Registered number: 11795592

ORCHESTRA TOPCO LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

ORCHESTRA TOPCO LIMITED

COMPANY INFORMATION

Directors	E Baker D C E Geer T J Jones M S Musselwhite N E H Thomas W J Toner
Company secretary	A Seymour
Registered number	11795592
Registered office	550 Second Floor Thames Valley Park Reading RG6 1PT

ORCHESTRA TOPCO LIMITED

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GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

Principal activity

The principal activity of the Group during the year was that of operating a group of specialist corporate and commercial catering businesses providing catering and service solutions to a diverse range of customers in the outsourced food service market. The Group operates in the following sectors of the market: Workplaces, Destinations, Events, Venues, Livery and Education.

Introduction

Orchestra Topco Limited is the ultimate holding company of all catering subsidiaries, that trade under various brands, including CH&Co, Gather & Gather and Vacherin (otherwise known as the CH&Co Group). The Directors present their strategic report together with the audited consolidated and company financial statements for the period ended 31 December 2020.

The Strategic Report sets out for stakeholders the environment in which the Group "CH&CO" exists, the strategy that the Directors set in the context of that environment and the resulting performance for the period ended 31 December 2020.

The prior period was an 11-month period from incorporation on 29 January 2019 to 31 December 2019 however the Parent Company only started trading on 1 June 2019 and therefore the comparative results is not entirely comparable.

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.

Business review

Along with the rest of the hospitality and foodservice sector, the most significant impact on business performance in 2020 was the Covid-19 pandemic. For much of the period between March and December 2020 large sections of the business were unable to trade or when open were unable to trade at full capacity because of Covid restrictions. This environment had a material adverse impact on financial performance in the period.

The Key Performance Indicators (KPIs) of the Group are related to Turnover; Gross profit/(loss); Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) excluding exceptional items; Cashflow from Operating Activities and Loss after tax.

KPIs are monitored against both prior period and Budget. For KPIs relating to Turnover the Directors set targets for new contract wins as well as retention.

Measurement of performance against these KPIs in 2020 was made extremely difficult because of the impact of the pandemic. For the first quarter of 2020 before the onset of the pandemic, the Directors were pleased that performance against all KPIs was ahead of both prior year and budget.

Following on from the onset of the pandemic performance against KPIs was monitored against detailed forecasts that reflected the constantly evolving circumstances of the pandemic.

Comparison of KPIs against prior period is made difficult in the Financial Statements because of the pandemic and the added factor that 2019 was a shorter period.

The Group's key financial performance indicators during the period were as follows:

	2020	*2019*
	£000	*£000*
Turnover	**208,624**	*235,546*
Gross (loss)/profit	**(32,515)**	*39,791*
EBITDA excluding exceptional items, goodwill & intangible asset impairment and release of contingent deferred consideration	**(126)**	*23,892*
Exceptional costs	**(18,586)**	*(10,235)*
Release of contingent and deferred consideration	**13,427**	-
Goodwill and intangible fixed asset impairment	**(64,607)**	-
Cash outflow from Operating Activities	**(16,490)**	*(12,465)*
Loss after tax	**(116,698)**	*(13,341)*

Gross(loss)/profit in 2020 is after accounting for the costs of employees on the Job Retention scheme in excess of £52m in the period.

Exceptional items in 2020 relate to:

- Transaction costs relating to M&A in the period are £1.0m *(2019: £8.7m)*
- Costs relating to the restructuring and integration of acquired business are £0.8m *(2019: £0.6m)*
- Restructuring costs in response to the prolonged reduction in activity levels as a result of the pandemic restrictions £13.4m *(2019: £Nil)*
- Exit costs relating to the closure of a regional office and consolidation of support functions £Nil *(2019: £0.7m)*
- Other exceptional costs including site exit costs, refinancing and development of systems and processes £3.4m *(2019: £0.3m)*

The Group utilised the Coronavirus Job Retention Scheme (CJRS) from March 2020 onwards, and received income of £52m in the period. This scheme supported the business throughout the pandemic, in conjunction with the cost control measures outlined elsewhere in this report. The income is considered 'Other income' and is included in the EBITDA excluding exceptional items above.

The financial performance of the Group was assessed throughout the period through the provision of divisional management accounts and detailed analysis of changing business performance. This was in turn supported by analysis of performance at the contract level - with focus on delivering against both sales and gross margin targets and revised forecasts. Group overheads are set in order to allow the necessary level of central resourcing to effectively support our sites and our clients.

The Group also monitors its liquidity position through daily reporting of operating cash generation and forecast cash generation, supplemented by detailed short-term cash-forecasting and monitoring of the key components within working capital against target drivers such as aged debt profiles.

The Group maintains a positive relationship with its lenders and funding partners. The period of these financial statements has been dominated by the Covid-19 global pandemic. It has been well documented that the food and hospitality sectors have been hardest hit by the economic impact of the pandemic. The Directors took decisive action at the start of the pandemic to reduce costs in line with falling revenue, to inject equity capital of £15.8m into the business to eliminate any liquidity issues and to cement existing client and stakeholder relationships, in readiness for the business emerging from the downturn after the pandemic.

The principal changes in the Group's balance sheet are:

- Intangible Assets £253m *(2019: £312m)*. The reduction reflects the Goodwill and Intangibles asset impairment of £65m and is primarily a function of the downturn in anticipated revenues in acquired business over 2020 and subsequent years until revenues build back to pre-Covid levels. This is explained in detail in note 16 to the Financial Statements.
- Trade and Other Receivables £58m *(2019: £95m)*. The reduction reflects the downturn in activity and revenues in 2020 due to the impact of Covid-19 restrictions on the business.
- Trade and Other Liabilities £63m *(2019: £103m)*. As with Trade Receivables, the year-on-year reduction reflects the downturn in activity in 2020 as a result of Covid-19 restrictions.
- Loans and borrowings £362m *(2019: £292m)*. The increase in borrowings is as a result of financing the Vacherin acquisition; fully drawing existing RCF and Acquisition facilities; equity injection from the shareholders and accrued interest on existing investor loan notes.

The principal matters to note in the Group cashflow are:

- The total of non-cash adjustments in the period was £99.6m *(2019: £27.5m)*. The increase in non-cash adjustments year on year was predominantly driven by the impairment of goodwill and intangibles £65m *(2019: £Nil)* and accrued interest of £21m *(2019: £7m)*. Time to Pay arrangements with HMRC have been utilised in the year deferring £18m of tax payments due, into 2021/2022.
- Net cash used in operations was £15.2m *(2019: £11.6m)*.
- Acquisition of the Vacherin subsidiary in the period utilised £13.7m of net cash *(2019: £116m on Acquisitions)*.

A prior period adjustment has been recognised in respect of the accounting for Right of Use assets and liabilities under IFRS 16 in the prior year, as an embedded lease on a specific contract was incorrectly recognised. Please see note 25 for further details on this.

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 worst-case 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.

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. After adoption of IFRS 9 since inception, as further described in note 1 to the financial statements, a provision for impairment is made for expected credit losses, estimated with reference to average of historical losses.

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.

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.

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.*

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.

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.

Key Decisions Taken in the Year

The key decisions taken in the year were predominantly related to the Covid-19 pandemic and how best to navigate the business through the impact of the pandemic to ensure the long-term success of the company and to balance the interests and needs of all our key stakeholders.

Our people were hugely affected by the pandemic. The Board of Directors took all possible steps to use all available assistance in the various Job Retention schemes to protect as many jobs as possible and to ensure that the business was adequately funded to safeguard the livelihood of those who were able to continue working through the pandemic. We did, unfortunately, have to consult with our workforce and go through a rigorous restructuring programme which resulted in a number of redundancies in both May 2020 and October 2020. This was to ensure we had the appropriate workforce base to guide us through the pandemic and to be able to rebuild afterwards.

We worked extremely closely with all our clients and customers throughout the pandemic to ensure that our offer and services adapted to their continuously changing needs.

We engaged with our Investors and Lenders constantly throughout the pandemic and in the crucial decisions around refinancing the business and the reset of our banking covenants. We undertook refinancing in May 2020, whereby an additional £15m of cash was injected by shareholders, along with additional borrowing of £10m from lenders along with an additional RCF facility of £5m which was made available.

We also were closely engaged with our Investors and Lenders in the decision to acquire Vacherin which was strategically important to cement our market position as a leading high-quality Workplace caterer in the London and City market. The Investment Committee strategically appraise any potential acquisitions, and the opportunity was taken to strengthen our high-end London workplace catering business with the addition of Vacherin to our portfolio. The acquisition was funded via our acquisition draw down facility.

Our engagement with our suppliers and principal distribution partner was critical to the way in which we adapted our services to suit our changing client needs during the pandemic and has been key in our planning as we remobilise the business as we emerge from the pandemic.

The implementation of our consolidated distribution solution Project 2020 will have a significant beneficial impact on the environment and communities in which we operate with the reduction of the number of deliveries that this solution brings.

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

W J Toner
Director

Date: 11 June 2021

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

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

Ultimate Controlling Party

There is not considered to be a single ultimate controlling party based on the ownership structure of Orchestra Topco Limited.

The largest and smallest group of undertakings for which group accounts are drawn up and of which the Company is included is the group headed by Orchestra Topco Limited.

Results and dividends

The loss for the year, after taxation, amounted to £116,662k *(2019: £13,341k)*.

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

Directors

The directors who served during the year were:

E Baker
D C E Geer
T J Jones
M S Musselwhite (appointed 26 November 2020)
N E H Thomas
W J Toner

Financial and operational risks

The impact of financial risk management and the associated objectives and policies have been discussed in detail with respect to interest rate risk, credit risk and liquidity risk in the strategic report and in respect of the consolidated financial statements in the accounting policies.

Political donations

During the period, there were no political donations made by the Company.

Employment of disabled persons

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.

Employee involvement

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.

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.

Future developments

All likely future developments of the business have been disclosed with the Strategic Report.

Subsequent events

Subsequent to the reporting date, the COVID-19 pandemic has continued to impact the business up to the date of signing the financial statements. Please refer to the going concern assessment on pages 14 and 15 of this report for further details.

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 balance sheet date, as result deferred tax balances as at 31 December 2020 continue to be measured at 19%. If all of the deferred tax was to reverse at the amended rate the impact to the closing deferred tax position would be to increase the deferred tax liability by £8,344k.

Going Concern

The going concern position of the Company is intrinsically linked to that of the Group and is therefore considered as part of the directors' going concern assessment of the wider group. The consolidated financial statements have been prepared on a going concern basis, with net liabilities of £90m at 31 December 2020 and a loss of £117m for the year then ended.

The nature and speed of recovery from the Covid-19 pandemic is critical to the basis of preparation of the Group's financial forecast. The revenue and contract profit forecasts have been prepared with a base case and a "reasonable worst-case" scenario. 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).

Contract by contract forecasts have been prepared on a bottom up basis. These contract forecasts are based upon the known plans of our clients and factor in their planning on re-opening contracts and numbers on site (or visitor numbers etc.).

The majority of overhead costs are employee costs, and these have been built up on a person by person basis. The balance of overhead costs are predominantly fixed, well-controlled and have been built into the forecast. Cashflow forecasts are derived from the detailed profit and loss forecasts. There are no assumptions about changes in working capital cycles that would generate improvements in our cash position. Forecast cashflows include the repayment of any deferred amounts owing to HMRC and deferred consideration arising from the acquisitions in 2019.

