

COMPANY REGISTRATION NUMBER SC153721

COFFEE PARTNERS LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED
31st MARCH 2004



COFFEE PARTNERS LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31st MARCH 2004

CONTENTS	PAGES
Officers and professional advisers	1
The directors' report	2 to 3
Independent auditors' report to the company	4
Abbreviated profit and loss account	5
Abbreviated balance sheet	6
Notes to the abbreviated accounts	7 to 16

COFFEE PARTNERS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	A Crean M J Oldfield
Company secretary	T C Mason
Registered office	Adam Ferguson House Eskmills Retail Park Musselburgh Edinburgh EH21 7PQ
Auditors	Hodgson and Company Chartered Accountants & Registered Auditors 16 Barnes Green Livingston EH54 8PP
Bankers	Girobank plc Bridle Road Bootle Merseyside GIR 0AA Bank of Scotland The Mound Edinburgh EH1 1YZ Ulster Bank Ireland Limited Monastery Road Clondalkin Eire DUBLIN 22
Solicitors	Gillespie Macandrew WS 31 Melville Street Edinburgh EH3 7JQ Jameson & Co. Trading Town Side Kilkenny

COFFEE PARTNERS LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31st MARCH 2004

The directors present their report and the financial statements of the company for the year ended 31st March 2004.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was the operation and management of coffee shops and cafes.

On 1st April 2004 the assets of the business were transferred to Compass Contract Services (UK) Limited and the company traded as an undisclosed agent on behalf of Compass Contract Services (UK) Limited from that date onwards. The situation is expected to continue for the foreseeable future.

RESULTS AND DIVIDENDS

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

DIRECTORS

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

A Crean	(Appointed 5th December 2003)
M J Oldfield	(Appointed 5th December 2003)
DS Leggate	(Resigned 5th December 2003)
SJ Senior	(Resigned 5th December 2003)
KJ Crook	(Resigned 5th December 2003)
A B Davis	(Resigned 5th December 2003)

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 pages 7 to 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.

COFFEE PARTNERS LIMITED

THE DIRECTORS' REPORT *(continued)*

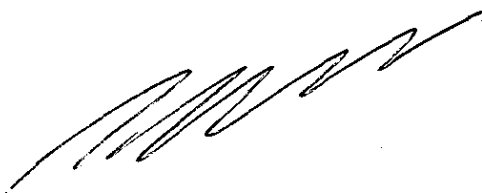
YEAR ENDED 31st MARCH 2004

AUDITORS

Hodgson and Company will resign as auditors to the company at the next annual general meeting and the position will be filled by Deloitte & Touche LLP.

Registered office:
Adam Ferguson House
Eskmills Retail Park
Musselburgh
Edinburgh
EH21 7PQ

Signed by order of the directors

A handwritten signature in black ink, appearing to be 'T C MASON', written in a cursive style.

T C MASON
Company Secretary

Approved by the directors on 29th December 2004

COFFEE PARTNERS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE COMPANY

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 5 to 16, together with the financial statements of the company for the year ended 31st March 2004 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company's shareholders, as a body, in accordance with Section 247B 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 THE DIRECTORS AND THE AUDITORS

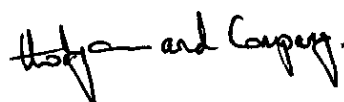
The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

BASIS OF OPINION

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act, and the abbreviated accounts on pages 5 to 16 are properly prepared in accordance with those provisions.



16 Barnes Green
Livingston
EH54 8PP

HODGSON AND COMPANY
Chartered Accountants
& Registered Auditors

29th December 2004

COFFEE PARTNERS LIMITED
ABBREVIATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31st MARCH 2004

	Note	2004 £	2003 £
GROSS PROFIT		1,888,407	1,830,651
Administrative expenses		<u>2,572,223</u>	<u>1,646,215</u>
OPERATING (LOSS)/PROFIT	2	(683,816)	184,436
Interest receivable	5	1,119	726
Interest payable	6	(77,614)	(68,649)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(760,311)	116,513
Tax on (loss)/profit on ordinary activities	7	(120,400)	19,350
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(639,911)	97,163
Extraordinary items	8	392,123	—
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(1,032,034)	97,163
Dividends	9	—	18,700
(LOSS)/RETAINED PROFIT FOR THE FINANCIAL YEAR		<u>(1,032,034)</u>	<u>78,463</u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

