005	Cash flow	30 June 2006
	£	£	£
Cash at bank and in hand	17,834	102,068	119,902

c) Reconciliation of net cash flow to movement in net funds	2006	2005
	£	£
Increase in cash in the year	102,068	314
Opening net funds	17,834	17,520

Closing net funds	119,902	17,834

14 Control

The parent company, and ultimate controlling party, is Watford Leisure PLC. Copies of the financial statements of Watford Leisure PLC can be obtained from the company's registered office.

15 Related party transactions

The company has taken advantage of the exemptions conferred by Financial Reporting Standard No 8 from the requirement to make disclosures with other group companies.