The reasonable worst case forecast incorporates an £80m reduction in sales between 1 April 2021 and 31 December 2022, versus the base case forecast.

Our base case and reasonable worst case forecasts show the Group's compliance with its financial covenants at each quarter end to 31 December 2022, a period of at least 12 months after the date of this report.

The way that the Group has managed through the recent pandemic is evidence of its resilience and ability to adapt its cost base to weather any future downturn.

The ability of the Company and Group to achieve its future profit and cash flow projections cannot be predicted with certainty due to the ongoing potential impact of the COVID-19 global pandemic, in respect of current and future UK national and/or local restrictions affecting the Group's ability to operate across its customers' sites. Should the recovery in activity levels not meet the reasonable worst-case forecasts, further cost reduction measures would be enacted in the first instance.

Failure of the Company and the Group to meet these projections may adversely impact its ability to meet its banking facility covenants, without further support from its shareholders, which is not contractually committed at the date of signing, or which would require covenants to be re-negotiated. These circumstances indicate a material uncertainty that may cast significant doubt on the Company and the Group's ability to continue as a going concern for the foreseeable future.

The Group's banking arrangements provide flexible arrangements for the shareholders to inject further equity capital, if required, to supplement the Group's EBITDA and liquidity measures, for covenant testing purposes, in advance of any anticipated breach. The Directors have satisfied themselves that key shareholders remain fully supportive of the business and are likely to continue to be so should the effect of the COVID-19 global pandemic on future operations mean that a further equity injection is required.

Therefore, the Directors have concluded that it is appropriate to prepare the financial statements on a going concern basis. The financial statements do not include the adjustments that would result if the Group and Company were unable to continue as a going concern.

Directors' responsibilities

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 Group financial statements in accordance with International Accounting standards in accordance with the Companies Act 2006 and the company financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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 group and Company and of the profit or loss of the group for that period.

Greenhouse gas emissions, energy consumption and energy efficiency action

The Group's greenhouse gas emissions and energy consumption for the year are as follows:

Category	**Reporting year period 2020**	**Calculation**
Mandatory reporting		
Energy consumption used to calculate emissions: /kWh - optional to provide separate figures for gas, electricity, transport fuel and other energy sources	Gas: 232,899.02 KWh Electricity: 250,432.00 KWh Transport fuel: 1,244,851.94 KWh *Total*: 1,728,18.96 KWh	(1) Transport fuel (petrol) =45.874Litres*9.46KWh/L (2020 average biofuel CGV =880,722KWh (2) Transport fuel (diesel)=83,244Litres*9.46KWh/L (2020 average biofuel GCV = 433,968 KWh (3) Transport fuel (unknown fuel, average car) = 37267 miles*1.11256 KWh/miles (2020 NCV) (4) Private mileage = 11,299KWh Total fuel transport = (1)+(2)+(3)-(4) = 1,244,852 KWh
Emissions from combustion of gas tCO2e (Scope 1)	42.82 tCO2e	Gas emissions = 232,899 KWh * 0.18387 (2020 fuel natural gas, CGV)/1000 = 4.82tCO2e
Emissions from combustion of fuel for transport purposes tCO2e (Scope 1)	74.40 tCO2e	(1) Fuel combustion emissions (petrol) = 45,874 Litres * 0.59344 (2020 average fuel blend)/1000 = 27.22 tCO2e (2) Fuel combustion emissions (diesel) = 83,244 Litres * 0.59344 (2020 average fuel blend)/1000 = 50.79 tCO2e (3) Fuel combustion emissions (unknown) = 37267 miles * 0.05765 (2020 average car)/1000 = 2.15 tCO2e (4) Fuel combustion emissions (private mileage) = 1000039 miles * 0.05765 (2020 average car)/1000 = 5.77 tCO2e Total fuel combustion emissions = (1)+(2)+(3)-(4) = 74.40tCO2e
Emissions from purchased electricity tCO2e (Scope 2, locations-based)	58.39 tCO2e	Electricity emissions = 250,432 KWh * 0.23314 (2020 UK electricity)/1000 = 58.39 tCO2e
Total gross tCO2e based on above	181.37 tCO2e	
Intensity ration: tCO2e per employee	0.76 tCO2e / employee	Ratio: Total gross emissions (tCO2e)/headcount

Methodology	Reporting boundaries based on operational control. The 2019 HM Government Environment Reporting Guidelines, GHG Protocol - Corporate Standard and conversion and emissions factors from UK Government Department for Environment Food & Rural Affairs (DEFRA) full set of conversion factors 2020 have been used. No third-party verification	N/A

Energy Reduction Initiatives

CH&CO has an Energy Management System in place, certified to the ISO 50001. During 2020, quarterly Newsletters were delivered internally on various energy topics, such as, 'eco-driving', 'energy efficiency at home' and 'SECR', to keep employees engaged with the company's commitments on continual improvement of our environmental performance, including energy performance. In 2020 CH&CO had planned to undertake a buildings' energy assessment to identify opportunities for further energy reduction, however, due to COVID-19 restrictions this has been postponed for 2021, however is still dependent on whether the COVID-19 restrictions in place. Regarding our fleet, CH&CO has a 3-year lease agreement in place, which is due to expire in early 2021. For this reason, there was no action taken over the fleet's composition in 2020. Looking ahead in 2021, with the start of a new lease agreement, CH&CO is looking to expand the number of hybrid and electric vehicles as part of the fleet, to achieve further energy and emissions reduction.

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.

Directors' responsibilities

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 they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, 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 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. The Directors who were members of the Board at the time of approving the Directors' report are listed above.

Disclosure of information to auditor

Having made enquiries of fellow Directors and of the Company's auditors, each of these Directors confirms that:

- To the best of each Director's knowledge and belief, there is no information relevant to the preparation of *their report of which the company's auditors are unaware; and*
- Each Director has taken all the steps a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

The auditor, BDO LLP, have expressed their willingness to continue in office and a resolution to re-appoint them as auditors will be proposed at the next annual general meeting in accordance with section 485 of the Companies Act 2006.

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

W J Toner
Director

Date: 11 June 2021

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ORCHESTRA TOPCO LIMITED

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2020 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- the Parent Company financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Orchestra Topco Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 December 2020 which comprise the Consolidated statement of total comprehensive income, Consolidated statement of financial position, Company statement of financial position, Consolidated statement of changes in equity, Company statement of changes in equity, Consolidated statement of cashflows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006 and as regards the parent company as applied in accordance with the provisions of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty related to going concern

We draw attention to note 3.2 to the financial statements which indicate the Directors' considerations over going concern, including the potential impact of the current COVID-19 pandemic. Should trading be worse than forecast, covenants may be breached resulting in the reliance on shareholders for financial support to cure the breach or the re-negotiation of the covenants which is not contractually committed. As stated in note 3.2, these events or conditions, along with other matters as set out in note 3.2, indicate that a material uncertainty exists that may cast significant doubt on the Group and Parent Company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the Director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the Director with respect to going concern are described in the relevant sections of this report.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Report and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have been received from branches not visited by us; or
- the Parent Company 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.

Responsibilities of directors

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, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We have identified and assessed the potential risks related to irregularities, including fraud, by considering the following:
- The nature of the industry, including the design of the Group's remuneration policies;
- Enquiries of management regarding :the compliance with laws and regulations; the detection and response to the risk of fraud and any knowledge of actual, suspected or alleged fraud; and the controls in place to mitigate risks related to fraud or non-compliance with laws and regulations;
- Obtaining an understanding of the legal and regulatory framework in which the Group operates, including employment law, and Health and Safety requirements.
- Performing procedures to verify the existence of revenues, and consider the risks around the fraudulent recognition of amounts.
- We have responded to risks identified by performing procedures including the following:
- Enquiry of in-house management and external legal counsel concerning actual and potential litigation and claims;
- Performing analytical procedures to identify any unusual or unexpected relationships which may indicate risks of misstatement due to fraud; and
- Reading the minutes of meetings of those charged with governance.
- We have also considered the risk of fraud through management override of controls by:
- Sample testing the appropriateness of journal entries and other adjustments;
- Assessing whether the judgements made in making accounting estimates are indicative of potential bias; and
- Discussing with management and those charged with governance whether they are aware of any frauds, or non-compliance with laws and regulations, during the period.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ORCHESTRA TOPCO LIMITED (CONTINUED)

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent 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 Parent Company's members those matters we are required to state to them in an auditor's 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Ian Oliver
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Ian Oliver (Senior Statutory Auditor)

for and on behalf of
BDO LLP

Statutory Auditor
Level 12 Thames Tower
Station Road
Reading
RG1 1LX

11 June 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Year ended 31 December 2020 £000	*11-month period ended 31 December 2019 £000*
Revenue	6	**208,624**	*235,546*
Cost of sales		**(241,139)**	*(195,755)*
Gross (loss)/profit		**(32,515)**	*39,791*
Other operating income	7	**51,652**	-
Administrative expenses		**(112,870)**	*(36,879)*
Earnings before interest and finance expenses, tax, depreciation and amortisation (EBITDA) and exceptional items, goodwill & intangible asset impairment and release of contingent deferred consideration		**(126)**	*23,892*
Exceptional items	9	**(18,586)**	*(10,235)*
Goodwill and intangible fixed asset impairment	9	**(64,607)**	-
Amortisation of intangible assets	9	**(13,981)**	*(5,402)*
Depreciation of tangible assets	9	**(9,860)**	*(5,343)*
Release of contingent and deferred consideration	9	**13,427**	-
(Loss)/profit from operations		**(93,733)**	*2,912*
Finance income		**5**	*192*
Finance expense		**(30,529)**	*(15,650)*
Loss before tax		**(124,257)**	*(12,546)*
Tax credit/(expense)	12	**7,560**	*(795)*
Loss for the year		**(116,697)**	*(13,341)*

CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Other comprehensive income:		
Items that will or may be reclassified to profit or loss:		
Exchange gains arising on translation on foreign operations	**49**	-
Total comprehensive income	**(116,648)**	*(13,341)*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Note	2020 £000	*As restated* *2019* *£000*
Assets			
Non-current assets			
Property, plant and equipment	13	**27,254**	*31,374*
Intangible assets	14	**253,310**	*312,099*
Deferred tax assets	12	**4,800**	*639*
Total non-current assets		**285,364**	*344,112*
Current assets			
Inventories	17	**4,282**	*6,582*
Trade and other receivables	18	**57,532**	*94,943*
Cash and cash equivalents		**21,474**	*22,088*
Total current assets		**83,288**	*123,613*
Total assets		**368,652**	*467,725*
Liabilities			
Non-current liabilities			
Loans and borrowings	20	**349,103**	*283,932*
Contingent consideration		**2,481**	*9,252*
Deferred tax liability	12	**31,221**	*31,075*
Total non-current liabilities		**382,805**	*324,259*
Current liabilities			
Bank overdraft	20	**6,643**	*6,100*
Trade and other liabilities	19	**63,030**	*102,798*
Loans and borrowings	20	**5,710**	*2,460*
Contingent consideration		**-**	*4,997*
Total current liabilities		**75,383**	*116,355*
Total liabilities		**458,188**	*440,614*
Net (liabilities)/assets		**(89,536)**	*27,111*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2020

	Note	2020 £000	*As restated* *2019* *£000*
Issued capital and reserves attributable to owners of the parent	22		
Share capital	21	**1**	-
Share premium reserve	22	**17,065**	*17,065*
Merger reserve	22	**23,387**	*23,387*
Foreign exchange reserve	22	**49**	-
Retained earnings	22	**(130,038)**	*(13,341)*
TOTAL EQUITY		**(89,536)**	*27,111*

The financial statements on pages pages 24 to 86 were approved and authorised for issue by the board of directors and were signed on its behalf by:

W J Toner
Director

Date: 11 June 2021

The notes on pages 33 to 86 form part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 £000	*2019* *£000*
Assets			
Non-current assets			
Investments		-	-
Current assets			
Trade and other receivables	18	-	*40,452*
		-	*40,452*
Total assets		-	*40,452*
Liabilities			
Non-current liabilities		-	-
Current liabilities		-	-
Total liabilities		-	-
Net assets		-	*40,452*
Issued capital and reserves attributable to owners of the parent	22		
Share capital	21	**1**	-
Share premium reserve	22	**17,065**	*17,065*
Merger reserve	22	**23,387**	*23,387*
Retained earnings		**(40,453)**	-
TOTAL EQUITY		-	*40,452*

The Company has taken advantage of the exemption conferred by Section 408 of the Companies Act 2006 from presenting its own profit and loss account. The Company's loss for the year was £40,453k *(2019: £Nil)*.

