

COMPANY REGISTRATION NUMBER 4214607

**Cavanna Group Management Services
Limited**

Financial Statements

For

30 November 2004



BISHOP FLEMING

Chartered Accountants & Registered Auditors
50 The Terrace
Torquay
Devon

Cavanna Group Management Services Limited

Financial Statements

Year Ended 30 November 2004

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Cavanna Group Management Services Limited

Officers and Professional Advisers

The Board of Directors

J M Cavanna
P M Cavanna
A F Cavanna
M G Cavanna
J Cavanna
E J C Rapson

Company Secretary

E J C Rapson

Registered Office

302 Union Street
Torquay
Devon

Auditors

Bishop Fleming
Chartered Accountants
& Registered Auditors
50 The Terrace
Torquay
Devon

Bankers

Barclays Bank PLC
Corporate Banking Centre
PO Box 119
Park House
Newbrick Road
Stoke Gifford
Bristol

Solicitors

Boyce Hatton
12 Tor Hill Road
Torquay
Devon

Cavanna Group Management Services Limited

The Directors' Report

Year Ended 30 November 2004

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30 November 2004.

Principal activities

The principal activity of the company during the year was that of a management services company providing staff for other Cavanna group companies.

Directors

The directors who served the company during the year were as follows:

J M Cavanna
P M Cavanna
A F Cavanna
M G Cavanna
J Cavanna
E J C Rapson

The company is a wholly owned subsidiary and the interests of the group directors are disclosed in the financial statements of the parent company.

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended. In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on page 8, and then apply them consistently;

make judgements and estimates that are reasonable and prudent; and

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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors 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.

Auditors

A resolution to re-appoint Bishop Fleming as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Cavanna Group Management Services Limited

The Directors' Report *(continued)*

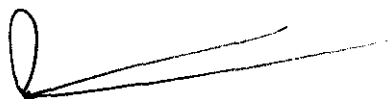
Year Ended 30 November 2004

Small company provisions

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

Registered office:
302 Union Street
Torquay
Devon

Signed by order of the directors



E J C Rapson
Company Secretary

Approved by the directors on 7/3/05

Cavanna Group Management Services Limited**Independent Auditors' Report to the Shareholders of
Cavanna Group Management Services Limited****Year Ended 30 November 2004**

We have audited the financial statements on pages 6 to 10 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out on page 8 .

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders 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.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom 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 to you if, in our opinion, the Directors' 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 directors' remuneration and transactions with the company 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 audit 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 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.

Cavanna Group Management Services Limited

**Independent Auditors' Report to the Shareholders of
Cavanna Group Management Services Limited** *(continued)*

Year Ended 30 November 2004

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 November 2004 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

50 The Terrace
Torquay
Devon

27 April 2005



BISHOP FLEMING
Chartered Accountants
& Registered Auditors

Cavanna Group Management Services Limited**Profit and Loss Account****Year Ended 30 November 2004**

	Note	Year to 30 Nov 04 £	Period from 5 Dec 02 to 30 Nov 03 £
Turnover		2,609,065	2,258,717
Administrative expenses		2,556,827	2,252,336
Other operating income		(183)	(12)
Operating profit		52,421	6,393
Interest payable		80	41
Profit on ordinary activities before taxation		52,341	6,352
Tax on profit on ordinary activities	3	16,995	2,201
Profit on ordinary activities after taxation		35,346	4,151
Dividends	4	35,346	4,151
Retained profit for the financial year		—	—

Cavanna Group Management Services Limited**Balance Sheet****30 November 2004**

	Note	2004 £	£	2003 £	£
Current assets					
Debtors	5	3,300,814		665,217	
Creditors: Amounts falling due within one year	6	<u>3,299,814</u>		<u>664,217</u>	
Net current assets			<u>1,000</u>		<u>1,000</u>
Total assets less current liabilities			<u>1,000</u>		<u>1,000</u>
Capital and reserves					
Called-up equity share capital	9		<u>1,000</u>		<u>1,000</u>
Shareholders' funds			<u>1,000</u>		<u>1,000</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved by the directors on the 7/3/05 and are signed on their behalf by:

J M Cavanna

J M Cavanna
Director

Cavanna Group Management Services Limited

Notes to the Financial Statements

Year Ended 30 November 2004

1. Accounting policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

(b) Consolidation

The company was, at the end of the year, a wholly-owned subsidiary of another company incorporated in the EEC and in accordance with section 228 of the Companies Act 1985, is not required to produce, and has not published, consolidated accounts.

(c) Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

(d) Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

(e) 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 have occurred at the that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax.

Deferred tax is measured on an undiscounted basis of tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. Directors' emoluments

The directors' aggregate emoluments in respect of qualifying services were:

	Year to 30 Nov 04 £	Period from 5 Dec 02 to 30 Nov 03 £
Aggregate emoluments	396,237	318,016
Value of company pension contributions to money purchase schemes	<u>56,400</u>	<u>25,927</u>
	<u>452,637</u>	<u>343,943</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	Year to 30 Nov 04 No	Period from 5 Dec 02 to 30 Nov 03 No
Money purchase schemes	<u>4</u>	<u>4</u>

Cavanna Group Management Services Limited

Notes to the Financial Statements

Year Ended 30 November 2004

3. Taxation on ordinary activities

	Year to 30 Nov 04 £	Period from 5 Dec 02 to 30 Nov 03 £
Current tax:		
UK Corporation tax based on the results for the year at 19% (2003 - 19%)	7,354	1,819
Over/under provision in prior year	9,641	382
Total current tax	<u>16,995</u>	<u>2,201</u>

4. Dividends

The following dividends have been proposed in respect of the year:

	Year to 30 Nov 04 £	Period from 5 Dec 02 to 30 Nov 03 £
Proposed dividend on ordinary shares	<u>35,346</u>	<u>4,151</u>

5. Debtors

	2004 £	2003 £
Amounts owed by group undertakings	3,260,152	650,978
VAT recoverable	5,629	1,580
Other debtors	35,033	12,659
	<u>3,300,814</u>	<u>665,217</u>

6. Creditors: Amounts falling due within one year

	2004 £	2003 £
Bank loans and overdrafts	15,838	10,232
Trade creditors	8,432	—
Amounts owed to group undertakings	2,859,816	300,048
Corporation tax	7,354	1,819
Other taxation and social security	71,657	66,607
Other creditors	336,717	285,511
	<u>3,299,814</u>	<u>664,217</u>

7. Contingencies

The company has entered into cross guarantees in respect of bank borrowings of other group companies.

Cavanna Group Management Services Limited

Notes to the Financial Statements

Year Ended 30 November 2004

8. Related party transactions

As a wholly owned subsidiary undertaking of Cavanna Group Limited, the company has taken advantage of the exemption in Financial Reporting Standard for Smaller Entities "Related party disclosures" from disclosing transactions with other members of the group headed by Cavanna Group Limited. No other related party transactions have occurred during the year that are required to be reported in accordance with FRSSE.

9. Share capital

Authorised share capital:

	2004	2003
	£	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2004		2003	
	No	£	No	£
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

10. Ultimate parent company

The holding company is Cavanna Group Limited, a company incorporated in England and Wales. Copies of the group financial statements can be obtained from the holding company's registered office 302 Union Street, Torquay, Devon.