

**THE EXCELSIOR INSURANCE COMPANY LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**30 SEPTEMBER 2023**

**REGISTERED NUMBER: 2396184**



**DIRECTORS AND OFFICERS**

**DIRECTORS**

Mr Brendan Boucher  
Mr Scott Feltham

**SECRETARY**

Compass Secretaries Limited  
Compass House  
Guildford Street  
Chertsey  
KT16 9BQ

**AUDITORS**

KPMG LLP  
15 Canada Square  
London  
E14 5GL

**BANKERS**

Barclays Bank plc  
Soho SQ  
Leicestershire  
LE87 2BB

**MANAGERS**

Polo Commercial Insurance Services Limited  
The Grange  
Bishops Cleeve  
Cheltenham  
GL50 9WS

**REGISTERED OFFICE**

Compass House  
Guildford Street  
Chertsey  
Surrey  
KT16 9BQ

**DIRECTORS' REPORT FOR THE YEAR ENDED  
30 SEPTEMBER 2023**

The Directors present their Report together with the audited financial statements of the Company for the year ended 30 September 2023. Comparative amounts are for the year ended 30 September 2022.

**GOING CONCERN**

The Company's ultimate parent company, Compass Group PLC, has provided a letter of support to the Company, confirming provision of ongoing support to the Company for the purposes of its business operations for a period of at least 12 months from the date of approval of the financial statements. Consequently, the Financial Statements have been prepared on a going concern basis, since having made relevant enquiries; the Board has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and is able to manage an orderly run-off of its liabilities.

**RESULTS, DIVIDENDS AND TRANSFERS TO RESERVES**

The pre-tax profit for the period is £18,268 (2022: £854 profit). The profit after taxation amounted to £14,249 (2022: £63 loss) which has been transferred to reserves.

Dividends of £Nil have been paid during the year (2022: £Nil).

**DIRECTORS**

The Directors of the Company are shown on page 1.

**DIRECTORS' INTERESTS**

None of the Directors had a direct interest in the issued share capital of the Company.

No Director is or was materially interested in any contract of significance subsisting during or at the end of the financial year in relation to the Company's business.

**CREDITOR PAYMENT POLICY**

The Company is in run-off and is administered by Polo Commercial Insurance Services Limited (Polo). All creditors are paid within the terms of settlement provided by the supplier. At the year-end there were nil days (2022: nil days) purchases included in trade creditors.

**EMPLOYEES**

The Company had no employees during the year.

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2023 (CONTINUED)

### SOLVENCY REQUIREMENTS

In line with the requirements under Prudential Regulation Authority ("PRA") rules to have capital resources equal to or in excess of minimum capital requirements ("MCR") the solvency position is as follows:

	30.09.23	30.09.22
	£000s	£000s
Capital Resources	4,435	4,420
Minimum capital requirement	<u>(3,444)</u> (Euros 4.0m)	<u>(3,126)</u> (Euros 3.7m)
Surplus	991	1,294

The euro exchange rate used to calculate the MCR is 0.86115 (2022:0.84490). The MCR of £3,444k is the relevant metric as the Solvency Capital Requirement is below the MCR.

### DISCLOSURE OF INFORMATION TO AUDITORS

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The Directors, having prepared the Financial Statements, have permitted the auditors to take whatever steps and undertake whatever inspections they consider to be appropriate for the purpose of enabling them to give their audit opinion.

### AUDITORS

Pursuant to Section 516 of the Companies Act 2006, KPMG will cease to be the auditor of the company at the conclusion of the audit process for the financial year ended 30 September 2023. A resolution to appoint a new external audit firm will be proposed at a board meeting in 2024.

**STRATEGIC REPORT**

The Directors present their Strategic Report in accordance with S414 of the Companies Act 2006 for the year ended 30 September 2023.

**PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS**

The Company is a wholly owned subsidiary of Hospitality Holdings Limited and the ultimate parent company is Compass Group PLC.

The principal activity of the Company is the run-off of its general insurance business. The Company underwrote a proportion of the insurance risks of Trusthouse Forte PLC and its subsidiary companies at which time it was a wholly owned subsidiary of the Forte group of companies. The Company requested that its authorisation to write new insurance business be withdrawn under Section 11 of the Insurance Companies Act 1982. This was effected on 10 July 1998. No change to the nature of the Company's activities is planned or expected.

The Directors are of the view that insurance policies written by the Company that provided cover against legal liabilities stemming from claims relating to third party property damage and bodily injury no longer give rise to insurance risk.