The financial statements on pages 24 to 86 were approved and authorised for issue by the board of directors and were signed on its behalf by:

W J Toner
Director

Date: 11 June 2021

The notes on pages 34 to 86 form part of these financial statements.

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

	Share capital	Share premium	Merger reserve	Foreign exchange reserve	Retained earnings	Total attributable to equity holders of parent	Total equity
	£000	£000	£000	£000	£000	£000	£000
At 1 January 2020	-	17,065	23,387	-	(13,341)	27,111	27,111
Comprehensive income for the year							
Loss for the year	-	-	-	-	(116,697)	(116,697)	(116,697)
Other comprehensive income	-	-	-	49	-	49	49
Total comprehensive income for the year	-	-	-	49	(116,697)	(116,648)	(116,648)
Contributions by and distributions to owners							
Issue of share capital	1	-	-	-	-	1	1
Total contributions by and distributions to owners	1	-	-	-	-	1	1
At 31 December 2020	**1**	**17,065**	**23,387**	**49**	**(130,038)**	**(89,536)**	**(89,536)**

The notes on 34 to 86 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Share premium	Merger reserve	Retained earnings	Total attributable to equity holders of parent	Total equity
	£000	£000	£000	£000	£000
Comprehensive income for the year					
Loss for the period	-	-	(13,341)	(13,341)	(13,341)
Total comprehensive income for the year	-	-	(13,341)	(13,341)	(13,341)
Contributions by and distributions to owners					
Issues of shares, net of costs	17,065	23,387	-	40,452	40,452
Total contributions by and distributions to owners	17,065	23,387	-	40,452	40,452
At 31 December 2019	**17,065**	**23,387**	**(13,341)**	**27,111**	**27,111**

The notes on 34 to 86 form part of these financial statements.

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

	Share capital	Share premium	Merger reserve	Retained earnings	Total equity
	£000	£000	£000	£000	£000
Comprehensive income for the year					
Loss for the period	-	-	-	-	-
Contributions by and distributions to owners					
Issues of shares, net of costs	-	17,065	23,387	-	40,452
Total contributions by and distributions to owners	-	17,065	23,387	-	40,452
At 31 December 2019	**-**	**17,065**	**23,387**	**-**	**40,452**
At 1 January 2020	-	17,065	23,387	-	40,452
Comprehensive income for the year					
Loss for the year	-	-	-	(40,453)	(40,453)
Total comprehensive income for the year	-	-	-	(40,453)	(40,453)
Contributions by and distributions to owners					
Issue of share capital	1	-	-	-	1
Total contributions by and distributions to owners	1	-	-	-	1
At 31 December 2020	**1**	**17,065**	**23,387**	**(40,453)**	**-**

The notes on 34 to 86 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Year ended 31 December 2020 £000	*as restated; 11-month period ended 31 December 2019 £000*
Cash flows from operating activities		
Loss for the year	**(116,698)**	*(13,341)*
Adjustments for		
Depreciation of property, plant and equipment	**5,494**	*2,444*
Depreciation on right-of-use-assets	**4,366**	*2,899*
Amortisation of intangible fixed assets	**13,981**	*5,402*
Impairment losses on intangible assets	**64,607**	-
Release of deferred consideration	**(13,427)**	-
Finance income	**(5)**	*(192)*
Finance expense	**30,529**	*15,650*
Loss on sale of property, plant and equipment	**1,648**	*511*
Income tax (credit)/expense	**(7,560)**	*795*
	(17,065)	*14,168*
Movements in working capital:		
Decrease/(increase) in trade and other receivables	**42,310**	*(25,233)*
Decrease/(increase) in inventories	**2,321**	*(557)*
(Decrease)/increase in trade and other payables	**(42,801)**	*17*
Cash used in operations	**(15,235)**	*(11,605)*
Income taxes paid	**(1,256)**	*(860)*
Net cash used in operating activities	**(16,491)**	*(12,465)*
Cash flows generated from investing activities		
Acquisition of subsidiary, net of cash acquired	**(14,857)**	*(116,194)*
Purchases of property, plant and equipment	**(3,539)**	*(2,380)*
Purchase of intangibles	**(5)**	*(447)*
Finance income received	**3**	*192*
Net cash used in investing activities	**(18,398)**	*(118,829)*

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £000	*as restated* *2019* *£000*
Cash flows from financing activities		
Proceeds from loans, net of costs	**47,030**	*248,068*
Repayment of leases	**(962)**	*(2,342)*
Loans repaid	**(3,000)**	*(92,176)*
Interest paid on loans	**(9,329)**	*(6,268)*
Increase in invoice financing	**(7)**	-
Net cash from financing activities	**33,732**	*147,282*
Net cash (decrease)/increase in cash and cash equivalents	**(1,157)**	*15,988*
Cash and cash equivalents at the beginning of year	**15,988**	-
Cash and cash equivalents at the end of the year	**14,831**	*15,988*

Cash and cash equivalents are made up as follows

Cash	**21,474**	**22,088**
Less: Overdraft	**(6,643)**	**(6,100)**
Net cash	**14,831**	**15,988**

1. Reporting entity

Orchestra Topco Limited (the 'Company') is a limited company incorporated and domiciled in England and Wales (registered number: 11795592). The Company's registered office is at 550 Second Floor, Thames Valley Park, Reading, RG6 1PT. These consolidated financial statements comprise the Company and its subsidiaries (collectively the 'Group' and individually 'Group companies'). The Group is primarily involved in providing catering and service solutions to a diverse range of customers in the outsourced food service market.

2. Basis of preparation

The Group's consolidated and the Company's individual financial statements have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006. They were authorised for issue by the Company's board of directors.

Details of the Group's accounting policies, including changes during the year, are included in note 3. The Company has taken advantage of the exemption available under section 408 of the Companies Act 2006 and elected not to present its own Statement of Comprehensive Income in these financial statements.

The Parent Company has applied FRS 101 and has therefore taken the exemption to prepare a Statement of Cash Flows for the year.

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Group accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The areas where judgements and estimates have been made in preparing the consolidated financial statements and their effects are disclosed in note 5.

Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments which are measured at fair value through profit or loss (refer to individual accounting policies for details).

2.1 Impact of new accounting standards

New standards, interpretations and amendments effective from 1 January *2020*

IFRS 16 "Covid-19 Related Rent Concessions"

The Group and the Company have adopted the amendment to IFRS 16 "Covid-19 Related Rent Concessions" for the first time this period. However, as no rent concessions were obtained, within the scope of the amendment, there was no impact on the presentation or disclosure in these financial statements.

IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"

Amendments have been made to IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" in relation to the definition of material. The amendments clarify the definition of what is material to the financial statements and how to apply the definition.

IFRS 3 "Business Combinations"

IFRS 3 has been amended for the definition of business which clarifies whether a transaction should be accounted for as a business combination or as an asset acquisition. Under the amended definition, a business acquired must have an input and a substantive process that together contribute to the ability for the business to create outputs. In the current year, the subsidiary acquired by the group has been accounted for using acquisition accounting.

3. Accounting policies

3.1 Basis of consolidation

The Group financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) prepared to 31 December each year. Control is achieved where the Company is exposed to, or has the rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration the existence and effect of potential voting rights that currently are exercisable or convertible.

The results of subsidiaries acquired or disposed of during the year are included in the Consolidated Statement of Comprehensive Income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group.

All intra-group transactions and balances and any unrealised gains and losses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

The Company has taken advantage of the exemption under section 408 of the Companies Act 2006 from *publishing its individual income statement, statement of other comprehensive income and related notes.*

3.2 Going concern

The going concern position of the Company is intrinsically linked to that of the Group and is therefore considered as part of the directors' going concern assessment of the wider group. The consolidated financial statements have been prepared on a going concern basis, with net liabilities of £88m at 31 December 2020 and a loss of £115m for the period then ended.

The nature and speed of recovery from the Covid-19 pandemic is critical to the basis of preparation of the financial forecast. The revenue and contract profit forecasts have been prepared with a base case and a "reasonable worst-case" scenario. All relevant factors and information have been considered, including detailed conversations with our clients and input from industry bodies such as British Hospitality Association (who in turn are in regular dialogue with Government bodies).

Contract by contract forecasts have been prepared on a bottom up basis. These contract forecasts are based upon the known plans of our clients and factor in their planning on re-opening contracts and numbers on site (or visitor numbers etc.).

The majority of overhead costs are employee costs, and these have been built up on a person by person basis. The balance of overhead costs are predominantly fixed, well-controlled and have been built into the forecast. Cashflow forecasts are derived from the detailed profit and loss forecasts. There are no assumptions about changes in working capital cycles that would generate improvements in our cash position. Forecast cashflows include the repayment of any deferred amounts owing to HMRC and deferred consideration arising from the acquisitions in 2019.

The reasonable worst case forecast incorporates an £80m reduction in sales between 1 April 2021 and 31 December 2022, versus the base case forecast.

Our base case and reasonable worst case forecasts show the Group's compliance with its financial covenants at each quarter end to 31 December 2022, a period of at least 12 months after the date of this report.

3. Accounting policies (continued)

3.2 Going concern (continued)

The way that the Group has managed through the recent pandemic is evidence of its resilience and ability to adapt its cost base to weather any future downturn.

The ability of the Company and Group to achieve its future profit and cash flow projections cannot be predicted with certainty due to the ongoing potential impact of the COVID-19 global pandemic, in respect of current and future UK national and/or local restrictions affecting the Group's ability to operate across its customers' sites. Should the recovery in activity levels not meet the reasonable worst-case forecasts, further cost reduction measures would be enacted in the first instance.

Failure of the Company and the Group to meet these projections may adversely impact its ability to meet its banking facility covenants, without further support from its shareholders, which is not contractually committed at the date of signing, or which would require covenants to be re-negotiated. These circumstances indicate a material uncertainty that may cast significant doubt on the Company and the Group's ability to continue as a going concern for the foreseeable future.

The Group's banking arrangements provide flexible arrangements for the shareholders to inject further equity capital, if required, to supplement the Group's EBITDA and liquidity measures, for covenant testing purposes, in advance of any anticipated breach. The Directors have satisfied themselves that key shareholders remain fully supportive of the business and are likely to continue to be so should the effect of the COVID-19 global pandemic on future operations mean that a further equity injection is required.