COFFEE PARTNERS LIMITED**ABBREVIATED BALANCE SHEET****31st MARCH 2004**

	Note	2004 £	2003 £
FIXED ASSETS			
Tangible assets	10	1,744,363	2,692,353
CURRENT ASSETS			
Stocks	11	90,414	140,274
Debtors	12	37,786	55,629
Cash at bank and in hand		205,494	160,557
		333,694	356,460
CREDITORS: Amounts falling due within one year	13	2,130,851	2,117,220
NET CURRENT LIABILITIES		(1,797,157)	(1,760,760)
TOTAL ASSETS LESS CURRENT LIABILITIES		(52,794)	931,593
CREDITORS: Amounts falling due after more than one year	14	219,513	381,020
		(272,307)	550,573
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	16	—	120,400
Other Provisions	17	310,479	—
		(582,786)	430,173
CAPITAL AND RESERVES			
Called-up equity share capital	19	6,556	6,000
Share premium account	20	19,443	—
Profit and loss account	21	(608,785)	424,173
(DEFICIENCY)/SHAREHOLDERS' FUNDS	22	(582,786)	430,173

These abbreviated financial statements have been prepared in accordance with the special provisions for medium-sized companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors on the 29th December 2004 and are signed on their behalf by:



A CREAN

COFFEE PARTNERS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31st MARCH 2004

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

Turnover

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

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Property	- over the life of the lease
Office equipment	- straight line over 5 years
Motor Vehicles	- straight line over 4 years
Cafe equipment	- straight line over 5 years

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account at a constant rate of charge on the balance of capital repayments outstanding.

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account at a constant rate of charge on the balance of capital repayments outstanding, and the capital element which reduces the outstanding obligation for future instalments.

COFFEE PARTNERS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31st MARCH 2004

1. ACCOUNTING POLICIES *(continued)*

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

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.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Deferred tax assets are recognised only to the extent that the directors consider that it is 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 is measured on an undiscounted basis at the 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.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

COFFEE PARTNERS LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 31st MARCH 2004****2. OPERATING (LOSS)/PROFIT**

Operating (loss)/profit is stated after charging/(crediting):

	2004	2003
	£	£
Depreciation of owned fixed assets	655,290	310,477
Depreciation of assets held under hire purchase and finance lease agreements	255,714	124,132
Loss/(Profit) on disposal of fixed assets	449,369	(59,276)
Auditors' remuneration		
- as auditors	6,500	10,950
Operating lease costs:		
Land and buildings	80,287	50,285
Plant and equipment	<u>59,262</u>	<u>54,243</u>

3. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2004	2003
	No	No
Number of management staff	6	14
Number of administrative staff	13	6
Number of catering staff	<u>252</u>	<u>228</u>
	<u>271</u>	<u>248</u>

The aggregate payroll costs of the above were:

	2004	2003
	£	£
Wages and salaries	2,974,544	2,598,098
Social security costs	182,213	157,249
Other pension costs	19,165	21,459
	<u>3,175,922</u>	<u>2,776,806</u>

4. DIRECTORS' EMOLUMENTS

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

	2004	2003
	£	£
Aggregate emoluments	134,600	162,511
Value of company pension contributions to money purchase schemes	<u>3,600</u>	<u>6,500</u>
	<u>138,200</u>	<u>169,011</u>

COFFEE PARTNERS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31st MARCH 2004

4. DIRECTORS' EMOLUMENTS *(continued)*

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

	2004	2003
	No	No
Money purchase schemes	<u>1</u>	<u>3</u>

5. INTEREST RECEIVABLE

	2004	2003
	£	£
Bank interest receivable	<u>1,119</u>	<u>726</u>

6. INTEREST PAYABLE

	2004	2003
	£	£
Interest payable on bank borrowing	23,883	24,094
Finance charges	51,438	32,673
Other similar charges payable	<u>2,293</u>	<u>11,882</u>
	<u>77,614</u>	<u>68,649</u>

7. TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

	2004	2003
	£	£
Deferred tax:		
(Decrease)/Increase in deferred tax provision		
Capital allowances	(209,100)	41,350
Losses	<u>88,700</u>	<u>(22,000)</u>
Total deferred tax (note 16)	<u>(120,400)</u>	<u>19,350</u>

8. EXTRAORDINARY ITEMS

	2004	2003
	£	£
Extraordinary charges	<u>392,123</u>	<u>-</u>

During the year, the company was acquired by Compass Group, UK and Ireland Limited. These costs relate to the reorganisation of the business, the writing off of invalid assets and the setting up of required accruals.

