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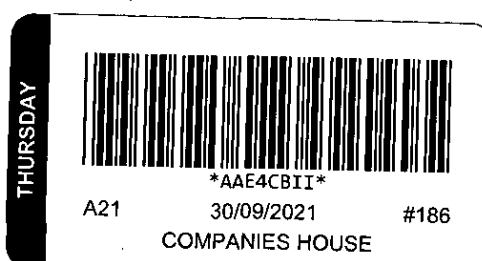
**CH & CO CATERING GROUP (HOLDINGS) LIMITED**

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**UNAUDITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**



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**CH & CO CATERING GROUP (HOLDINGS) LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	T J Jones N E H Thomas W J Toner
<b>Company secretary</b>	A Seymour
<b>Registered number</b>	09504990
<b>Registered office</b>	550 Second Floor Thames Valley Park Reading RG6 1PT
<b>Accountants</b>	Smith & Williamson LLP 4th Floor Cumberland House 15-17 Cumberland Place Southampton Hampshire SO15 2BG

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**CH & CO CATERING GROUP (HOLDINGS) LIMITED**

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## CH & CO CATERING GROUP (HOLDINGS) LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

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#### Introduction

The directors present their Strategic Report together with the unaudited financial statements for the year ended 31 December 2020.

#### Business review

##### Strategy

The Company is part of CH&CO Group (the 'Group'). The Group operates in the following sectors of the market: Workplaces, Destinations, Events, Venues, Livery and Education.

##### Principal risks and uncertainties

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk and credit risk. These are summarised below.

##### *Interest rate risk*

The Group is financed through a mixture of bank debt, loan notes from shareholders and equity investment. Interest rates are at a historic low and the perceived risk from any significant impact from future interest rate movements is very low.

##### *Liquidity risk*

Since the end of March 2020, the coronavirus pandemic has impacted markets and companies across the world. This has negatively impacted the operating results of the Group and introduced greater uncertainty regarding the Group's financial projections for trading and liquidity. The resulting economic uncertainties have altered the risk environment such that in the short to medium term the key operating and financial risks to the Group now include a reduction in customer demand, and catering facilities suffering from staff absence due to sickness or having enforced social distancing rules and the resultant impact on worker productivities and volumes.

The directors reacted promptly to the impact of the above challenges with a number of key short-term actions across the business to ensure continuity of operations. This included taking extra steps to safeguard the health and safety of employees, working closely with suppliers to maintain supply of raw materials and communicating regularly with customers.

The directors have reviewed liquidity forecasts prepared by management covering a period of more than 12 months from the date of approval of these financial statements. Cashflow forecasts are derived from the detailed P&L forecasts. Forecast cashflows include the repayment of any deferred amounts owing to HMRC and deferred consideration arising from acquisitions during 2019. The forecast has been prepared on a "reasonable worstcase scenario" basis. All relevant factors and information have been considered, including detailed conversations with our clients and input from industry bodies such as UK Hospitality (who in turn are in regular dialogue with Government bodies).

Please refer to the Going concern section in the Directors' Report for further details.

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## CH & CO CATERING GROUP (HOLDINGS) LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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#### *Credit risk*

The Group's principal assets are cash, trade receivables and tangible fixed assets. Trade receivables are reviewed on a regular basis to ensure they are collectable. The Group has a quality client list and the underlying businesses have historically had very few instances of collection losses. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of cash flows.

#### *Commercial risks*

The principal immediate commercial risk to the business is the recovery of the business from the impact of the Covid-19 pandemic. We have taken extensive steps to work with all our stakeholders to ensure that this recovery is as speedy and effective as possible. We are working very closely with all our clients to ensure that we are aligned with their reopening plans and we are ensuring that we have adequate people and resources to meet the increased demand. In similar ways we are planning extensively with our supplier partners to secure the supply of quality product into all our sites.

As well as the immediate risk of the recovery from the pandemic the ongoing commercial risk is to ensure that we retain our existing client base as well as growing organically. Our strategy is to be the market leading provider of food and hospitality services in our chosen sectors and to attract and retain the best people. We will continue to deliver growth for our investors and shareholders through both organic growth and acquisition. We will ensure value for money for our clients and customers by using the combined resources of the Group to leverage efficiencies and cost-effective solutions

#### **Financial key performance indicators**

Due to the nature of the Company's operations, the directors do not monitor key performance indicators.