From the date of any incident resulting in third party property damage or bodily injury, any prospective claimant has a set period – per the Limitation Act 1980 – in which to bring a claim for compensation against the party deemed at fault for the incident (the limitation period). The limitation period for third party property damage claims is 6 years and, for bodily injury claims, a limitation period of 3 years applies. For the latter, this is extended in the case of a minor who would ordinarily have a period of 3 years from the date on which they turn 18 years of age in which to bring a claim for compensation. Additionally, for claims relating to diseases, the prospective claimant has 3 years from the date of being diagnosed with any relevant symptoms in which to bring a claim.

Insurance policies covering disease risks are not covered by the above limitations. However, Excelsior ceased writing insurance in 1994 and so combined with the above limitation periods, the risk of any future claims arising which could result in the insurance policies being called upon to respond is now considered remote.

The results for the period are set out on pages 13 and 14. No new or renewal business has been underwritten in the year ended 30 September 2023 (2022: None). There are no known outstanding claims (2022: None).

**PRINCIPAL RISKS AND UNCERTAINTIES**

The Board considers that the Company's principal risks and uncertainties are regulatory compliance and maintenance of Solvency II capital requirements. The principal risks are kept under regular review at Board Meetings, in line with the Group's policy of taking a proactive approach to recognising and mitigating risk.

**FINANCIAL RISK MANAGEMENT**

The Board is responsible for the Company's system of internal financial control. Whilst no system of internal financial control can provide absolute assurance against material misstatement or loss, the Company's system is designed to provide the Board with reasonable assurance that the procedures in place are operating effectively.

The Company is also indirectly exposed to the principal risks of the Group which are managed centrally. Group risks are discussed in the Group's Annual Report which does not form part of this Report.

**STRATEGIC REPORT (CONTINUED)****THE COMPANIES ACT 2006 – SECTION 172 STATEMENT**

The Directors are aware of their responsibilities to promote the success of the Company in accordance with Section 172(1) of the Companies Act 2006 and have acted in accordance with these responsibilities during the year.

A director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- (a) the likely consequences of any decision in the long term. The long term strategy of the company is set out in this Strategic Report.
- (b) the interests of the company's employees. The Company does not have any employees.
- (c) the need to foster the company's business relationships with suppliers, customers and others. The Company has no material relationships with suppliers or customers.
- (d) the impact of the company's operations on the community and the environment. The Company has no active operations.
- (e) the desirability of the company maintaining a reputation for high standards of business conduct. The Board are focused on maintaining business standards at all times, using the established risk management and operational frameworks that are in place. Further detail is set out above.
- (f) the need to act fairly as between members of the company. The Company is a wholly owned subsidiary of the Compass Group PLC and acts accordingly.

The Directors have had regard to wider stakeholder interests when performing their duty. The key stakeholders include regulators, policyholders and suppliers. The Company's values (inter alia to conduct business with due skill, honesty, care, diligence, and integrity as well as strive to achieve equity between our stakeholders), which guide the Company's decision-making processes, are followed in all decisions. This can be evidenced by the minutes of the Board meetings of the Company

By order of the Board



B Boucher  
Director  
Compass House  
Guildford Street  
Chertsey  
KT16 9BQ

9 January 2024

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**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS**

The Directors are responsible for preparing the Annual 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its profit or loss for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report and a Directors' Report that complies with that law and those regulations.

**Responsibility statement of the Directors in respect of the annual financial report**

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company; and
- the Directors' report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that they face.

We consider the Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.



B Boucher  
Director  
Compass House  
Guildford Street  
Chertsey  
KT16 9BQ

9 January 2024

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE EXCELSIOR INSURANCE COMPANY LIMITED****1 Our opinion is unmodified**

We have audited the financial statements of The Excelsior Insurance Company Limited ("the Company") for the year ended 30 September 2023 which comprise the Income Statement, Statement of Changes in Equity, Statement of Financial Position, and the related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements 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 are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the Board of Directors.

We were first appointed as auditor by the directors on 30 September 1997 and reappointed as part of the Company Group plc audit tender on 14 March 2014. The period of total uninterrupted engagement is for the 26 financial years ended 30 September 2023. We have fulfilled our ethical responsibilities under, and we remain independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to public interest entities. No non-audit services prohibited by that standard were provided.