Therefore, the Directors have concluded that it is appropriate to prepare the financial statements on a going concern basis. The financial statements do not include the adjustments that would result if the Group and Company were unable to continue as a going concern.

3.3 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

3. Accounting policies (continued)

3.4 Revenue recognition

Revenue and contract costs
Revenue represents income derived from contracts for the provision of food and services by the Group to customers in exchange for consideration in the normal course of business. The Group's revenue is comprised of revenues under its contracts with clients. Clients engage the Group to provide food and services at their locations. Depending on the type of client and service, we are paid either by our client and/or directly by the consumers to whom we have been provided access by our client, such as the client's employees, visitors, pupils, patients and spectators. Payment terms are set at contract level and vary according to sector and individual client.

Performance obligations
The Group recognises revenue when its performance obligations are satisfied. Performance obligations are satisfied as control of the goods and services is transferred to the client and/or consumers. In certain cases, clients engage us to provide food and services in a single multi service contract. We recognise revenue for each separate performance obligation in respect of food and services as these are provided. There is little judgement involved in determining if a performance obligation has been satisfied. At contract inception, the contract is assessed to identify each promise to transfer either a distinct good or service or a series of distinct goods or services that are substantially the same and have the same pattern of transfer to the customer. Goods and services are distinct and accounted for as separate performance obligations in the contract if the customer can benefit from them either on their own or together with other resources that are readily available to the customer and they are separately identifiable in the contract. Performance obligations are usually clearly identified within contracts and revenue is recognised for each separate performance obligation. Generally, where the Group has the obligation to its clients to make available the provision of food service for a predetermined period, its performance obligation represents a series of services delivered over time. There are also contracts under which the Group sells products directly to consumers and these performance obligations represent a transfer of a good at a point in time.

Transaction price
The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods and services to the customer, excluding value added tax and similar sales taxes. For example, the transaction price may be based on a price per meal, which may vary with volume, or could be based on costs incurred plus an agreed management fee. The Group makes a variety of ongoing payments to clients, mainly commissions and concession rentals. These are assessed for treatment as consideration paid to customers and where they are not in exchange for a distinct good or service they are recognised as a reduction of the transaction price.

Timing of revenue recognition
Revenue is recognised as performance obligations are satisfied as control of the goods and services is transferred to the customer. For each performance obligation within a contract, the Group determines whether it is satisfied over time or at a point in time. The Group has determined that most of its performance obligations are satisfied over time as the client simultaneously receives and consumes the benefits provided by the Group as the food service and/or services are rendered at the client site. In these circumstances, revenue is recognised at the amount which the Group has the right to invoice, where that amount corresponds directly with the value to the customer of the Group's performance completed to date. Where the Group is contracted to sell directly to consumers, for example in a retail café concession, the performance obligation is satisfied at a point in time, namely when the products are sold to the consumer. The nature, amount, timing and uncertainty of revenue and cash flows for performance obligations within a contract that are satisfied over time and at a point in time are considered to be similar and they are affected by the same economic factors.

3. Accounting policies (continued)

3.4 Revenue recognition (continued)

Costs to obtain a contract
Costs incurred during the bidding period, prior to a contract being awarded, are expensed to the income statement. Costs incurred in securing the contract after preferred bidder status has been obtained are generally expensed as incurred, unless they fulfil the conditions for capitalisation as an asset. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained are recognised as an expense in the period.

Costs to fulfil a contract
Costs incurred in the fulfilment of the Group's obligations to the client under the contract are recognised in the consolidated balance sheet and include contributions towards service assets, such as kitchen and restaurant fit out costs and equipment, which are capitalised as contract fulfilment assets. Contract fulfilment costs covered within the scope of another accounting standard, such as property, plant and equipment and intangible assets, are not capitalised as contract fulfilment assets but are treated according to other standards.

Utilisation, derecognition and impairment of contract fulfilment assets and capitalised costs to obtain a contract
Contract fulfilment assets are amortised on a straight line basis over the shorter of the life of the client contract and the useful economic life of the assets. The amortisation charge is included within operating costs. Costs incurred to obtain a contract are unwound over the life of the client contract as an expense. Capitalised costs are derecognised either when disposed of or when no further economic benefits are expected to flow from their use or disposal. Whenever impairment indicators exist, the Group determines the recoverability of the contract fulfilment assets and capitalised costs to obtain a contract by comparing their carrying amount to the remaining amount of consideration that the Group expects to receive less the costs that relate to providing services under the relevant contract.

Rebates and other amounts received from suppliers
Rebates and other amounts received from suppliers include agreed discounts from suppliers' list prices, value and volume related rebates. Income from value and volume related rebates is recognised based on actual purchases in the period as a proportion of total purchases made or forecast to be made over the rebate period.

3. Accounting policies (continued)

3.5 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as a lessee

The Group assesses whether a contract is or contains a lease, at inception of a contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is included in the 'Loans and borrowings' line in the Consolidated Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Right-of-use assets

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are included in the 'Property, Plant and Equipment' line in the Consolidated Statement of Financial Position.

3. Accounting policies (continued)

3.5 Leasing (continued)

The Group as a lessee (continued)

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in note 3.8.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has *used this practical expedient.*

3.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.7 Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

3. Accounting policies (continued)

3.8 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation is provided on all other items of property, plant and equipment so as to write off their carrying value over their expected useful economic lives. It is provided at the following rates:

Site improvements	over the remaining life of the lease, on a straight-line basis
Motor vehicles	25%-33.33% per annum straight-line
Office equipment, fixtures and fittings	20%-33.33% per annum straight-line
Computer equipment	20%-33.33% per annum straight-line

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

3.9 Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Customer relationships	10 - 20 years
Preferred supplier agreement	12 years
Brand name	10 - 15 years
Software development	3 - 5 years

3.10 Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost, after supplier discounts, and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Cost comprises all costs of purchases and other costs incurred in bringing the inventories to their present location and condition.

3. Accounting policies (continued)

3.11 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and - for the purpose of the statement of cash flows - bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the consolidated statement of financial position.

3.12 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

3.13 Financial instruments

The Group recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are derecognised when they are discharged or when the contractual terms expire.

The Group'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

The Group classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired.

Financial instruments are classified according to the substance of the contractual arrangements into which the Group enters. An equity instrument is a contract that evidences a residual interest in the assets to the entity after deduction all of its financial liabilities.

Fair value through profit or loss

The Group does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

Amortised cost

These assets arise principally from financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely receipts of principal and interest. They are initially recognised at fair value and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for current and non-current trade receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed.

3. Accounting policies (continued)

3.13 Financial instruments (continued)

This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within overheads in the profit or loss. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision. The Group's historic credit losses are considered to be minimal, and the directors consider that this position will continue going forward, and therefore lifetime credit losses would be immaterial to the Group as a whole.

The Group has considered whether amounts due from related parties are impaired and concluded that following impairment of the fair value of CGUs (see note 16) it is necessary to also impair related party receivables in the Company by means of an expected loss provision.

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash *and cash equivalents in the consolidated statement of financial position.*

Financial liabilities

Classification

The Group determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, carried at amortised cost *including directly attributable transaction costs. The carrying value of borrowings approximate their fair* value. The Group's financial liabilities include overdrafts, trade and other payables (excluding tax and social security liabilities), deferred acquisition consideration and loans and borrowings. Deferred fixed consideration is recorded at amortised cost using the effective interest method.

De-recognition of liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Other financial liabilities

Other financial liabilities include the following items:

- Bank borrowings, and loan notes are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the Consolidated Statement of Financial Position. For the purposes of each financial liability, interest expense includes the accretion of initial transaction costs.

- Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

3. Accounting policies (continued)

3.14 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Consolidated Statement of Financial Position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Consolidated Statement of Financial Position date

3.15 Current and deferred taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

(i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Consolidated Statement of Total Comprehensive Income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3. Accounting policies (continued)

3.15 Current and deferred taxation (continued)

(iii) Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

4. Functional and presentation currency

These consolidated financial statements are presented in Pound Sterling, which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

Transactions entered into by Group entities in a currency other than the currency of the primary economic environment in which they operate (their "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in profit or loss.

On consolidation, the results of overseas operations are translated into sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations, including goodwill arising on the acquisition of those operations, are translated at the rate ruling at the reporting date.

5. Accounting estimates and judgements

5.1 Judgement

The Group 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. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below.

Impairment of intangible fixed assets

The directors must assess whether intangible assets have been impaired during the period. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit. Where indications of impairment exist over a cash-generating unit an impairment test is performed using a discounted cash flow model as at the period end. The key estimates and assumptions that feature in the impairment test is the selection of an appropriate pre-tax discount rate relative to the specific risks of the cash-generating unit and the preparation of pre-tax cash flows using director approved forecasts with growth rates that represent the directors' best estimates.

5. Accounting estimates and judgements (continued)

5.1 Judgement (continued)

Impairment of goodwill

The Group is required to test, on an annual basis, whether goodwill has suffered any impairment. The recoverable amount is determined based on value in use calculations. The use of this method requires the estimation of future cash flows and the determination of a discount rate in order to calculate the present value of the cash flows.

More information relating to impairment of intangible assets, including goodwill, is included in note 16.

5.2 Estimates and assumptions

Useful economic lives of goodwill and other intangible fixed assets

Other intangible assets are amortised over their estimated useful lives with the charge recorded in administrative expenses. Useful lives are based on management's estimates of the period that the assets will generate revenue, which are periodically reviewed for continued appropriateness. Changes to estimates can result in significant variations in the carrying value and amounts charged to profit or loss in specific periods. More details including carrying values are included in note 16.

Business combinations

The directors determine and allocate the purchase price of an acquired business to the assets acquired and liabilities assumed as of the business combination date. The purchase price allocation process requires the use of significant estimates and assumptions, including the estimated fair value of the acquired intangible assets, and consideration (including deferred contingent consideration).

While the directors use their best estimates and assumptions as part of the purchase price allocation process to accurately value assets acquired and liabilities assumed at the date of acquisition, our estimates and assumptions are inherently uncertain and subject to refinement. Examples of critical estimates in valuing certain of the intangible assets we have acquired or may acquire in the future include but are not limited to:

- future expected cash flows generated by assets over their useful lives;
- the fair value of the property, plant and equipment; and
- discount rates.

The directors revisit their best estimate of deferred contingent consideration to be paid in future periods, at each reporting period-end, based on review of historic and future performance or other metrics against which contingent consideration is calculated.

More information relating to business combinations can be found in note 29.

6. Revenue

Revenue is derived from the following sectors:

	Year ended 31 December 2020 £000	*11-month period ended 31 December 2019 £000*
Workplaces	**127,514**	*114,373*
Education & Healthcare	**48,394**	*34,186*
Destinations	**18,545**	*28,762*
Venues	**11,308**	*32,221*
Events	**2,863**	*26,004*
	208,624	*235,546*

Analysis of revenue by country of destination:

	Year ended 31 December 2020 £000	*11-month period ended 31 December 2019 £000*
United Kingdom	**198,030**	*235,075*
Rest of Europe	**10,594**	*471*
	208,624	*235,546*

Revenue is derived almost entirely from the United Kingdom with the exception of 5.1% *(2019: 0.2%)* of the Group's revenue which is derived from the Republic of Ireland.