#### **Future developments**

The directors are cautiously optimistic about future trading, as the Group emerges from the impact of the global pandemic. The Group's business activities have flexed significantly to reflect the reduced demand during 2020, demonstrating resilience which is a tribute to the strength of its people and the relationship with all its stakeholders.

The Group has been awarded further prestigious contracts subsequent to the period end and the pipeline for new business prospects is strong.

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## CH & CO CATERING GROUP (HOLDINGS) LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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#### **Directors' statement of compliance with duty to promote the success of the Group in accordance with s172(1) Companies Act 2006**

In accordance with section 172 of the UK Companies Act 2006, in its decision making the Directors considers the interests of the Group's employees and other stakeholders. The Directors understand the importance of considering the views of all stakeholders and considers the impact of the Company's activities on the communities in which it operates, the environment and the Group's reputation. In its decision making, the Directors also consider what is most likely to promote the success of the Company for its stakeholders in the long term.

Information about our stakeholders and how the Directors discharge their duties having regard to Corporate Governance is available throughout this report.

The Directors considers their key stakeholders to be Our People; Our Clients and Customers; Our Investors and Lenders; Our Suppliers and Our Communities and Environment.

The Directors are committed to enhancing engagement with all our stakeholders. In addition to the methods of engagement described below, the interests of our stakeholder groups are considered by the Directors through a combination of:

- Regular reports and presentations at scheduled Director and Senior Management meetings, including operational reports presented by the CEO and COO and updates from senior management on health and safety; CSR; compliance and people matters (including employee engagement); supply chain and investor and lender feedback
- A rolling agenda of matters to be considered by the Directors throughout the period including a strategy review which considers the strategy to be followed by the Group, which is supported by a budget for the following year and a medium-term financial plan
- Formal consideration of large sales and retention bids
- The work of various committees of the Board of Directors including the Audit and Remuneration Committees.

The Board was comprised of the following individuals during the period:

Tim Jones – Chairman of the Board and the Audit and Remuneration Committees

Bill Toner – CEO and member of the Remuneration Committee

Nick Thomas – CFO and member of Audit and Remuneration Committees

Madeleine Musselwhite – Non-Executive Director

Dominic Geer – Investment Director and member of Remuneration Committee

Ed Baker – Investment Director and member of Audit Committee

Remuneration and benefits are determined by the Global Job Grading Matrix. All new roles are benchmarked internally and externally. Annual performance reviews are conducted and these go forward into pay reviews. All senior roles and remuneration are approved by the Remuneration Committee. The Remuneration Committee assesses and benchmarks the remuneration of the Board of Directors.

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## CH & CO CATERING GROUP (HOLDINGS) LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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#### **Our People**

Our people are at the heart of our business and are critical to achieving our goals. Our shared values as a Group are Inclusive; Inquisitive and Uplifting. These values describe our culture and how it feels to work at CH & CO. They underpin all our activities and makes us successful both individually and as a company.

We seek feedback from our people through companywide engagement platforms such as SharePoint and Unlock and fortnightly all business Exec Live Updates on Teams. Through Unlock we have the online facility to "Meet the Leadership Team" and "Ask a Question". The feedback from these platforms, as well as regular team gatherings and conferences ensure that decisions made by the Directors that affect our people are better informed by the views of our people.

The Group invests in Learning and Development for all its team at every level and sees this investment as a long-term benefit in terms of engagement and retention. Emphasis is applied to apprenticeships and, whilst many programs are offered, attention has been given primarily to chef apprentices. This investment will bring benefit to not only the Group and its clients but also long-term benefit to the sector where it is widely recorded that there is a serious shortage of chefs.

Throughout the period the Group and its employees continued to be recognised with several individual and corporate industry awards being won.

#### **Our Clients and Customers**

As a national business operating in multiple market sectors, our clients and customers are many and varied. Our business is built on our ability to retain existing and win new clients and customers. As such, understanding, engaging with and responding to customer needs is a critical priority. Whilst the demands vary significantly, at the most basic level our clients and customers seek to procure quality food and service at a price they feel is value for money. This requires us to have a deep understanding of their sector specific needs and the ability to deliver services effectively.

The CEO, COO and all our senior operational personnel meet directly with our clients on a regular basis. Members of the Board meet regularly and throughout the period visit our different operations and engage with customers. The CEO and COO updates give feedback on our markets; customers and operational performance to our Directors at every meeting. Our Divisional and Sector MDs present regularly to the Board of Directors on matters such as operations and customer satisfaction and key retention issues. In addition, a Business Development report is presented and reviewed at each Director meeting.