COFFEE PARTNERS LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 31st MARCH 2004****9. DIVIDENDS**

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

	2004 £	2003 £
Proposed dividend on ordinary shares	—	<u>18,700</u>

10. TANGIBLE FIXED ASSETS

	Leasehold Property £	Office equipment £	Motor Vehicles £	Cafe equipment £	Total £
COST					
At 1 April 2003	26,044	121,905	298,560	3,273,063	3,719,572
Additions	—	9,841	50,000	501,251	561,092
Disposals	—	(96,741)	(119,210)	(982,995)	(1,198,946)
At 31 March 2004	<u>26,044</u>	<u>35,005</u>	<u>229,350</u>	<u>2,791,319</u>	<u>3,081,718</u>
DEPRECIATION					
At 1 April 2003	3,202	52,011	78,952	893,054	1,027,219
Charge for the year	1,756	21,098	84,712	803,438	911,004
On disposals	—	(58,807)	(41,519)	(574,835)	(675,161)
Fair value adjustment	—	127	—	74,166	74,293
At 31 March 2004	<u>4,958</u>	<u>14,429</u>	<u>122,145</u>	<u>1,195,823</u>	<u>1,337,355</u>
NET BOOK VALUE					
At 31 March 2004	<u>21,086</u>	<u>20,576</u>	<u>107,205</u>	<u>1,595,496</u>	<u>1,744,363</u>
At 31 March 2003	<u>22,842</u>	<u>69,894</u>	<u>219,608</u>	<u>2,380,009</u>	<u>2,692,353</u>

Hire Purchase and finance lease agreements

Included within the net book value of £1,744,363 is £813,414 (2003 - £857,564) relating to assets held under hire purchase agreements, and £34,631 (2003 - £49,636) relating to assets held under finance lease agreements. The depreciation charged in the year in respect of assets held under hire purchase agreements amounted to £220,708 (2003 - £95,669), and £35,006 (2003 - £28,463) in respect of assets held under finance lease agreements.

Capital commitments

	2004 £	2003 £
Contracted but not provided for in the financial statements	—	<u>89,489</u>

COFFEE PARTNERS LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 31st MARCH 2004****11. STOCKS**

	2004	2003
	£	£
Stock	<u>90,414</u>	<u>140,274</u>

12. DEBTORS

	2004	2003
	£	£
Trade debtors	13,755	42,022
Prepayments and accrued income	<u>24,031</u>	<u>13,607</u>
	<u>37,786</u>	<u>55,629</u>

13. CREDITORS: Amounts falling due within one year

	2004	2003
	£	£
Bank loans and overdrafts	—	998,414
Trade creditors	244,023	271,153
Amounts owed to group undertakings	997,313	—
Other creditors including taxation and social security:		
PAYE and social security	47,274	36,334
VAT	167,064	190,359
Hire Purchase and finance lease agreements	348,528	287,036
Dividends payable	—	18,700
Directors current accounts	—	26,320
	<u>1,804,202</u>	<u>1,828,316</u>
Accruals and deferred income	<u>326,649</u>	<u>288,904</u>
	<u>2,130,851</u>	<u>2,117,220</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2004	2003
	£	£
Bank loans and overdrafts	<u>—</u>	<u>998,414</u>

Bank loans and overdrafts are secured in favour of the company's bankers by means of a floating charge, and a standard security over the company's assets.

14. CREDITORS: Amounts falling due after more than one year

	2004	2003
	£	£
Other creditors:		
Hire Purchase and finance lease agreements	<u>219,513</u>	<u>381,020</u>

COFFEE PARTNERS LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 31st MARCH 2004****15. COMMITMENTS UNDER HIRE PURCHASE AND FINANCE LEASE AGREEMENTS**

Future commitments under hire purchase and finance lease agreements are as follows:

	2004 £	2003 £
Amounts payable within 1 year	378,841	6,036
Amounts payable between 2 to 5 years	<u>226,237</u>	<u>723,444</u>
	605,078	729,480
Less interest and finance charges relating to future periods	<u>(37,037)</u>	<u>(61,424)</u>
	<u>568,041</u>	<u>668,056</u>
Hire purchase and finance lease agreements are analysed as follows:		
Current obligations	348,528	287,036
Non-current obligations	<u>219,513</u>	<u>381,020</u>
	<u>568,041</u>	<u>668,056</u>

