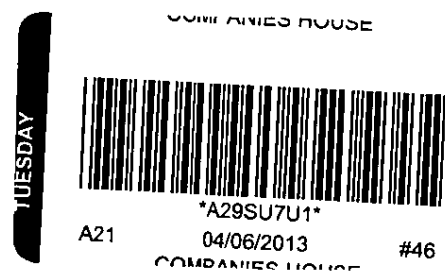


CAVANNA GROUP MANAGEMENT SERVICES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2012



CAVANNA GROUP MANAGEMENT SERVICES LIMITED

COMPANY INFORMATION

DIRECTORS

J M Cavanna
M G Cavanna
J Cavanna
E J C Rapson

COMPANY SECRETARY

B Bargent

REGISTERED NUMBER

04214607

REGISTERED OFFICE

Cavanna House
Riviera Park
Nicholson Road
Torquay
Devon
TQ2 7TD

INDEPENDENT AUDITORS

Bishop Fleming
Chartered Accountants & Statutory Auditors
50 The Terrace
Torquay
Devon
TQ1 1DD

BANKERS

Lloyds TSB Bank plc
PO Box 128
8 Royal Parade
Plymouth
Devon

SOLICITORS

Boyce Hatton
12 Tor Hill Road
Torquay
Devon

Michelmores
Woodwater House
Pynes Hill
Exeter
Devon

CAVANNA GROUP MANAGEMENT SERVICES LIMITED

CONTENTS

	Page
Directors' report	1
Directors' responsibilities statement	2
Independent auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 11
The following pages do not form part of the statutory financial statements	
Detailed profit and loss account and summaries	12 - 13

CAVANNA GROUP MANAGEMENT SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 NOVEMBER 2012

The directors present their report and the financial statements for the year ended 30 November 2012

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

RESULTS

The profit for the year, after taxation, amounted to £81,767 (2011 £31,234)

DIRECTORS

The directors who served during the year were

J M Cavanna
M G Cavanna
J Cavanna
E J C Rapson

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

AUDITORS

The auditors, Bishop Fleming, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board and signed on its behalf



B Bargent
Secretary

Date 05/03/13

Cavanna House
Riviera Park
Nicholson Road
Torquay
Devon
TQ2 7TD

CAVANNA GROUP MANAGEMENT SERVICES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 30 NOVEMBER 2012

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 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). 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

CAVANNA GROUP MANAGEMENT SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CAVANNA GROUP MANAGEMENT SERVICES LIMITED

We have audited the financial statements of Cavanna Group Management Services Limited for the year ended 30 November 2012, set out on pages 5 to 11. 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 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 explained more fully in the Directors' responsibilities statement, 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 Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 November 2012 and of its profit for the year 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 year for which the financial statements are prepared is consistent with the financial statements.

CAVANNA GROUP MANAGEMENT SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CAVANNA GROUP MANAGEMENT SERVICES LIMITED

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, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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



Pamela Tuckett FCA (Senior Statutory Auditor)
for and on behalf of
Bishop Fleming
Chartered Accountants
Statutory Auditors
50 The Terrace
Torquay
Devon
TQ1 1DD

Date 18/3/13

CAVANNA GROUP MANAGEMENT SERVICES LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 NOVEMBER 2012**

	Note	2012 £	2011 £
TURNOVER	1,2	3,884,593	3,416,738
Administrative expenses		<u>(3,775,654)</u>	<u>(3,364,620)</u>
OPERATING PROFIT	3	108,939	52,118
EXCEPTIONAL ITEMS			
Other exceptional items	6	<u>-</u>	<u>(15,614)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		108,939	36,504
Interest receivable and similar income		<u>2</u>	<u>-</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		108,941	36,504
Tax on profit on ordinary activities	7	<u>(27,174)</u>	<u>(5,270)</u>
PROFIT FOR THE FINANCIAL YEAR	12	<u>81,767</u>	<u>31,234</u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the Profit and loss account

The notes on pages 7 to 11 form part of these financial statements

CAVANNA GROUP MANAGEMENT SERVICES LIMITED
REGISTERED NUMBER: 04214607

BALANCE SHEET
AS AT 30 NOVEMBER 2012

	Note	£	2012 £	£	2011 £
CURRENT ASSETS					
Debtors	8	796,250		496,603	
CREDITORS: amounts falling due within one year	9	<u>(795,250)</u>		<u>(495,603)</u>	
NET CURRENT ASSETS			<u>1,000</u>		<u>1,000</u>
NET ASSETS			<u>1,000</u>		<u>1,000</u>
CAPITAL AND RESERVES					
Called up share capital	11		<u>1,000</u>		<u>1,000</u>
SHAREHOLDERS' FUNDS	13		<u>1,000</u>		<u>1,000</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by