Quality of food and service delivery are always at the heart of our engagement with clients and customers. increasingly there is a focus on innovation and our ability to respond to customer and client trends as well as focus on environmental and social responsibility matters.

Feedback from, and engagement with our key client and customer stakeholders, informs the Director's decision making on its approach to new sales bids and retention activity as well as resource allocation and approach to new markets and opportunities.

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## CH & CO CATERING GROUP (HOLDINGS) LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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#### **Our Investors and Lenders**

Engagement with and receiving the support of our investors and lenders is a key factor in achieving our goals as a group. We seek long term relationships based on transparency and honesty all of which are critical to building trust.

Investors and lenders are concerned with a broad range of issues including financial and operational performance, developments in our market, execution and delivery of our strategy and the sustainability of our business. Of interest is our continued ability to grow in a sustainable way both through organic growth and M&A activity.

Investors and lenders receive monthly management information on financial performance as well as regular business updates from the CFO and CEO.

The key topics of engagement with investors and lenders include developments in our markets and competitive landscape and opportunities for M&A.

Engagement with our investments and lenders helped influence our decisions in the period to acquire Vacherin.

Engagement with our investors and lenders was critical in shaping the re-financing solution implemented in May 2020 to ensure that the Group had sufficient liquidity to manage through the pandemic and beyond.

#### **Our Suppliers**

Our suppliers have a critical role to play in CH&CO being a market leader in foodservice catering. We aim to build honest, respectful and transparent relationships with suppliers who share our values; ethical standards and commitment to sustainability throughout the supply chain.

Our suppliers are concerned with conduct and ethics, long-term partnerships, mutual growth, driving innovation and fair business terms.

We engage with our suppliers through direct relationships with the CEO, COO and CFO and Heads of Procurement and Supply Chain as well as through our Culinary and Operational teams.

We have worked very closely with our key suppliers during the period to develop a market leading supply chain solution called Project 2020. Through this solution we have consolidated the distribution of our products into a single principal distribution partner. This will significantly improve the environmental impact of our supply chain, with a material reduction in our road miles and carbon emissions. In turn the new distribution solution will give us greater flexibility on the products and suppliers that we can use through our supply chain which will have benefits for our clients and customers.



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## CH & CO CATERING GROUP (HOLDINGS) LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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#### Our Community and Environment

We are committed to limiting the impact of our operations on the environment through more sustainable business practices for our stakeholders and the communities in which we operate.

Our communities are primarily concerned with the impact of our operations on the local community, economy and environment and that we operate and conduct our business as a responsible operator.

We engage with our communities through the regular and frequent interaction of the Directors and operational teams with all our client sites and venues.

The Group's business plan determines its approach to Corporate Social Responsibility ('CSR'). It incorporates a bespoke programme, called 'Planet' that helps apply CSR policies to day-to-day operations. As holders of the top level 3-star rating with the Sustainable Restaurant Association (SRA), the Group's CSR strategy and objectives are based on the three structural pillars of this award:

- Sourcing – Targets are based on reduction of road miles, use of local suppliers and SMEs. Initiatives such as Project 2020 will support this, and working with bodies such as the Marine Conservation Society (MCS) demonstrate wider commitment;
- Environment – This pillar aims to minimise impact on the environment, for example by reducing single-use plastics;
- Society – RoSPA Gold ensures a safe environment for employees and customers. Community and industry are supported through apprenticeships, diversity training and paid days leave for managers and supervisors to work with local charities and community bodies, additionally working with industry charities such as Springboard and Hospitality Action. We are also an accredited Disability Confident employer and an active member of Stonewall.

We have retained key accreditations across the Group including ISO14001, ISO9001 and OHSAS18001.

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



N E H Thomas (Sep 29, 2021, 10:12 AM GMT+0)

**N E H Thomas**  
Director

Date: 29/09/2021

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## CH & CO CATERING GROUP (HOLDINGS) LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

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The directors present their report and the financial statements for the year ended 31 December 2020.

#### Principal activity

The principal activity of the Company is to act as an intermediate holding company for the Group headed by Orchestra Topco Limited, whose principal activity is that of a catering business Group providing catering and service solutions to a diverse range of customers in the outsourced foodservice market.

#### Results and dividends

The profit for the year, after taxation, amounted to £12k (2019: loss £311k).

The directors do not recommend payment of a final dividend (2019: £Nil).

