

3 GATES SERVICES LIMITED

Report and Accounts

30 September 2002



Registration number - 1953521

**3 GATES SERVICES LIMITED
REPORT AND FINANCIAL STATEMENTS 2002**

CONTENTS

	Page
Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	3
Independent auditors' report	4
Profit and loss account	5
Balance sheet	6
Notes to the accounts	7

**3 GATES SERVICES LIMITED
REPORT AND FINANCIAL STATEMENTS 2002**

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Compass Food Services Limited was the sole director during the year.

SECRETARY

T C Mason

REGISTERED OFFICE

Parklands Court
24 Parklands
Birmingham Great Park
Rubery
Birmingham
B45 9PZ

AUDITORS

Deloitte & Touche
Chartered Accountants
Birmingham

3 GATES SERVICES LIMITED
DIRECTOR'S REPORT

The director presents the annual report and accounts for the year ended 30 September 2002.

Principal activity

The company did not trade during the year except as an undisclosed agent of Compass Contract Services (UK) Limited. This situation is expected to continue in the future.

The prior year profit on sale of operations in the profit and loss account relates to the transfer of assets to the principal company at market value.

Directors and their interests

Compass Food Services Limited was the sole director during the year.

Compass Food Services Limited has beneficial interest in 100% of the shares of the company.

Auditors

Deloitte & Touche have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Deloitte & Touche has informed the directors that they are intending to transfer their business to a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000, to be known as Deloitte & Touche LLP. It is the current intention of the directors to use the Company's statutory power to give consent to the appointment of Deloitte & Touche being treated as extending to Deloitte & Touche LLP at the appropriate time.



T.C. Mason
Secretary

Date 29 July 2003
Parklands Court
24 Parklands
Birmingham Great Park
Rubery
Birmingham
B45 9PZ

3 GATES SERVICES LIMITED

Statement of Director's Responsibilities

United Kingdom company law requires the director to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those accounts, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the accounts comply with the Companies Act 1985. The director is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditors' Report to the Members of 3 GATES SERVICES LIMITED

We have audited the financial statements of 3 Gates Services Limited for the year ended 30 September 2002 which comprise the profit and loss account, the balance sheet and the related notes 1 to 15. 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 auditors' 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 director's responsibilities, the company director is responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 if, in our opinion, the director's report is not consistent with the financial statements, if 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 director's remuneration and transactions with the company is not disclosed.

We read the director's report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

Basis of opinion

We conducted our audit in accordance with United Kingdom auditing standards 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 director 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 of the state of the company's affairs as at 30 September 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

Deloitte & Touche
Chartered Accountants and Registered Auditors
Birmingham

29 July 2003

3 GATES SERVICES LIMITED
Profit and Loss Account
for the year ended 30 September 2002

	Notes	2002 £000	2001 £000
Turnover			
As principal		-	1,950
As agent		1,850	171
Total turnover		<u>1,850</u>	<u>2,121</u>
Cost of sales			
As principal		-	(1,769)
Transfer of beneficial interest to principal		(1,850)	(171)
Total cost of sales		<u>(1,850)</u>	<u>(1,940)</u>
Gross profit		<u>-</u>	<u>181</u>
<i>Administrative expenses net of other operating income</i>	2	-	(106)
Operating profit	3	<u>-</u>	<u>75</u>
 Profit on sale of operations		-	5,170
Interest receivable	4	146	-
Profit on ordinary activities before taxation		<u>146</u>	<u>5,245</u>
Taxation on profit on ordinary activities	7	(44)	65
Profit on ordinary activities after taxation being the profit for the financial year	11	<u>102</u>	<u>5,310</u>

3 Gates Services Limited is an agency company on behalf of Compass Contract Services (UK) Limited.

All activities derive from continuing operations.

There are no recognised gains and losses for the current or prior years other than as stated above.

3 GATES SERVICES LIMITED
Balance Sheet
as at 30 September 2002

	Notes	2002 £000	2001 £000
Current assets			
Debtors	8	5,018	4,872
Creditors due within one year	9	(44)	-
Net assets		<u>4,974</u>	<u>4,872</u>
Capital and reserves			
Called up share capital	10	3	3
Profit and loss account	11	4,971	4,869
Equity shareholders' funds	12	<u>4,974</u>	<u>4,872</u>



D.G. Mortimer (on behalf of Compass Food Services Limited)
 Director

Approved by the Board on 29 JULY 2003

3 GATES SERVICES LIMITED

Notes to the Accounts

at 30 September 2002

1 Accounting policies

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The company is an agency company and as such does not bear the risks or rewards of its trade. These are borne by the principal company Compass Contract Services (UK) Limited.

Taxation

Corporation tax payable is provided on taxable profits at the current rate.

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

FRS 19 "Deferred Tax" has been adopted with no effect on the current or prior period. FRS 19 requires that deferred tax be recognised in respect of all timing differences that have originated but not reversed by the balance sheet date.

Pensions

The company participated in defined benefit schemes operated by Compass Group PLC.