J M Cavanna

J M Cavanna
Director

Date

5/3/13

The notes on pages 7 to 11 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2012**

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

1.2 CASH FLOW

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1

1.3 TURNOVER

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts

1.4 DEFERRED TAXATION

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

1.5 PENSIONS

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

2. TURNOVER

The whole of the turnover is attributable to management services provided

All turnover arose within the United Kingdom

3. OPERATING PROFIT

Auditor's remuneration is disclosed in the parent company accounts

CAVANNA GROUP MANAGEMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2012

4 STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2012 £	2011 £
Wages and salaries	2,927,402	2,613,768
Social security costs	295,049	256,346
Other pension costs	213,933	199,598
	<u>3,436,384</u>	<u>3,069,712</u>

The average monthly number of employees, including the directors, during the year was as follows

	2012 No.	2011 No
Directors (including Cavanna Group Limited)	5	5
Administration staff	10	10
Sales staff	14	13
Construction/design/technical	50	48
	<u>79</u>	<u>76</u>

5. DIRECTORS' REMUNERATION

	2012 £	2011 £
Emoluments	<u>456,320</u>	<u>431,629</u>
Company pension contributions to defined contribution pension schemes	<u>119,341</u>	<u>111,432</u>

During the year retirement benefits were accruing to 4 directors (2011 4) in respect of defined contribution pension schemes

The highest paid director received remuneration of £140,271 (2011 £145,235)

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £71,899 (2011 £60,947)

6. EXCEPTIONAL ITEMS

	2012 £	2011 £
Contribution payable for group relief of losses	<u>-</u>	<u>15,614</u>

The company has paid for group losses on a £ for £ basis

CAVANNA GROUP MANAGEMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2012

7. TAXATION

	2012 £	2011 £
ANALYSIS OF TAX CHARGE IN THE YEAR		
CURRENT TAX (see note below)		
UK corporation tax charge on profit for the year	25,993	10,555
DEFERRED TAX		
Origination and reversal of timing differences	1,181	(6,037)
Effects of tax rate changes	-	752
TOTAL DEFERRED TAX (see note 10)	1,181	(5,285)
TAX ON PROFIT ON ORDINARY ACTIVITIES	27,174	5,270

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than (2011 higher than) the standard rate of corporation tax in the UK of 20% (2011 20%) The differences are explained below

	2012 £	2011 £
Profit on ordinary activities before tax	108,941	36,504
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2011 20%)	21,788	7,301
EFFECTS OF:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,452	4,182
Other differences leading to an increase (decrease) in the tax charge	(1,181)	2,194
Group relief	-	(3,122)
Marginal relief	3,934	-
CURRENT TAX CHARGE FOR THE YEAR (see note above)	25,993	10,555

8. DEBTORS

	2012 £	2011 £
Amounts owed by group undertakings	774,285	465,897
Other debtors	6,590	14,150
Deferred tax asset (see note 10)	15,375	16,556
	796,250	496,603

CAVANNA GROUP MANAGEMENT SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2012**

**9. CREDITORS.
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2012 £	2011 £
Bank loans and overdrafts	40,960	22,161
Trade creditors	3,877	2,242
Amounts owed to group undertakings	204,586	5,651
Corporation tax	25,993	10,555
Social security and other taxes	101,767	91,694
Accruals and deferred income	418,067	363,300
	<u>795,250</u>	<u>495,603</u>

10. DEFERRED TAX ASSET

	2012 £	2011 £
At beginning of year	16,556	11,271
Released during/(charge for) the period	(1,181)	5,285
	<u>15,375</u>	<u>16,556</u>
At end of year		

The deferred tax asset is made up as follows

	2012 £	2011 £
Other timing differences	<u>15,375</u>	<u>16,556</u>

11. SHARE CAPITAL

	2012 £	2011 £
ALLOTTED, CALLED UP AND FULLY PAID		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

12. RESERVES

	Profit and loss account £
Profit for the year	81,767
Dividends Equity capital	(81,767)
	<u>-</u>
At 30 November 2012	

CAVANNA GROUP MANAGEMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2012

13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2012 £	2011 £
Opening shareholders' funds	1,000	1,000
Profit for the year	81,767	31,234
Dividends (Note 14)	(81,767)	(31,234)
	<u>1,000</u>	<u>1,000</u>
Closing shareholders' funds	<u>1,000</u>	<u>1,000</u>

14. DIVIDENDS

	2012 £	2011 £
Dividends paid on equity capital	<u>81,767</u>	<u>31,234</u>

15. CONTINGENT LIABILITIES

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

16. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £213,933 (2011: £199,598). Contributions totalling £76,879 (2011: £82,783) were payable to the fund at the balance sheet date and are included in creditors.

17. 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 No 8 "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 FRS 8.

18. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

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.