#### Directors

The directors who served during the year were:

T J Jones  
N E H Thomas  
W J Toner  
M S Musselwhite (resigned 30 June 2020)  
T Waldron (resigned 30 June 2020)

#### Engagement with employees

The flow of information to staff across the Group is a key focus for the directors. The directors' engagement with employees of the Group is discussed in detail in the 'Our People' section of our s172 Statement.

#### Disabled employees

The Group is committed to a policy of recruitment and promotion on the basis of aptitude and ability without discrimination of any kind. Management actively pursues both the employment of disabled persons whenever a suitable vacancy arises and the continued employment and retraining of employees who become disabled whilst employed by the Group. Particular attention is given to the training, career development and promotion of disabled employees with a view to encouraging them to play an active role in the development of the Group.

#### Qualifying third party indemnity provisions

The Company provides qualifying third-party indemnity provision to its Directors against liability in respect of proceedings brought by third parties

#### Matters covered in the Strategic Report

Where necessary, disclosures relating to principal risks & uncertainties and future developments have been made in the Strategic Report and have not been repeated here in accordance with Section 414C of the Companies Act 2006.

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## CH & CO CATERING GROUP (HOLDINGS) LIMITED

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### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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#### Corporate Governance arrangements

The Directors have adopted and implemented the Wates Corporate Governance principles for the year ended 31 December 2020. Details of how the Directors have applied the Wates Principles 1, 2, 4 and 5 regarding Purpose and Leadership, Board Composition, Opportunity and Risk, and Remuneration, respectively, are included in the Strategic Report. Details in respect of Principles 3 and 6 regarding Director Responsibilities and Stakeholder Relationships and Engagement, are included within this Report of the Directors and in the s172(1) statement, respectively.

#### Subsequent events

Subsequent to the statement of financial position date, the Covid-19 pandemic has continued to impact the business and the impact of this has been considered on the financial statements up to the date of signing. The impact on the going concern assessment has been considered in note 2.4.

The Group has worked very closely with its clients over the pandemic to help to restructure contracts in a way that provides optimum service at optimum cost for all parties. We are delighted with the way in which our clients and operational teams and support teams have responded to the challenges of these unique times.

Working in conjunction with our clients and with insights from industry bodies and Government, we have prepared financial forecasts on the basis of "reasonable worst-case scenario" for each contract and for each of the sectors in which we operate.

The experience of the pandemic has given us confidence that we have deep and long-term relationships with our client base, and we are confident of our ability to recover the business quickly as we emerge from the pandemic.

#### *Changes in tax rates and factors affecting the future tax charge*

The March 2021 Budget announced a further increase to the main rate of corporation tax to 25% from April 2023. This rate has not been substantively enacted at the statement of financial position date, as result deferred tax balances as at 31 December 2020 continue to be measured at 19%.

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



Nick Thomas - Sep 2021 2021 31 12 01:00:01

**N E H Thomas**

Director

Date: 29/09/2021

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## **CH & CO CATERING GROUP (HOLDINGS) LIMITED**

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### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020**

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The directors are responsible for preparing the Strategic Report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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 judgements and accounting 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; 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 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 to 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.

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## CH & CO CATERING GROUP (HOLDINGS) LIMITED

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### ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF CH & CO CATERING GROUP (HOLDINGS) LIMITED FOR THE YEAR ENDED 31 DECEMBER 2020

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In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of CH & Co Catering Group (Holdings) Limited for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes from the Company's accounting records and from information and explanations you have given us.

We are subject to the ethical and other professional requirements of the Institute of Chartered Accountants in England and Wales (ICAEW), which are detailed at <https://www.icaew.com/regulations>.

It is your duty to ensure that CH & Co Catering Group (Holdings) Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of CH & Co Catering Group (Holdings) Limited. You consider that CH & Co Catering Group (Holdings) Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of CH & Co Catering Group (Holdings) Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

#### Use of this report

This report is made solely to the board of directors of CH & Co Catering Group (Holdings) Limited, as a body, in accordance with the terms of our engagement letter dated 29 April 2021. Our work has been undertaken solely to prepare for your approval the financial statements of CH & Co Catering Group (Holdings) Limited and state those matters that we have agreed to state to the board of directors of CH & Co Catering Group (Holdings) Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than CH & Co Catering Group (Holdings) Limited and its board of directors, as a body, for our work or for this report.