The expected cost of pensions in respect of the company's participation in the schemes is charged to the profit and loss account so as to spread the cost of pensions over the service lives of employees based on pension costs across the Compass Group as a whole. Variations from the regular costs are spread over the remaining service lives of current employees in the scheme across the Compass Group. The pension cost is assessed in accordance with the Statement of Standard Accounting Practice No. 24.

Further information in respect of pensions is shown in note 14.

Exemption from FRS8 Disclosures

As the company was a wholly owned subsidiary of Compass Group PLC, the company has taken advantage of the exemption to disclose related party transactions since such transactions are with other members of the group.

2 Administration expenses net of other operating income	2002	2001
	£000	£000
Administration expenses	-	1,070
Other operating income	-	(964)
	<u>-</u>	<u>106</u>
3 Operating profit	2002	2001
	£000	£000
This is stated after charging:		
Depreciation of owned fixed assets	-	19
Operating lease rentals - plant and machinery	-	17
Auditors' remuneration - audit fees	-	4

The depreciation charge arose from assets which were disposed of during the prior year
The auditors' remuneration is now borne by Compass Contract Services (UK) Limited.

3 GATES SERVICES LIMITED

Notes to the Accounts

at 30 September 2002

4	Interest Receivable	2002 £000	2001 £000
	Interest receivable on amounts owed by Group Undertakings	<u>146</u>	<u>-</u>
5	Directors' emoluments	2002 £000	2001 £000
	Emoluments	<u>-</u>	<u>-</u>
	Number of directors in company pension schemes:	2002 Number	2001 Number
	Defined benefit schemes	<u>-</u>	<u>-</u>
6	Staff costs	2002 £000	2001 £000
	Wages and salaries	-	817
	Social security costs	-	39
	Pension costs	-	7
		<u>-</u>	<u>863</u>
	Average number of employees during the year:	2002 Number	2001 Number
	Administration	-	6
	Catering	-	115
		<u>-</u>	<u>121</u>
7	Tax on profit on ordinary activities	2002 £000	2001 £000
	Corporation Tax		
	UK Corporation tax charge at 30% (2001 30%)	44	26
		<u>44</u>	<u>26</u>
	Deferred tax credit	-	(1)
		<u>44</u>	<u>25</u>
	Adjustments in respect of prior years:		
	UK corporation tax	-	(89)
	Deferred Tax	-	(1)
	Total tax charge/(credit)	<u>44</u>	<u>(65)</u>

3 GATES SERVICES LIMITED
Notes to the Accounts
at 30 September 2002

8 Debtors			2002	2001
			£000	£000
<u>Due after more than one year</u>				
Amounts owed by group undertakings			4,872	4,872
Interest receivable on amounts owed by Group undertakings			146	-
Total debtors			5,018	4,872
9 Creditors due within one year			2002	2001
			£000	£000
Corporation Tax			44	-
10 Share capital			2002	2001
			£000	£000
Authorised: 100,000 Ordinary shares of £1 each			100	100
	2002	2001	2002	2001
	No	No	£000	£000
Allotted, called up and fully paid: Ordinary shares of £1 each	3,000	3,000	3	3
11 Profit and loss account			2002	2001
			£000	£000
Balance at the beginning of the period			4,869	(441)
Profit for the year			102	5,310
Balance at the end of the period			4,971	4,869
12 Reconciliation of movements in equity shareholders' funds			2002	2001
			£000	£000
Opening shareholders' funds/(deficit)			4,872	(438)
Profit for the year			102	5,310
Closing shareholders' funds			4,974	4,872

3 GATES SERVICES LIMITED

Notes to the Accounts

at 30 September 2002

13 Contingent Liabilities and Guarantees

Under a group registration the company is jointly and severally liable for VAT due by the other companies within the group registration. At 30 September 2002 this contingent liability amounted to £30,500,000 (2001 - £29,794,000).

14 Pensions

The company participated in defined benefit schemes operated by Compass Group PLC. The assets of the fund are held in separate trustee administered funds.

Particulars of the actuarial valuation of the scheme may be found in the Compass Group PLC financial statements.

Financial Reporting Standard 17 ("Retirement Benefits") came into effect for periods ending on or after 22 June 2001. Adoption of the standard is phased over a number of years and in this year the company is required to disclose the difference between the market value of the pension scheme assets and the present value of the scheme liabilities.

The assets and liabilities of the UK plans operated by Compass Group PLC at 30 September 2002, excluding any transfers from Granada Group PLC Pension Scheme, show a net pension liability of £50M (2001 - £47M). As the pension scheme has members that are employed by more than one legal entity the directors do not consider that it is practical to provide the information on an individual company basis. As the assets and liabilities are not separately identifiable, the pension scheme is accounted for as a defined contribution scheme.

The pension charge for the year was £nil (2001 - £7,000).

15 Ultimate parent company

The company's immediate parent company is Compass Food Services Limited. The director considers Compass Group PLC to be the ultimate parent and controlling company. Copies of the group accounts can be obtained from: the Secretary, Compass House, Guildford Street, Chertsey, Surrey KT16 9BA.

All of the above named companies are incorporated in Great Britain and registered in England and Wales.