**2 Key audit matters: our assessment of risks of material misstatement**

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matters (unchanged from 2022), in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public interest entities, our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE EXCELSIOR INSURANCE COMPANY LIMITED**

Key Audit Matter	The risk	Our response
Amounts owed by parent undertaking (2023: £4,155k; 2022: £4,073k) Refer to page 18 (accounting policy) and page 20 (financial disclosures)	<p><b>Low risk, high value:</b> The Company has provided a loan to its parent entity (Hospitality Holdings Limited) which is the largest asset and represents 93% of the total assets.</p> <p>The valuation of the asset is dependent on the parent entity's ability and willingness to repay the loan when it is called.</p>	<p><b>Our procedures included:</b></p> <ul style="list-style-type: none"> <li>Assessing the ability of the parent company and ultimate parent company (Compass Group plc) to repay the debt obligations by evaluating the Net Asset Value as per the latest audited Financial Statements, credit ratings from external third parties, and any correspondence with company and ultimate parent company which would indicate a potential inability to repay the debt when due.</li> <li>We considered whether economic risks could plausibly affect the liquidity and solvency of the ultimate parent Company by assessing its Directors' sensitivities over the level of available financial resources indicated by the ultimate parent company's financial forecasts, taking account of severe, but plausible adverse effects that could arise from these risks individually and collectively and the impact on its ability to repay the loan to the company.</li> <li>In line with our methodology, we have verified the existence and completeness of the loan by obtaining the Loan Agreement and agreeing this to the booked values.</li> </ul> <p><b>Our results:</b> We found the valuation of the Amounts owed by the parent undertaking to be acceptable (2022 result: acceptable).</p>

**3 Our application of materiality and an overview of the scope of our audit**

Materiality for the financial statements as a whole was set at £44,000 (2022: £44,000), determined with reference to a benchmark of Total Assets, of which it represents 1.00% (2022: 1%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

Performance materiality was set at 75% (2022: 75%) of materiality for the financial statements as a whole, which equates to £33,000 (2022: £33,000).

We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

We agreed to report to the Directors any corrected or uncorrected identified misstatements exceeding £2,200 (2022: £2200), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit of the Company was undertaken to the materiality level specified above and was all performed remotely using video and telephone conferencing meetings.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE EXCELSIOR INSURANCE COMPANY LIMITED****4 Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

Our responsibility is to conclude on the appropriateness of the Directors' conclusions and, had there been a material uncertainty related to going concern, to make reference to that in this audit report.

We used our knowledge of the Group, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Group's financial resources or ability to continue operations over the going concern period. The risk that we considered most likely to adversely affect the Company's available financial resources over this period was the ability of the parent company, Hospitality Holdings Limited, to repay the intercompany loan balance owed to the Company. The immediate company's ability to repay the loan is dependent on financial support provided by Compass Group Plc (the "ultimate parent company").

In the context of the Company's financial needs, we evaluated the ultimate parent company's intent to support the Company through inspection of agreements between the parties and the Company's ability to call upon the outstanding loan as required. We evaluated the ability of the ultimate parent company to provide this support, considering risks that could plausibly affect the ultimate parent company's liquidity in the going concern period in severe, but plausible downside scenarios against the level of available financial resources indicated by the ultimate parent company's financial forecasts.

We considered whether the going concern disclosure in note 1 to the financial statements gives a full and accurate description of the Director's assessment of going concern, including the identified risks and dependencies.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period; and
- we found the going concern disclosure in note 1 to be acceptable.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

**5 Fraud and breaches of laws and regulations – ability to detect***Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Company's high-level policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE EXCELSIOR INSURANCE COMPANY LIMITED**

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there are no revenue streams as the entity is in run-off. We did not identify any additional fraud risks.

We performed procedures on all journal entries by comparing the entries to supporting documentation.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors (as required by auditing standards), from inspection of the Company's regulatory and legal correspondence and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

As the Company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Company's license to operate. We identified the following areas as those most likely to have such an effect: regulatory capital recognizing the financial and regulated nature of the Company's activities.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

*Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE EXCELSIOR INSURANCE COMPANY LIMITED**

responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

**6 We have nothing to report on the strategic report and the directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in those reports;
- in our opinion the information given in the strategic report and the directors' report for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

**7 We have nothing to report on the other matters on which we are required to report by exception**

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

**8 Respective responsibilities****Directors' responsibilities**

As explained more fully in their statement set out on page [6], the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities**

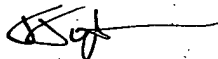
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE EXCELSIOR INSURANCE COMPANY LIMITED****9 The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an 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 Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Thomas Tiplin (Senior Statutory Auditor)**  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
15 Canada Square  
Canary Wharf  
London  
E14 5GL  
10 January 2024

**INCOME STATEMENT  
FOR THE YEAR ENDED 30 SEPTEMBER 2023**
**Technical Account - General Business**

	<u>Notes</u>	<u>Year to 30.09.23</u> £	<u>Year to 30.09.22</u> £
Claims incurred, net of reinsurance			
Claims paid			
- gross amount		<u>-</u>	<u>-</u>
Change in the provision for claims			
- gross amount		<u>-</u>	<u>-</u>
Claims incurred, net of reinsurance	2	<u>-</u>	<u>-</u>
Operating expenses - administrative expenses	2	<u>(75,655)</u>	<u>(74,638)</u>
<b>Balance on the technical account for general business</b>	2	<u><b>(75,655)</b></u>	<u><b>(74,638)</b></u>

There are no gains and losses to be reported other than those shown in the Income Statement for the current and preceding year, therefore no Statement of Other Comprehensive Income has been presented.

