

COMPANY REGISTRATION NUMBER 4214607

**Cavanna Group Management Services
Limited**

Financial Statements

For

30 November 2005



BISHOP FLEMING

Chartered Accountants & Registered Auditors
50 The Terrace
Torquay
Devon

Cavanna Group Management Services Limited

Financial Statements

Year Ended 30 November 2005

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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

Cavanna House
Riviera Park
Nicholson Road
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 2005

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30 November 2005.

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 and of the profit or loss of the company for that year.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 8, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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 2005

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:
Cavanna House
Riviera Park
Nicholson Road
Torquay
Devon

Signed by order of the directors



E J C Rapson
Company Secretary

Approved by the directors on 7/3/6.....

Cavanna Group Management Services Limited

Independent Auditors' Report to the Shareholders of Cavanna Group Management Services Limited

Year Ended 30 November 2005

We have audited the financial statements of Cavanna Group Management Services Limited for the year ended 30 November 2005 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.

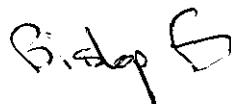
Cavanna Group Management Services Limited

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

Year Ended 30 November 2005

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 2005 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



BISHOP FLEMING
Chartered Accountants
& Registered Auditors

50 The Terrace
Torquay
Devon

5 May 2006

Cavanna Group Management Services Limited**Profit and Loss Account****Year Ended 30 November 2005**

	Note	2005 £	2004 £
Turnover		2,798,137	2,609,065
Administrative expenses		2,758,248	2,556,827
Other operating income		—	(183)
Operating profit		39,889	52,421
Interest payable and similar charges		1	80
Profit on ordinary activities before taxation		39,888	52,341
Tax on profit on ordinary activities	3	10,604	16,995
Profit on ordinary activities after taxation		29,284	35,346
Dividends	4	29,284	35,346
Retained profit for the financial year		—	—

The notes on pages 8 to 10 form part of these financial statements.

Cavanna Group Management Services Limited

Balance Sheet

30 November 2005

	Note	2005 £	2004 £
Current assets			
Debtors	5	6,113,701	3,300,814
Creditors: Amounts falling due within one year	6	<u>6,112,701</u>	<u>3,299,814</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 9/3/6 and are signed on their behalf by:

JM Cavanna

J M Cavanna
Director

Cavanna Group Management Services Limited

Notes to the Financial Statements

Year Ended 30 November 2005

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) Turnover

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

(c) 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.

(d) 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:

	2005	2004
	£	£
Aggregate emoluments	403,185	396,237
Value of company pension contributions to money purchase schemes	71,642	56,400
	<u>474,827</u>	<u>452,637</u>

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

	2005	2004
	No	No
Money purchase schemes	<u>4</u>	<u>4</u>

Cavanna Group Management Services Limited

Notes to the Financial Statements

Year Ended 30 November 2005

3. Taxation on ordinary activities

(a) Analysis of charge in the year

	2005 £	2004 £
Current tax:		
UK Corporation tax based on the results for the year at 30% (2004 - 30%)	10,604	7,354
Over/under provision in prior year	-	9,641
Total current tax	<u>10,604</u>	<u>16,995</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30% (2004 - 30%).

	2005 £	2004 £
Profit on ordinary activities before taxation	<u>39,888</u>	<u>52,341</u>
Profit/(loss) on ordinary activities by rate of tax	11,966	15,702
Expenses not deductible for tax purposes	-	(4,091)
Tax chargeable at lower rates	(1,362)	(4,257)
Adjustments to tax charge in respect of previous periods	-	9,641
Total current tax (note 3(a))	<u>10,604</u>	<u>16,995</u>

4. Dividends

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

	2005 £	2004 £
Proposed dividend on ordinary shares	<u>29,284</u>	<u>35,346</u>

5. Debtors

	2005 £	2004 £
Amounts owed by group undertakings	6,058,288	3,260,152
VAT recoverable	3,446	5,629
Other debtors	51,967	35,033
	<u>6,113,701</u>	<u>3,300,814</u>

Cavanna Group Management Services Limited

Notes to the Financial Statements

Year Ended 30 November 2005

6. Creditors: Amounts falling due within one year

	2005	2004
	£	£
Bank loans and overdrafts	35,312	15,838
Trade creditors	1,645	8,432
Amounts owed to group undertakings	5,660,896	2,859,816
Corporation tax	10,604	7,354
Other taxation and social security	83,179	71,657
Other creditors	321,065	336,717
	<u>6,112,701</u>	<u>3,299,814</u>

7. Contingencies

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

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:

	2005	2004
	£	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2005		2004	
	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 Cavanna House, Riviera Park, Nicholson Road, Torquay, Devon.