7. Other operating income

	Year ended 31 December 2020 £000	*11-month period ended 31 December 2019 £000*
Coronavirus Job Retention Scheme	**51,652**	*-*

Other operating income relating to the Coronavirus Job Retention Scheme has been recognised on a gross basis.

8. Auditors remuneration

	2020 £000	*2019 £000*
Fees payable for audit services in respect of the Parent Company	**35**	*35*
Fees payable for audit services in respect of the subsidiary companies of the Group	**651**	*436*
Non-audit taxation services	**8**	*76*
Other non-audit services	**73**	*119*
	767	*666*

9. Expenses by nature

	Year ended 31 December 2020 £000	*11-month period ended 31 December 2019 £000*
Raw materials and consumables used	**95,291**	*81,279*
Loss on disposal of property, plant and equipment	**1,648**	*511*
Depreciation of property, plant and equipment	**5,494**	*2,444*
Depreciation of right-of-use assets	**4,366**	*2,899*
Amortisation of intangible assets	**13,981**	*5,402*
Exceptional items	**18,586**	*10,235*
Release of contingent and deferred consideration	**(13,427)**	-
Goodwill and intangible fixed asset impairment	**64,607**	-

Exceptional items in 2020 relate to:

- Transaction costs relating to M&A in the period are £1.0m *(2019: £8.7m)*
- Costs relating to the restructuring and integration of acquired business are £0.8m *(2019: £0.6m)*
- Restructuring costs in response to the prolonged reduction in activity levels as a result of the pandemic restrictions £13.4m *(2019: £Nil)*
- Exit costs relating to the closure of a regional office and consolidation of support functions £Nil *(2019: £0.7m)*
- Other exceptional costs including site exit costs, refinancing and development of systems and processes £3.4m *(2019: £0.3m)*

10. Employee benefit expenses

Group

	Year ended 31 December 2020 £000	*11-month period ended 31 December 2019 £000*
Employee benefit expenses (including directors) comprise:		
Wages and salaries	**159,097**	*156,579*
Social security costs	**9,967**	*10,670*
Defined contribution pension cost	**4,050**	*3,864*
	173,114	*171,113*

10. Employee benefit expenses (continued)

Directors' emoluments and key management personnel compensation

The Directors were remunerated for their services to the Group and their emoluments are disclosed below. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, including the directors of the Company listed on page 4.

	Year ended 31 December 2020 £000	*11-month period ended 31 December 2019 £000*
Aggregate emoluments	**487**	*437*
Defined contribution pension cost	**17**	*18*
	504	*455*

There was additional compensation during the year for loss of office of £128k *(2019: £Nil).*

The highest paid director received remuneration of £230k *(2019: £159k).*

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £8k *(2019: £6k).*

The number of directors to whom retirement benefits are accrued under money purchase pension schemes in respect of qualifying services is 3 *(2019: 3).*

The two Equistone Directors are not remunerated by the Group.

The monthly average number of persons, including the directors, employed by the Group during the year was as follows:

	Year ended 31 December 2020 No.	*11-month period ended 31 December 2019 No.*
Administration	**419**	*1,316*
Catering	**7,904**	*8,951*
	8,323	*10,267*

11. Finance income and expense

Recognised in profit or loss

	Year ended 31 December 2020 £000	*11-month period ended 31 December 2019 £000*
Finance income		
Interest on:		
- Bank deposits	**5**	*192*
Total finance income	**5**	*192*
Finance expense		
Interest expense on bank loans	**13,717**	*5,805*
Interest expense on leases	**1,111**	*370*
Interest expense on loan notes	**15,671**	*9,286*
Other costs of borrowing	**30**	*189*
Total finance expense	**30,529**	*15,650*
Net finance expense recognised in profit or loss	**(30,524)**	*(15,458)*

12. Tax expense

12.1 Income tax recognised in profit or loss

	Year ended 31 December 2020 £000	*11-month period ended 31 December 2019 £000*
Current tax		
Current tax on profits for the year	**250**	*2,240*
Adjustment in respect of prior periods	**(1,712)**	*79*
Total current tax	**(1,462)**	*2,319*
Deferred tax expense		
Origination and reversal of temporary differences	**(9,836)**	*(594)*
Temporary timing differences acquired with business combinations	-	*(12)*
Recognition of previously unrecognised deferred tax assets	-	*(918)*
Prior year adjustment	**151**	-
Impact of changes in tax rates	**3,587**	-
Total deferred tax	**(6,098)**	*(1,524)*
Tax (credit)/expense	**(7,560)**	*795*
Total income tax (credit)/expense	**(7,560)**	*795*

Included within current tax on profits for the year there is foreign tax of £250k *(2019: £Nil)*.

12. Tax expense (continued)

12.1 Income tax recognised in profit or loss (continued)

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to losses for the year are as follows:

	Year ended 31 December 2020 £000	*11-month period ended 31 December 2019 £000*
Loss for the year	**(116,698)**	*(13,341)*
Income tax credit/(expense)	**7,560**	*(795)*
Loss before income taxes	**(124,258)**	*(12,546)*
Tax using the Company's domestic tax rate of 19% *(2019: 19%)*	**(23,609)**	*(2,384)*
Fixed asset differences	**(88)**	*32*
Interest not deductible for tax purposes	**2,546**	*1,385*
Expenses not deductible for tax purposes	**10,126**	*1,654*
Other permanent differences	**86**	-
Difference in CT and DT rates	**-**	*108*
Loss carry back claim	**1,366**	-
Non-taxable income	**(2,773)**	-
Adjustments in respect of prior periods	**(1,561)**	-
Rate change adjustment	**3,414**	-
Deferred tax asset not recognised	**2,933**	-
Total tax (credit)/expense	**(7,560)**	*795*

Changes in tax rates and factors affecting the 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 balance sheet date, as result deferred tax balances as at 31 December 2020 continue to be measured at 19%. If all of the deferred tax was to reverse at the amended rate the impact to the closing deferred tax position would be to increase the deferred tax liability by £8,344k.

12. Tax expense (continued)

12.2 Deferred tax balances

The following is the analysis of deferred tax assets/(liabilities) presented in the consolidated statement of financial position:

	Year ended 31 December 2020 £000	*11-month period ended 31 December 2019 £000*
Deferred tax assets	**4,800**	*639*
Deferred tax liabilities	**(31,221)**	*(31,075)*
	(26,421)	*(30,436)*

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 19%.

Deferred tax assets have been recognised in respect of all tax losses and other temporary differences giving rise to deferred tax assets where the directors believe it is probable that these assets will be recovered.

The Group has no unrecognised gross deferred tax asset in respect of trading losses carried forward and temporary fixed asset and short term differences.

The movements in deferred tax assets and liabilities during the period are shown below:

	Asset 2020 £000	**Liability 2020 £000**	**Net 2020 £000**	**Charged to profit or loss 2020 £000**
Accelerated capital allowances	**841**	**-**	**841**	**(766)**
Other temporary and deductible differences	**89**	**-**	**89**	**265**
Available losses	**3,870**	**-**	**3,870**	**(3,660)**
Arising from business combinations	**-**	**(31,221)**	**(31,221)**	**(1,937)**
Tax asset/(liability)	**4,800**	**(31,221)**	**(26,421)**	**(6,098)**

Deferred tax assets, relating to available losses carried forward, have been recognised in full as the losses arose due to the exceptional impact of COVID on trading, and the Directors expect post-COVID trading to generate sufficient taxable profits during 2021 and 2022 to utilise these losses.

The amounts arising from business combinations related to deferred tax on related intangible assets arising on business combinations, as described in note 29.

13. Property, plant and equipment

Group

	Site improvements £000	Motor vehicles £000	Office equipment, fixtures and fittings £000	Computer equipment £000	Right of use assets £000	Total £000
Cost						
Additions	2	-	1,873	505	3,852	6,232
Acquired through business combinations (as restated)	5,035	588	26,797	4,796	17,910	55,126
Disposals	(187)	-	(794)	(6)	-	(987)
At 31 December 2019	4,850	588	27,876	5,295	21,762	60,371
Additions	46	-	2,958	535	4,746	8,285
Acquired through business combinations	17	-	54	149	-	220
Disposals	(2)	-	(2,852)	-	(1,185)	(4,039)
At 31 December 2020	**4,911**	**588**	**28,036**	**5,979**	**25,323**	**64,837**

13. Property, plant and equipment (continued)

	Site improvements £000	Motor vehicles £000	Office equipment, fixtures and fittings £000	Computer equipment £000	Right of use assets £000	Total £000
Accumulated depreciation						
Charge for the period	202	7	1,885	350	2,358	4,802
Disposals	(31)	1	(437)	(9)	-	(476)
Acquired through business combinations	3,894	506	16,499	3,773	-	24,672
At 31 December 2019	4,065	514	17,947	4,114	2,358	28,998
Charge for the year	364	43	4,300	787	4,366	9,860
Disposals	-	-	(1,207)	1	(216)	(1,422)
Acquired through business combinations	17	-	130	-	-	147
At 31 December 2020	**4,446**	**557**	**21,170**	**4,902**	**6,508**	**37,583**
Net book value						
At 1 February 2019	-	-	-	-	-	-
At 31 December 2019	785	74	9,929	1,181	19,404	31,373
At 31 December 2020	465	31	6,866	1,077	18,815	27,254

14. Intangible assets

Group

	Goodwill £000	Customer relationships £000	Preferred supplier agreement £000	Brand name £000	Software development £000	Total £000
Cost						
Additions	-	-	-	-	447	447
Acquired through business combinations	128,857	152,660	3,097	32,440	-	317,054
At 31 December 2019	128,857	152,660	3,097	32,440	447	317,501
Additions	8,827	9,536	-	1,431	5	19,799
At 31 December 2020	**137,684**	**162,196**	**3,097**	**33,871**	**452**	**337,300**

	Goodwill £000	Customer relationships £000	Preferred supplier agreement £000	Brand name £000	Software development £000	Total £000
Accumulated amortisation						
Charge for the period	-	4,098	86	1,218	-	5,402
At 31 December 2019	-	4,098	86	1,218	-	5,402
Charge for the year	-	11,819	258	1,755	149	13,981
Impairment charge	48,815	13,581	-	2,211	-	64,607
At 31 December 2020	**48,815**	**29,498**	**344**	**5,184**	**149**	**83,990**
Net book value						
At 31 December 2019	128,857	148,562	3,011	31,222	447	312,099
At 31 December 2020	88,869	132,698	2,753	28,687	303	253,310

15. Investments

Investments held directly and indirectly by Orchestra Topco Limited and consolidated into the consolidated financial statements are as follows:

Name	Country of incorporation	Registered No.	Proportion of ownership as at 31 December 2020	Principal activity
Orchestra Midco Limited	United Kingdom	11795699	100%	Holding Company
Orchestra Holdco Limited	United Kingdom	11795652	100%*	Holding Company
Orchestra Bidco Limited	United Kingdom	11795749	100%*	Holding Company
CH & Co Catering Group (Holdings) Limited	United Kingdom	09504990	100%*	Holding Company
CH & Co Catering Group Limited	United Kingdom	09505062	100%*	Holding Company
CH & Co Catering Limited	United Kingdom	02613820	100%*	Catering services
HCMGH Limited	United Kingdom	09005752	100%*	Holding Company
Host Management Limited	United Kingdom	04759938	100%*	Catering services
Catermasters Contract Catering (Holding) Company Limited	United Kingdom	08092736	100%*	Holding Company
Catermasters Contract Catering Limited	United Kingdom	03820136	100%*	Catering services
Ensemble Combined Services Limited	United Kingdom	07459986	100%*	Catering services
Juice for Life Limited	United Kingdom	05402911	100%*	Catering services
Bite Catering Limited	United Kingdom	05097580	100%*	Catering services
The Brookwood Partnership Limited	United Kingdom	03271727	100%*	Catering services
Absolutely Catering Limited	United Kingdom	06313610	100%*	Catering services
Absolutely Catering Partnership Limited **	United Kingdom	08611165	100%*	Dormant Company
Absolutely Partnership Limited **	United Kingdom	08611346	100%*	Dormant Company
Chester Boyd Limited ****	United Kingdom	01730792	100%*	Dormant Company
Charlton House Unique Venues Limited***	United Kingdom	04710919	100%*	Dormant Company
Turtle Soup Limited***	United Kingdom	03351681	100%*	Dormant Company
Graison Limited***	United Kingdom	03351691	100%*	Dormant Company
The In House Catering Company Limited***	United Kingdom	03085591	100%*	Dormant Company
Harbour & Jones Limited	United Kingdom	05016914	100%*	Catering services
Upfront Reception Services Limited	United Kingdom	09156540	100%*	Catering services
Principal Catering Consultants Limited	United Kingdom	02419830	100%*	Catering services
Concerto Group Holdings Limited	United Kingdom	06459580	100%*	Catering services
Concerto Group Limited	United Kingdom	02063425	100%*	Catering services
Concerto Events Limited	United Kingdom	02316740	100%*	Catering services
Create Food Limited	United Kingdom	02857354	100%*	Catering services
Delfina Events Limited	United Kingdom	06026055	100%*	Dormant Company
Touch of Taste Limited	United Kingdom	01989192	100%*	Dormant Company
Business Pursuits Limited **	United Kingdom	04823991	100%*	Dormant Company
Ultimate Experience Limited	United Kingdom	07804608	100%*	Dormant Company
Full Circle Performance and Production Limited	United Kingdom	11835971	50%*	Event management

Name	Country of incorporation	Registered No.	Proportion of ownership as at 31 December 2020	Principal activity
Mask UK Limited	United Kingdom	06449035	100%*	Dormant Company
Inspire Catering Scotland LLP	United Kingdom	SC301918	100%*	Catering services
Gather & Gather Limited	United Kingdom	03610591	100%*	Catering services
Creativevents Limited	United Kingdom	03365722	100%*	Catering services
Gather & Gather Ireland Limited	Ireland	654479	100%*	Catering services
Company of Cooks Ltd.	United Kingdom	03395673	100%*	Catering services
Public Restaurant Partner Limited	United Kingdom	05111519	100%*	Catering services
Vacherin Limited	United Kingdom	04516461	100%	Catering services

*Investments held indirectly.
** Dissolved via voluntary strike-off on 17 November 2020
*** Dissolved via voluntary strike-off on 5 January 2021
**** Notice for voluntary strike-off on 19 January 2021

The registered office for Harbour and Jones Limited is 127-133 Charing Cross Road, London, WC2H 0EW.

The registered office for Full Circle Performance and Production Limited is Acre House, 11/15 William Road, London, NW1 3ER.

The registered office of Company of Cooks Ltd is 29/30 Fitzroy Square, London, W1T 6LQ.

The registered office of Inspire Catering Scotland LLP is 15 Gladstone Place, Stirling, Scotland, FK8 2NN.

The registered office of Gather & Gather Ireland Limited is No.1 Windmill Lane, Dublin Docklands, DO2 F206.

The registered office of Vacherin Limited is First Floor, 127 - 133 Charing Cross Road, London, WC2H 0EW

The registered office of all other subsidiaries is 550 Second Floor, Thames Valley Park, Reading, Berkshire, RG6 1PT.

Orchestra Topco Limited has given statutory guarantees against all the outstanding liabilities of all the wholly owned subsidiaries, as at 31 December 2020 thereby allowing dormant subsidiaries to be exempt from the requirement to prepare and file annual accounts under Section 394A of the Companies Act, and non-dormant subsidiaries to be exempt from the annual audit requirement under Section 479A of the Companies Act, for the year ended 31 December 2020.

16. Goodwill and impairment

In accordance with accounting standards, the Group undertakes an annual review of Goodwill, Intangible Fixed Assets (IFAs), Property, Plant & Equipment and net working capital.

This is the second period of account since the Group restructured on 31st May 2019. At this time the Group decided the most appropriate way to evaluate impairment was with reference to the sectors in which it operates (revenue streams) as the Cash Generating Units (CGUs).

These CGU's are:

- Workplace
- Education and Healthcare
- Destinations
- Venues
- Events

These sectors are also trading brands of the Group through which services are delivered to clients.

Goodwill represents the excess of the consideration over the fair value of the net assets acquired on the purchase of the subsidiary companies. In accordance with IFRS, this balance is not amortised and is subject to annual impairment reviews. Goodwill has been allocated to each cash-generating unit based on Purchase Price Allocation exercises (PPAs) carried out at 4 key points:

- Acquisition of the Group by Equistone Partners Ltd from MML Ltd on 31st May 2019
- Acquisition of Gather & Gather (both UK and Ireland, including Creativevents) on 6th September 2019
- Acquisition of Company of Cooks on 30th September 2019
- Acquisition of Vacherin on 28th February 2020

The original PPA for the whole Group as acquired on 31st May 2019 allocated Goodwill, Intangibles and Net Liabilities across the sectors. The PPAs for subsequent acquisition provided a value for Goodwill, IFAs and Share of Net Liabilities for the company (or companies) acquired and that has then been allocated across sectors based the on the split of revenue at acquisition. This includes Vacherin following its acquisition in 2020. All IFAs have been amortised in line with guidance from the PPA's.

In all cases, the PPAs looked at both past and projected future financial performance of each sector, management view of growth, value of intangible assets such as customer relationships and brand names as well as synergies derived from business combinations in order to assign the total goodwill to CGUs.

16. Goodwill and impairment (continued)

Goodwill, IFA's, Property, Plant & Equipment and net working capital balances, as at 31 December 2020, are allocated across the CGU's, as follows:

	Workplaces	Education & Healthcare	Destinations	Events	Venues & Liveries	Group Total
Cost (Group at 31 December 2019)	134,396,825	58,328,663	62,897,508	15,441,286	47,386,323	318,450,604
Cost (Vacherin)	18,850,237	-	-	-	-	18,850,237
Cost - total	**153,247,062**	**58,328,663**	**62,897,508**	**15,441,286**	**47,386,323**	**337,300,841**
Amortisation (Group at 31 December 2019)	(8,664,859)	(2,637,225)	(3,114,805)	(1,046,642)	(3,310,638)	(18,774,169)
Amortisation (Vacherin)	(609,278)	-	-	-	-	(609,278)
Amortisation - total	**(9,274,137)**	**(2,637,225)**	**(3,114,805)**	**(1,046,642)**	**(3,310,638)**	**(19,383,447)**
NBV at 31 December 2020 prior to impairment assessment	**143,972,925**	**55,691,438**	**59,782,703**	**14,394,644**	**44,075,685**	**317,917,394**

16. Goodwill and impairment (continued)

Carrying value of intangibles and goodwill

In order to determine if there has been any impairment, the Directors have prepared calculations for the forecast of present value of future cash flows of each CGU using the following elements:

- The Directors' Revenue and Profit forecasts for the next 3 years, which have been discussed and agreed at board level and with the Group's equity partners and lenders.
- Revenue growth in the 2 years not covered by detailed forecasts has been estimated at 3% which the Directors consider is an appropriately conservative estimate based on prior growth and current and future sales pipelines.
- Current balance sheet as at 31 December 2020 split by CGU using appropriate allocations according to the nature of the balance sheet items.
- Discount rates for each CGU have been in analysis carried out in early 2021. The calculations have been prepared on a pre-tax basis, and accordingly a pre-tax discount rate has been used.
- Terminal growth has been assumed as 2%, consistent with long-term economic growth statistics, as per the UK Government and the rate used in the prior year. The Directors consider this to be a suitable estimate and no specific work has been done to calculate this.
- Overhead spend grows at 3% per year – this is consistent across CGUs as there is a common base of Central Support which works across all sectors of the Group. Following the restructure of Central and Operational Support in mid-2020, it is the determination of the Group that growth broadly in line with inflation is appropriate.
- Trade payables and receivables grow in line with revenue/costs, other (non-trade) debtors and creditors at 1% as they are less directly related to trading growth.
- Capital expenditure to maintain asset base has been set at current year forecast for 2021 then increasing by 0.25% of revenue in 2022 and 0.5% of revenue in subsequent years.

16. Goodwill and impairment (continued)

A summary of the impairment review of Goodwill, IFA's, Property, Plant & Equipment and net working capital balances, as at 31 December 2020, as follows:

	Workplaces	Education & Healthcare	Destinations	Events	Venues & Liveries	Group Total
Group Structure at 31 December 2019	120,359,035	53,260,043	58,851,020	14,250,796	43,507,540	290,228,434
Vacherin	17,220,070	-	-	-	-	17,220,070
Total carrying value before impairment	**137,579,106**	**53,260,043**	**58,851,020**	**14,250,796**	**43,507,540**	**307,448,505**
Fair value						
Group structure at 31 December 2019	146,218,482	36,831,829	42,340,721	20,748,108	11,838,241	257,977,380
Vacherin	32,952,271	-	-	-	-	32,952,271
Total fair value	**179,170,753**	**36,831,829**	**42,340,721**	**20,748,108**	**11,838,241**	**290,929,651**
Fair value less carrying amount						
Group structure at 31 December 2019	25,859,447	(16,428,215)	(16,510,299)	6,497,312	(31,669,299)	(32,251,054)
Vacherin	15,732,201	-	-	-	-	15,732,201
Total surplus/(impairment)	**41,591,648**	**(16,428,215)**	**(16,510,299)**	**6,497,312**	**(31,669,299)**	
					Total impairment:	**(64,607,813)**

16. Goodwill and impairment (continued)

A sensitivity analysis has also been prepared, looking at how changes in assumptions would cause the carrying value to reduce so that the excess of carrying value to fair value to nil (solely in those CGUs where carrying value is not already in excess of fair value) . A summary of this analysis is as follows:

Sensitivity analysis:
Change in key assumptions leading to recoverable amount being equal to carry value

	Workplaces	Education & Healthcare	Destinations	Events	Venues & Liveries
A change in discount rate to	17.4%			19.5%	
A change in EBITDA growth from year 2 to	-21.2%			-26.3%	
A change in overhead cost from year 2 to	24.7%			33.9%	

It is the conclusion of management that there has been impairment of Goodwill in the Education & Healthcare, Destinations and Venues & Liveries CGUs. This is due to the impact of Covid-19 combined with changes in the way revenue is generated in the CGUs as previously forecast revenue growth has changed in composition between the various sectors.

For the Education & Healthcare and Destinations CGUs this impairment will affect only Goodwill. However, the impairment in Venues & Liveries is higher than the carrying value of Goodwill so there will also be an impact on IFAs. This impairment to IFAs has been shared equally across all assets in the CGU.