**INCOME STATEMENT (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2023**

**Non-Technical Account**

	<u>Notes</u>	<u>Year to 30.09.23 £</u>	<u>Year to 30.09.22 £</u>
<b>Balance on the general business technical account</b>		(75,655)	(74,638)
Investment income	4	93,923	75,492
<b>Profit on ordinary activities before tax</b>		<u>18,268</u>	<u>854</u>
Tax on Profit on ordinary activities	7	(4,019)	(917)
<b>Profit/Loss for the financial year</b>		<u>14,249</u>	<u>(63)</u>
<b>Retained Profit/Loss for the financial year</b>		<u>14,249</u>	<u>(63)</u>

The notes on pages 17 to 22 form part of these financial statements

## STATEMENT OF CHANGES IN EQUITY

## 2023

	Called up share capital £	Profit and loss account £	Total £
At 1 October 2022	3,500,000	920,458	4,420,458
Total comprehensive expense for the year	-	14,249	14,249
At 30 September 2023	<u>3,500,000</u>	<u>934,707</u>	<u>4,434,707</u>

## 2022

	Called up share capital £	Profit and loss account £	Total £
At 1 October 2021	3,500,000	920,521	4,420,521
Total comprehensive expense for the year	-	(63)	(63)
At 30 September 2022	<u>3,500,000</u>	<u>920,458</u>	<u>4,420,458</u>



**STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2023**

	<u>Notes</u>	<u>As at 30.09.23 £</u>	<u>As at 30.09.22 £</u>
<b>Current Assets</b>			
Amounts owed by parent undertaking	8	<u>4,476,501</u>	<u>4,453,514</u>
(Within this balance includes amounts due after more than one year being £4,155K (2022: £4,073K))			
Cash at bank and in hand		<u>150</u>	<u>1,031</u>
<b>Total Assets</b>		<u><u>4,476,651</u></u>	<u><u>4,454,545</u></u>
<b>Current Liabilities</b>			
Accruals and deferred income		41,944	34,087
<b>Capital and reserves</b>			
Called up share capital	9	3,500,000	3,500,000
Profit and loss account	10	<u>934,707</u>	<u>920,458</u>
Shareholder's funds - equity interests		4,434,707	4,420,458
<b>Total Liabilities and Equity</b>		<u><u>4,476,651</u></u>	<u><u>4,454,545</u></u>

APPROVED ON BEHALF OF THE BOARD ON 9 JANUARY 2024 BY



B Boucher  
DIRECTOR

The notes on pages 17 to 22 form part of these financial statements

## NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2023

**1 ACCOUNTING POLICIES**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

**(a) Basis of preparation**

The financial statements have been prepared in compliance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", being applicable UK GAAP accounting standards, and in accordance with the provisions of Schedule 3 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations relating to insurance companies and the Companies Act 2006.

The Board has assessed the Company's status as a going concern and have concluded that it is appropriate to prepare the financial statements on a going concern basis. Based on that assessment, the Board has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and is able to manage an orderly run-off of its liabilities. The Company's ultimate parent company, Compass Group PLC, has provided a letter of support to the Company, confirming provision of ongoing support to the Company for the purposes of its business operations for a period of at least 12 months from the date of approval of the financial statements. This support is provided to ensure that the Company is able to maintain a surplus above its regulatory capital requirement at all times as well as being able to continue to meet its liabilities as they fall due. The Board have assessed that there are no realistic risks to the support being forthcoming, should it be required, with respect to the ability or willingness of Compass Group PLC to provide it. The most recent consolidated financial results of Compass Group PLC, for the year ended 30 September 2023, which are available to the public, have been prepared on a going concern basis with no material uncertainty on the Group's ability to continue as a going concern.

The Company's ultimate parent undertaking, Compass Group PLC, includes the Company in its consolidated financial statements. The consolidated financial statements of Compass Group PLC are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are publicly available. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes; and
- Key Management Personnel compensation; and
- Related party transactions

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

**(b) Basis of Technical Accounting**

Provision is made for all claims incurred and outstanding, including claims incurred but not reported (IBNR), at the balance sheet date. Paid claims include collection expenses and loss adjusters' fees.