*Smith & Williamson*

Smith & Williamson (Sep 20 2021 11:04 GMT+1)

#### Smith & Williamson LLP

4th Floor Cumberland House  
15-17 Cumberland Place  
Southampton  
Hampshire  
SO15 2BG

Date: 29/09/2021

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CH & CO CATERING GROUP (HOLDINGS) LIMITED

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STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2020

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	Note	2020 £	2019 £000
Cost of sales		-	(12)
<b>Gross profit/(loss)</b>		-	(12)
Administrative expenses		12	(299)
<b>Operating profit/(loss)</b>		12	(311)
<b>Profit/(loss) before tax</b>		12	(311)
Tax on profit/(loss)	6	-	-
<b>Profit/(loss) for the financial year</b>		12	(311)

There was no other comprehensive income for 2020 (2019: £Nil).

The notes on pages 14 to 20 form part of these financial statements.

**CH & CO CATERING GROUP (HOLDINGS) LIMITED**  
**REGISTERED NUMBER:09504990**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2020**


	Note	2020 £000	2019 £000
<b>Current assets</b>			
Debtors: amounts falling due within one year	7	26	108,829
Cash at bank and in hand		3,810	106
		<u>3,836</u>	<u>108,935</u>
Creditors: amounts falling due within one year	8	(3,131)	(108,242)
<b>Net current assets</b>		<u>705</u>	<u>693</u>
<b>Net assets</b>		<u>705</u>	<u>693</u>
<b>Capital and reserves</b>			
Called up share capital	9	1	1
Share premium account	10	1,037	1,037
Retained earnings	10	(333)	(345)
<b>Shareholders' funds</b>		<u>705</u>	<u>693</u>

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The Company was entitled to exemption from the requirement to have an audit under section 479A of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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

  
 N E H Thomas

Director

Date: 29/09/2021

The notes on pages 14 to 20 form part of these financial statements.

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**CH & CO CATERING GROUP (HOLDINGS) LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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	<b>Called up share capital £000</b>	<b>Share premium account £000</b>	<b>Retained earnings £000</b>	<b>Total equity £000</b>
<b>At 1 January 2019</b>	<b>1</b>	<b>1,037</b>	<b>(34)</b>	<b>1,004</b>
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(311)	(311)
<b>At 1 January 2020</b>	<b>1</b>	<b>1,037</b>	<b>(345)</b>	<b>693</b>
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	12	12
<b>At 31 December 2020</b>	<b>1</b>	<b>1,037</b>	<b>(333)</b>	<b>705</b>



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## CH & CO CATERING GROUP (HOLDINGS) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1. General information

CH & Co Catering Group (Holdings) Limited is a private company, limited by shares, domiciled and incorporated in England and Wales (registered number: 03610591). The registered office address is 550 Second Floor, Thames Valley Park, Reading, RG6 1PT.

The Company's functional and presentational currency is GBP.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

##### 2.2 Financial reporting standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

The information is included in the consolidated financial statements of Orchestra Topco Limited as at 31 December 2020 and these financial statements may be obtained from Companies House.

##### 2.3 Exemption from preparing consolidated financial statements

The Company is a parent company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

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## CH & CO CATERING GROUP (HOLDINGS) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 2. Accounting policies (continued)

##### 2.4 Going concern

The directors have made an assessment in preparing these financial statements as to whether the Company is a going concern and have concluded that there are no material uncertainties that may cast doubt on the Company's ability to continue as a going concern.

Should the Company require financial support to meet its obligations as they fall due for payment, the Company has received a letter of support from Orchestra Topco Limited, their ultimate parent company. The directors have assessed the ability of Orchestra Topco to provide this support, and have concluded that they believe that company will be able to provide financial support as required. The directors therefore consider it appropriate that the financial statements are prepared on a going concern basis.

##### 2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### 2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

##### 2.7 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

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## CH & CO CATERING GROUP (HOLDINGS) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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## 2. Accounting policies (continued)

### 2.8 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value.

#### Financial assets

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

#### Debt instruments at amortised cost

Debt instruments are subsequently measured at amortised cost where they are financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and selling the financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Amortised cost is calculated using the effective interest method and represents the amount measured at initial recognition less repayments of principal plus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

#### Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised or at FVOCI. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime ECL for trade receivables and amounts due on contracts with customers. The expected credit losses on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

#### Financial liabilities

#### At amortised cost

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

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## CH & CO CATERING GROUP (HOLDINGS) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 2. Accounting policies (continued)

##### 2.9 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

#### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

The Company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

##### *Impairment of investments*

Impairment reviews in respect of financial assets are performed if events indicate that this is necessary. Impairment reviews are based on future cash flows discounted using the weighted average cost of capital. The future cash flows are based on business forecasts, and the discount rates used are dependent on management estimates and judgements. Future events could cause the assumptions used in these impairment reviews to change with a consequent impact on the results and net position of the Company.