16. Goodwill and impairment (continued)

The final carried forward carrying value after impairment, as at 31 December 2020 of Goodwill, IFA's, Property, Plant & Equipment and net working capital balances will therefore be as in the following table:

Summary of goodwill and intangibles	Workplaces	Education & Healthcare	Destinations	Events	Venues & Liveries	Group Total
Group Structure at 31 December 2019	120,359,035	36,831,829	42,340,721	14,250,796	11,838,241	225,620,621
Vacherin	17,220,070	-	-	-	-	17,220,070
Total carrying value after impairment	**137,579,106**	**36,831,829**	**42,340,721**	**14,250,796**	**11,838,241**	**242,840,692**

17. Inventories

Group

	2020 £000	2019 £000
Raw materials	4,282	6,582

18. Trade and other receivables

Group

	2020 £000	2019 £000
Trade receivables	34,163	57,621
Trade receivables - net	34,163	57,621
Prepayments and accrued income	10,278	6,248
Other receivables	13,091	31,074
Total trade and other receivables	57,532	94,943
Less: current portion - trade receivables	(34,163)	(57,621)
Less: current portion - prepayments and accrued income	(10,278)	(6,248)
Less: current portion - other receivables	(13,091)	(31,074)
Total current portion	(57,532)	(94,943)
Total non-current portion	-	-

18. Trade and other receivables (continued)

Included in other receivables are amounts of £23,384 *(2019: £23,384)* due from Directors. See note 27 for further details.

As at 31 December 2020 trade receivables of £934k *(2019: £771k)* had lifetime expected credit losses of the full value of the receivables.

The main factors considered by the directors in determining the lifetime expected credit losses are that the customers are unlikely to meet their obligation as they fall due, the debts are 6 months or more past due and therefore unrecoverable. The ageing of these receivables is as follows:

	2020	*2019*
	£000	*£000*
Up to 3 months	**-**	*-*
3 to 6 months	**-**	*-*
6 to 12 months	**934**	*771*
	934	*771*

The lifetime expected loss provision and specific provisions for trade receivables and contract assets are as follows:

	Total	**Current**	**31 - 60 days**	**61 - 120 days**	**Over 120 days**
	£000	**£000**	**£000**	**£000**	**£000**
Gross debt	**35,097**	**23,516**	**2,992**	**3,490**	**5,099**
ECL provision	**(934)**	**-**	**-**	**(11)**	**(923)**
Net debt	**34,163**	**23,516**	**2,992**	**3.479**	**4,176**

Company

	2020 £000	2019 £000
Receivables from related parties	**40,452**	*40,452*
Expected credit losses on receivables from related parties	**(40,452)**	-
Total financial assets other than cash and cash equivalents classified as loans and receivables	-	*40,452*
Total current portion	-	*(40,452)*

Repayment of related party receivables depends on future Group cashflows being higher than Group debt. The increase in debt in 2020 means the fair value of all CGUs is now lower than total debt. Therefore, a 100% expected loss provision has been applied to the debt which will be reviewed in each future period to assess whether the provision is still required.

19. Trade and other payables

Group

	2020 £000	2019 £000
Trade payables	**18,625**	*49,029*
Other payables - including pension and payroll	**4,758**	*12,595*
Accruals	**18,297**	*26,764*
Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	**41,680**	*88,388*
Other payables - tax and social security payments	**21,183**	*14,410*
Deferred income	**167**	-
Total trade and other payables	**63,030**	*102,798*
Less: current portion - trade payables	**(18,625)**	*(49,029)*
Less: current portion - other payables including tax and social security payments	**(25,941)**	*(27,005)*
Less: current portion - accruals	**(18,297)**	*(26,764)*
Less: current portion - deferred income	**(167)**	-
Total current portion	**(63,030)**	*(102,798)*
Total non-current position	-	-

20. Loans and borrowings

Group

	2020 £000	*As restated* *2019* *£000*
Non-current		
Bank and other loans	**180,142**	*142,999*
Loan notes	**150,569**	*123,431*
Lease liabilities	**18,392**	*17,502*
	349,103	*283,932*
Current		
Overdrafts	**6,643**	*6,100*
Loan notes	**1,667**	*-*
Lease liabilities	**4,043**	*2,460*
	12,353	*8,560*
Total loans and borrowings	**361,456**	*292,492*

20. Loans and borrowings (continued)

Terms and debt repayment schedule

	Amount	Currency	Nominal interest rate	Year of maturity
Bank overdraft	6,643		N/a	2021
EPE loan notes	72,698	GBP	11.50%	2029
Equistone loan	32,000	GBP	20.00%	2029
Deferred loan notes	1,621	GBP	5.00%	2029
Management loan notes	10,180	GBP	7.50%	2029
FY20 loan notes	12,388	GBP	7.50%	2029
Senior facility B1	93,148	GBP	6.50% Above LIBOR	2026
Senior facility B2	46,560	GBP	6.50% Above LIBOR	2026
Capex facility drawdown	29,810	GBP	7.30%	2026
Revolving facility repayment	14,591	GBP	2.75%	2025
Other loan (CH & Co)	283	GBP	N/a	2021
Other loan (Catermasters)	-	GBP	N/a	2021
	319,922			
Capitalised loan fees	(4,250)			
Accrued interest	23,350			
	339,022			

Capitalised loan related costs are amortised over the life of the loan to which they relate.

The senior debt is secured by way of a fixed and floating charge over all the assets of Orchestra Bidco Limited, for its present and future obligations and liabilities under the terms of the loan.

The loans are subject to covenants relating to minimum liquidity and net leverage targets. The Group has complied with the necessary measures and as such is not in breach of the covenant requirements.

The loans are secured by way of a fixed and floating charge over all the assets of Orchestra Holdco Limited, for its present and future obligations and liabilities under the terms of the loan.

21. Share capital

Authorised

	2020 Number	2020 £000	*2019 Number*	*2019 £000*
Shares treated as equity				
A ordinary shares of £0.0000025 each	**875,000**	-	*875,000*	-
B ordinary shares of £0.0001 each	**159,529**	-	*163,128*	-
C1 ordinary shares of £0.010000 each	**84,303**	**1**	-	-
C2 ordinary shares of £0.010000 each	**19,158**	-	-	-
	1,137,990	**1**	*1,038,128*	-

All authorised share capital is issued and fully paid.

Rights attached to share

The rights as regards return on capital attaching to each class of shares are as set out below. On a return of capital on liquidation or otherwise (except on a redemption or purchase by the Company of any shares), the surplus assets of the Company remaining after the payment of its liabilities and all other sums payable in priority shall be applied in the following order:

- First the distribution of £1,000,000,000 (the "**C Hurdle Amount**") amongst the holders of the C Ordinary Shares according to the number of such C Ordinary Shares held by the relevant Shareholder at the relevant time;
- Second the distribution of £39,936,949 (the "**A Hurdle Amount**") amongst the holders of the A Ordinary Shares according to the number of such A Ordinary Shares held by the relevant Shareholder at the relevant time and;
- Third any amounts in excess of the aggregate of the C Hurdle Amount and the A Hurdle Amount shall be distributed against the holders of the Equity Shares (pari passu as if the same constituted one class of shares) according to the number of such Equity Shares held by the holders of Equity Shares at the relevant time save that the amount to be allocated to the B Ordinary Shares shall be capped at 20% of the aggregate amount due to be distributed.

The Company may not distribute any profits in respect of any financial period unless and until the loan notes have been repaid in full, unless a majority of the holders of each class of such loan notes otherwise agrees in writing and unless investor approval to such distribution shall have been obtained.

- On 15 May 2020 the Company issued 84,303 C1 Ordinary Shares of £0.01 each.
- On 15 May 2020 the Company issued 15,695 C2 Ordinary Shares of £0.01 each.
- On 10 June 2020 the Company issued 1,046 C2 Ordinary Shares of £0.01 each at a premium of £0.52 per share.
- On 6 July 2020 the Company issued 3,095 C2 Ordinary Shares of £0.01 each at a premium of £0.52 per share.
- On 10 July 2020 the Company repurchased and cancelled 678 C2 Ordinary Shares of £0.01 each for a consideration of £0.01 each.
- On 10 July 2020 the Company repurchased and cancelled 3,599 B Ordinary Shares of £0.0001 each for consideration of £0.01 each.

22. Reserves

Share premium

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.

Foreign exchange reserve

The foreign exchange reserve represents the cumulative movements in foreign exchange.

Merger Reserve

This reserve relates to the difference between the nominal and fair value of shares acquired on initial recognition of the business combination.

Profit and loss account

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

23. Analysis of amounts recognised in other comprehensive income

	Foreign exchange reserve £000
Year to 31 December 2020	
Exchange differences arising on translation of foreign operations	49

There were no amounts recognised in Other Comprehensive Income in 2019.

24. Leases

Group

(i) Leases as a lessee

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

IFRS 16 was adopted from incorporation.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate implicit in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability is they depend on an index or rate In such cases, the initial measurement of the lease liability assumes that the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the group if it is reasonably certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- *lease payments made at or before commencement* of the lease;
- initial director costs incurred; and
- the amount of any provision recognised where the group is contractually requirement to dismantle, remove or restore the leased asset (typically the leasehold dilapidations).

24. Leases (continued)

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the net asset if, rarely, this is judged to be shorter than the lease term.

When the group revises its estimates of the term of any lease, it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except the discount rate remains unchanged. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognised in profit or loss.

Nature of leasing activities (in the capacity as lessee)

The group leases a number of properties in the UK, where periodic rent is fixed over the lease term. The group also leases certain items of plant and equipment and vehicles. These comprise only fixed payments over the lease terms. There are no significant leases which contain variable lease payments.

Lease liabilities are due as follows:

	2020 **£000**	*As restated* *2019* *£000*
Contractual undiscounted cash flows due		
Not later than one year	**4,043**	*2,207*
Between one year and five years	**16,010**	*16,637*
Later than five years	**2,382**	*865*
	22,435	*19,709*
Lease liabilities included in the Consolidated Statement of Financial Position at 31 December	**22,435**	*19,709*
Non-current	**18,392**	*17,502*
Current	**4,043**	*2,207*

The following amounts in respect of leases have been recognised in profit or loss:

	2020 **£000**	*2019* *£000*
Short-term lease expense	**579**	*276*
Low value lease expense	**89**	*92*
Aggregate undiscounted commitments for short-term leases	**6,102**	*6,914*

24. Leases (continued)

	Land and buildings £000	Motor vehicles £000	Equipment £000	Total £000
Right-of-use assets				
At 31 December 2019 (as restated)	18,266	487	651	19,404
Additions	4,516	230	-	4,746
Disposals	(1,164)	(22)	-	(1,186)
Depreciation charge for the year	(4,094)	(68)	(204)	(4,366)
Depreciation on disposal of embedded leases	210	7	-	217
Balance at 31 December 2020	17,734	634	447	18,815

	Land and buildings £000	Motor vehicles £000	Equipment £000	Total £000
Lease liabilities				
At 31 December 2019 (as restated)	18,822	523	364	19,708
Additions	4,515	230	252	4,997
Disposals	(1,287)	(22)	-	(1,309)
Interest	1,057	14	43	1,114
Lease payments	(1,469)	(421)	(187)	(2,077)
Balance at 31 December 2020	21,638	324	472	22,433

25. Prior year adjustments

For FY19, in accounting for Right of Use assets and liabilities under IFRS 16, an embedded lease on a specific contract was incorrectly recognised. As a material amount, management consider that the most appropriate treatment for FY20 is to correct this as a prior period adjustment. The impact of this correction is to decrease the right of use liabilities, and to decrease the Right of Use Assets, by £3.9m in the FY19 Consolidated Statement of Financial Position.