16. DEFERRED TAXATION

	2004 £	2003 £
The movement in the deferred taxation provision during the year was:		
Provision brought forward	120,400	101,050
Profit and loss account movement arising during the year	<u>(120,400)</u>	<u>19,350</u>
Provision carried forward	<u>—</u>	<u>120,400</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2004		2003	
	Provided £	Unprovided £	Provided £	Unprovided £
Excess of taxation allowances over depreciation on fixed assets	—	63,000	209,100	—
Tax losses available	<u>—</u>	<u>(240,200)</u>	<u>(88,700)</u>	<u>—</u>
	<u>—</u>	<u>(177,200)</u>	<u>120,400</u>	<u>—</u>

17. OTHER PROVISIONS

	2004 £
Provision for onerous operating lease:	
Movement for year	<u>310,479</u>

COFFEE PARTNERS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31st MARCH 2004

18. COMMITMENTS UNDER OPERATING LEASES

At 31st March 2004 the company had annual commitments under non-cancellable operating leases as set out below.

	2004		2003	
	Land & Buildings £	Other Items £	Land & Buildings £	Other Items £
Operating leases which expire:				
Within 1 year	—	—	—	1,446
Within 2 to 5 years	41,992	—	43,032	51,600
After more than 5 years	25,000	—	25,000	—
	<u>66,992</u>	<u>—</u>	<u>68,032</u>	<u>53,046</u>

19. SHARE CAPITAL

Authorised share capital:

	2004 £	2003 £
10,000,000 Ordinary shares of £0.01 each	100,000	—
100,000 Ordinary shares of £1 each	—	100,000
	<u>100,000</u>	<u>100,000</u>

Allotted, called up and fully paid:

	2004		2003	
	No	£	No	£
Ordinary shares of £0.01 each	655,550	6,556	—	—
Ordinary shares of £1 each	—	—	6,000	6,000
	<u>655,550</u>	<u>6,556</u>	<u>6,000</u>	<u>6,000</u>

COFFEE PARTNERS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31st MARCH 2004

19. SHARE CAPITAL *(continued)*

On 31st March 2003, the authorised ordinary share capital of the company of £100,000 divided into 100,000 ordinary shares of £1 each was subdivided into 10,000,000 ordinary shares of £0.01 each, with each of the issued fully paid ordinary shares of £1 being divided into 100 fully paid ordinary shares of £0.01 each.

On 14th April 2003, the company introduced an Enterprise Management Incentive Scheme and granted options to key employees for 56,800 ordinary shares. The subsequent purchase of the company by Compass Group, UK and Ireland Limited triggered the exercise of these options and on 5th december 2003 options were exercised over 55,500 ordinary shares.

20. SHARE PREMIUM ACCOUNT

	2004	2003
	£	£
Premium on shares issued in the year	19,443	—
Balance carried forward	<u>19,443</u>	<u>—</u>

21. PROFIT AND LOSS ACCOUNT

	2004	2003
	£	£
Balance brought forward	424,173	346,194
(Accumulated loss)/retained profit for the financial year	(1,032,034)	78,463
Foreign currency retranslation	(924)	(484)
Balance carried forward	<u>(608,785)</u>	<u>424,173</u>

22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2004	2003
	£	£
(Loss)/Profit for the financial year	(1,032,034)	97,163
Dividends	—	(18,700)
	<u>(1,032,034)</u>	<u>78,463</u>
New equity share capital subscribed	556	—
Premium on new share capital subscribed	<u>19,443</u>	<u>—</u>
	<u>19,999</u>	<u>—</u>
	<u>(1,012,035)</u>	<u>78,463</u>
Foreign currency retranslation	(924)	(484)
Net (reduction)/addition to funds	(1,012,959)	77,979
Opening shareholders' equity funds	430,173	352,194
Closing shareholders' equity (deficit)/funds	<u>(582,786)</u>	<u>430,173</u>

COFFEE PARTNERS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31st MARCH 2004

23. POST BALANCE SHEET EVENTS

On 1st April 2004, the trade, assets and liabilities of the company were transferred to Compass Contract Services (UK) Limited and a fellow subsidiary undertaking of Compass group PLC. The trade, assets and liabilities were transferred at book value.

24. ULTIMATE PARENT COMPANY

The company's immediate parent company is Compass Group, UK and Ireland Limited, a company registered in England and Wales.

The directors consider Compass Group PLC, a company registered in England and Wales, to be the ultimate parent company and controlling entity. Copies of the company's group accounts can be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.