#### 4. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2019: £Nil).

#### 5. Directors' remuneration

The directors are remunerated through other group companies. No charge has been made to the Company in the year (2019: £Nil) and no amount has been accrued at the year end.

**CH & CO CATERING GROUP (HOLDINGS) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**6. Taxation**

	<b>2020 £000</b>	<b>2019 £000</b>
<b>Total current tax</b>	-	-
<b>Deferred tax</b>		
<b>Total deferred tax</b>	-	-
<b>Taxation on profit on ordinary activities</b>	-	-

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2019: higher than) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	<b>2020 £000</b>	<b>2019 £000</b>
Profit/(loss) on ordinary activities before tax	<b>12</b>	<b>(311)</b>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	<b>2</b>	<b>(59)</b>
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	57
Group relief surrendered	<b>(2)</b>	<b>2</b>
<b>Total tax charge for the year</b>	-	-

**Factors that may affect future tax charges**

The March 2021 Budget announced a further increase to the main rate of corporation tax to 25% from April 2023. This rate has not been substantively enacted at the statement of financial position date, as result deferred tax balances as at 31 December 2020 continue to be measured at 19%.

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CH & CO CATERING GROUP (HOLDINGS) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

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7. Debtors

	2020 £000	2019 £000
Amounts owed by group undertakings	-	108,803
Other debtors	26	26
	<u>26</u>	<u>108,829</u>

Amounts owed by group undertakings are repayable on demand

8. Creditors: Amounts falling due within one year

	2020 £000	2019 £000
Amounts owed to group undertakings	3,131	108,230
Accruals and deferred income	-	12
	<u>3,131</u>	<u>108,242</u>

Amounts due to group undertakings are repayable on demand.

9. Share capital

	2020 £000	2019 £000
<b>Allotted, called up and fully paid</b>		
998,798 Ordinary shares of £0.001 each	<u>1</u>	<u>1</u>

10. Reserves

**Share premium account**

The share premium account is used to record the aggregate amount or value of premiums paid when the Company's shares are issued at an amount in excess of nominal value.

**Retained earnings**

This reserve relates to the cumulative retained earnings less amounts distributed to shareholders.

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## CH & CO CATERING GROUP (HOLDINGS) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 11. Related party transactions

As a wholly owned subsidiary undertaking of an ultimate parent undertaking whose financial statements are publicly available, the Company has taken advantage of the exemption available under "FRS 101 Reduced Disclosure Framework" and has not disclosed transactions with other wholly owned members of the Group.

#### 12. Events after the reporting date

Subsequent to the statement of financial position date, the Covid-19 pandemic has continued to impact the business and the impact of this has been considered on the financial statements up to the date of signing. The impact on the going concern assessment has been considered in note 2.4.

The Group has worked very closely with its clients over the pandemic to help to restructure contracts in a way that provides optimum service at optimum cost for all parties. We are delighted with the way in which our clients and operational teams and support teams have responded to the challenges of these unique times.

Working in conjunction with our clients and with insights from industry bodies and Government, we have prepared financial forecasts on the basis of "reasonable worst-case scenario" for each contract and for each of the sectors in which we operate.

The experience of the pandemic has given us confidence that we have deep and long-term relationships with our client base, and we are confident of our ability to recover the business quickly as we emerge from the pandemic.

##### *Changes in tax rates and factors affecting the future tax charge*

The March 2021 Budget announced a further increase to the main rate of corporation tax to 25% from April 2023. This rate has not been substantively enacted at the statement of financial position date, as result deferred tax balances as at 31 December 2020 continue to be measured at 19%.

#### 13. Controlling party

The Company's immediate parent is Orchestra Bidco Limited, a company registered in England and Wales.

The Company's ultimate parent undertaking is Orchestra Topco Limited, a company registered in England and Wales.

The smallest and largest group of undertakings for which group accounts for the period ending 31 December 2020 have been drawn up is that headed by Orchestra Topco Limited. Copies of the group accounts are available from Companies House.

The directors do not consider there to be an ultimate controlling party.