In the prior year the consolidated statement of cashflows included the movement on the overdraft facility within loans and other borrowings. The Directors have decided that it would be more appropriate to include overdrafts netted against cash, in order to present cash and cash equivalents for cashflow purposes. The comparative figures for FY19 have been restated accordingly – proceeds from loans, net of costs, and net cash inflows from financing activities, decreased by £6.1m as a result, while net cash increase in the period reduced by £6.1m and cash and cash equivalents at 31 December 2019 reduced by £6.1m. There is no impact on the balance sheet presentation of cash and cash equivalents for this change.

26. Financial instruments - fair values and risk management

26.1 Accounting classifications and fair values

No financial assets at 31 December 2020 were recorded at fair value through profit or loss, or at fair value through other comprehensive income.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities.

31 December 2020	Note	Carrying amount Mandatorily at FVTPL - others £000	 Amortised cost £000	 Total £000
Financial assets measured at fair value				
		-	-	-
Financial assets measured at amortised cost				
Trade and other receivables	18	-	57,531	57,531
Cash and cash equivalents		-	14,832	14,832
		-	72,363	72,363
Financial liabilities measured at fair value				
Contingent consideration		2,481	-	2,481
		2,481	-	2,481
Financial liabilities measured at amortised cost				
Other loans		-	283	283
Loan notes	20	-	152,236	152,236
Bank loans	20	-	185,281	185,281
Trade payables	19	-	50,131	50,131
		-	387,931	387,931

26. Financial instruments - fair values and risk management (continued)

26.1 Accounting classifications and fair values (continued)

		Carrying amount		
31 December 2019	Note	Mandatorily at FVTPL - others £000	Amortised cost £000	Total £000
Financial assets measured at fair value				
		-	-	-
Financial assets measured at amortised cost				
Trade and other receivables	18	-	57,531	57,531
Cash and cash equivalents		-	22,088	22,088
		-	79,619	79,619
Financial liabilities measured at fair value				
Contingent consideration		14,249	-	14,249
		14,249	-	14,249
Financial liabilities measured at amortised cost				
Other loans		-	905	905
Loan notes	20	-	123,431	123,431
Bank loans	20	-	142,999	142,999
Trade payables	19	-	102,798	102,798
		-	370,133	370,133

Financial instruments measured at amortised cost are cash and cash equivalents, trade and other receivables, trade and other payables, and loans and borrowings. Contingent consideration is measured at fair value through profit and loss.

26. Financial instruments - fair values and risk management (continued)

26.2 Financial instruments - Risk management

The Group is exposed through its operations to the following financial risks:

- Credit risk
- Interest rate risk
- Liquidity risk

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. The strategic report describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables (excluding tax and social security liabilities)
- Senior debt
- Loan notes
- Contingent consideration

26. Financial instruments - fair values and risk management (continued)

26.2 Financial instruments - Risk management (continued)

Financial instruments not measured at fair value

Financial instruments not measured at fair value include cash and cash equivalents, trade and other receivables, trade and other payables, and loans and borrowings.

Due to their short-term nature, the carrying value of cash and cash equivalents, trade and other receivables, trade and other payables approximates their fair value.

The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities:

	Up to 3 months £000	Between 3 and 12 months £000	Between 1 and 2 years £000	Between 2 and 5 years £000	Over 5 years £000
31 December 2020					
Trade and other payables	88,388	-	-	-	-
Overdraft	6,643	-	-	-	-
Loans and borrowings	4,623	9,370	12,008	36,023	360,153
Contingent consideration	-	2,000	-	-	-
	99,654	11,370	12,008	36,023	360,153
31 December 2019					
Trade and other payables	41,680	-	-	-	-
Overdraft	6,100	-	-	-	-
Loans and borrowings	2,497	7,491	9,989	29,966	313,241
Contingent consideration	3,070	2,000	4,051	5,180	-
	53,347	9,491	14,040	35,146	313,241

Included in the above are balances of £140m which incur interest at variable rates linked to LIBOR. A 1.0% increase in the LIBOR rate would equate to a rise in debt service costs of approximately £1.40m per annum.

27. Related party transactions

During the period Group companies entered into the following transactions with related parties who are not members of the Group.

Included in loans outstanding are amounts due to Equistone VI Excess SCSp, and certain members of management. Further details on the amounts outstanding, along with the terms are included in note 18.

The key management personnel are deemed to be the Directors. Details of Directors' remuneration are given in note 7.

Certain Directors have loans totalling £23,384 *(31 December 2019: £23,384)*, used to subscribe for B shares in Orchestra Topco Limited on 2 October 2019. The loans accrue interest of 1% PA, and all amounts remain outstanding at the period end.

The Group has a joint venture in which it owns 50% of the issued share capital of Full Circle Performance and Production Limited, however the group takes no part in the management decisions made in this entity, and receives no financial return from this investment. Therefore, whilst the Directors consider that this should be accounted for as an associate, due to immateriality it has been excluded from the consolidation. As at the year-end the Group is in discussions to dispose of this investment for minimal consideration. During the year the group made purchases of £495,965 *(period ended 31 December 2019: £3,138,870)* from, and sales of £Nil *(period ended 31 December 2019: £501,434)* to, Full Circle Limited. The balance outstanding at 31 December 2020 was a net debtor £229,000 *(31 December 2019: net creditor - £(509,000))*.

28. Controlling party

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

29. Business combinations during the year

29.1 Subsidiaries acquired

On 28 February 2020, the wholly owned intermediate holding subsidiary, CH & Co Catering Group Limited acquired 100% of the share capital of Vacherin Limited for a combined cash consideration of £14,634k along with contingent consideration of £3,366k. There are two elements to the deferred consideration, a deferred and kicker consideration, both of which are due on 31 August 2021. Both elements were based on EBITDA performance in the 12 months to 28 February 2021. However due to the ongoing Covid global pandemic, and as at the balance sheet date an agreement was made that there was no contingent consideration payable. The Vacherin acquisition was a strategic move in order to strengthen our position in the high-end London workplace catering division, and complements the 2019 Gather & Gather acquisition which was also focussed on the Workplaces portfolio of business.

Acquisition costs of £1.9m arose as a result of the transaction. These have been recognised as part of exceptional administrative expenses in the Statement of Comprehensive Income and are disclosed as exceptional costs in the notes to the financial statements.

Goodwill of £7,877k was recognised in the transaction (see below). The main factors for the recognition of goodwill are:

- the presence of certain intangible assets, such as the assembled workforce of the acquired entity, do not qualify for separate recognition.
- the anticipated improvement in profitability from being part of a group with both increased scale and catering expertise. Goodwill also comprises new standalone contract wins expected to be achieved.
- the fact that a lower cost of capital is ascribed to the expected future cashflows of the entire operation acquired than might be to individual assets.

The goodwill recognised will not be deductible for tax purposes. There are no minority interests in the acquired business. Details on the fair value of the assets and liabilities acquired are below. There were no contingent liabilities in the acquired business.

The tables below detail the amounts recognised relating to the acquisition of Vacherin Limited:

Name	Principal activity	Date of acquisition	Proportion of voting equity interests acquired %	Consideration transferred £000
Vacherin Limited	Food services	28/02/20	100	18,000
				18,000

29.2 Consideration transferred

	Vacherin Limited £000
Cash	14,634
Deferred contingent consideration	3,366
	18,000

29. Business combinations during the year (continued)

29.3 Assets acquired and liabilities recognised at the date of acquisition

	Vacherin Limited £000	Fair value adjustments £000	Total £000
Non-current assets			
Property, plant and equipment	73	-	73
Intangible assets	-	10,967	10,967
Current assets			
Cash and cash equivalents	943	-	943
Trade receivables	3,980	-	3,980
Prepaid expenses and other assets	945	-	945
Inventories	20	-	20
Non-current liabilities			
Deferred tax liabilities	-	(2,083)	(2,083)
Current liabilities			
Trade payables	(2,558)	-	(2,558)
Accrued liabilities	(106)	-	(106)
Other current liabilities	(1,884)	-	(1,884)
Corporation tax	(174)	-	(174)
Total net assets	1,239	8,884	10,123

Intangible assets acquired consisted of Customer Relationships, to the value of £9,536k, and the Trade Name, to the value of £1,431k. The useful economic life of these intangible assets is 15 years.

29.4 Goodwill arising on acquisition

	Vacherin Limited £000	Total £000
Acquisition date fair value of consideration	18,000	18,000
Fair value of identifiable net assets acquired	(10,123)	(10,123)
Goodwill arising on acquisition	7,877	7,877

29. Business combinations during the year (continued)

29.5 Net cash outflow on acquisition

	2020 £000
Consideration paid in cash	14,634
Less: cash and cash equivalent balances acquired	(943)
	13,691

29.6 Impact of acquisition on the results of the Group

The amounts of revenue and profit or loss of the acquiree since the acquisition date included in the Consolidated Statement of Comprehensive Income for the reporting period is as follows:

	Vacherin Limited £000
Profit and loss	
Revenue	14,071
Cost of sales	(17,142)
Other operating income	4,497
Overheads	(2,198)
Operating loss	(772)

The revenue and profit or loss of the combined entity for the current reporting period as though the acquisition date for all business combinations that occurred during the year had been as of the beginning of the annual reporting period is as follows:

	£000
Revenue	214,873
Cost of sales	(246,486)
Other operating income	51,652
Overheads	(111,219)
Operating loss	(91,180)

30. Notes supporting statement of cash flows

	Current loans and borrowings £000	Non-current loan and borrowings £000	Total £000
At 1 June 2019	-	-	-
Cash flows			
Overdraft increases	(6,100)	-	(6,100)
Loan notes issued	-	(122,394)	(122,394)
New bank loans	-	(140,900)	(140,900)
Non-Cash-flows			
Interest accrued	-	(7,421)	(7,421)
Capitalised loan fees	-	4,285	4,285
Contingent consideration on acquisitions	-	(14,249)	(14,249)
At 31 December 2019	(6,100)	(280,679)	(286,779)

	Current loans and borrowings £000	Non-current loans and borrowings £000	Total £000
1 January 2020	(6,100)	(280,679)	(286,779)
Cash flows			
Overdraft increases	(543)	-	(543)
Loan notes issued	-	(15,799)	(15,799)
Loans repaid		3,000	3,000
New bank loans	-	(31,231)	(31,231)
Contingent consideration paid	-	1,166	1,166
Non-Cash-flows			
Interest accrued	(48)	(21,152)	(21,200)
Change in classification	(1,621)	1,621	-
Capitalised loan fees amortisation	-	(35)	(35)
Contingent consideration on acquisitions	-	(3,366)	(3,366)
Other movements	-	(143)	(143)
Fair value adjustment to contingent consideration	-	13,427	13,427
At 31 December 2020	(8,312)	(333,191)	(341,503)

31. 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 the Directors Report and in note 2.

The Directors are confident that they now have the appropriate level of resource in place to respond to the changing conditions of the market and the recovery of our sectors as this occurs over the coming months.

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. We are able to draw on our experience of previous lockdowns and restrictions to speedily reduce our cost base in line with any reductions in revenues.

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 balance sheet date, as result deferred tax balances as at 31 December 2020 continue to be measured at 19%. If all of the deferred tax was to reverse at the amended rate the impact to the closing deferred tax position would be to increase the deferred tax liability by £8,344k.