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**NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2023 (CONTINUED)****(c) Claims**

Claims outstanding represents the ultimate cost of settling all claims (including direct and indirect claims settlement costs) arising from events which have occurred up to the balance sheet date including a provision for claims incurred but not yet reported less any amounts paid in respect of these liabilities. Claims outstanding is reduced by anticipated salvage and other recoveries.

**(d) Investment Income**

Investment income represents interest receivable for the period and is credited to the Profit and Loss account on an accruals basis.

**(e) Taxation**

The charge for taxation is based on the loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by section 29 under FRS 102.

**(f) Cash Flow Statements**

The Company's parent undertaking, Compass Group PLC, includes the Company in its consolidated financial statements. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from the Registered Office. In these financial statements, the company is considered to be a qualifying entity and has applied the exemptions available under FRS 102 in respect of a Cash Flow Statement and related notes.

**(g) Financial Instruments Disclosure**

The Company held investments defined by Section 11 of FRS 102 – Basic Financial Instruments; Trade and Other Debtors: Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. Purchases and sales of investments are accounted for at trade date.

**(h) Credit Risk**

Credit risk is the risk of financial loss to the Company if a counterparty fails to meet its contractual obligations and arises from the loan to its Parent Company and cash at bank and in hand. The Parent Company loan is payable on demand, and the Directors' have no reason to believe it will not be paid. The Company limits its exposure to risk by only investing in approved credit institutions by way of short-term deposits.

## NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2023 (CONTINUED)

## 2 PARTICULARS OF BUSINESS

## Gross claims incurred and operating expenses

	<u>Gross claims incurred</u>		<u>Operating expenses</u>	
	<u>12 months to 30.09.23</u>	<u>12 months to 30.09.22</u>	<u>12 months to 30.09.23</u>	<u>12 months to 30.09.22</u>
	£	£	£	£
<b>Direct insurance</b>				
Third party liability	-	-	(75,655)	(74,638)
	<u>-</u>	<u>-</u>	<u>(75,655)</u>	<u>(74,638)</u>

## Other segmental information

	<u>Reinsurance balance</u>		<u>Balance on the technical account</u>		<u>Gross technical provisions</u>	
	<u>12 months to 30.09.23</u>	<u>12 months to 30.09.22</u>	<u>12 months to 30.09.23</u>	<u>12 months to 30.09.22</u>	<u>As at 30.09.23</u>	<u>As at 30.09.22</u>
	£	£	£	£	£	£
<b>Direct insurance</b>						
Third party liability	-	-	(75,655)	(74,638)	-	-
	<u>-</u>	<u>-</u>	<u>(75,655)</u>	<u>(74,638)</u>	<u>-</u>	<u>-</u>

## 3 PRIOR YEARS' NET CLAIMS PROVISIONS

In accordance with the provisions of Section 21 of FRS 102, the Directors have considered the need for a provision for the future costs of running off the business. No provision has been made as the future costs are expected to be immaterial in relation to the expected future investment income of the Company.

## 4 INVESTMENT INCOME

	<u>Year to 30.09.23</u>	<u>Year to 30.09.22</u>
	£	£
Income from other investments:		
Loan interest receivable	81,879	73,640
Interest on Deposit Agreement	12,044	1,852
	<u>93,923</u>	<u>75,492</u>
Total investment income	<u>93,923</u>	<u>75,492</u>

## 5 AUDITOR'S REMUNERATION

	<u>Year to 30.09.23</u>	<u>Year to 30.09.22</u>
	£	£
Audit of these financial statements VAT inclusive	37,861	34,087

## 6 STAFF COSTS

The Company employed no staff during the year ended 30 September 2023 (2022: Nil). As in the prior year, none of the Company's Directors received any remuneration in respect of their services to the Company.

## NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2023 (CONTINUED)

## 7 TAXATION

	Year to <u>30.09.23</u> £	Year to <u>30.09.22</u> £
Current year:		
- UK Corporation tax credit at 22.0% (2022: debit 19.0%)	(4,019)	(917)

The current tax credit (2022: credit) for the period is equal to the average of applicable rates of corporation tax in the UK for 2022/23 (22.0%, 2022: 19.0%). An increase in the UK corporation tax Rate from 19% to 25% took effect from 1 April 2023.

	Year to <u>30.09.23</u> £	Year to <u>30.09.22</u> £
Current tax reconciliation		
Profit/(Loss) on ordinary activities before tax	18,268	854
Current tax credit at the statutory rate of 22.0% (2022: credit 19.0%)	(4,019)	(162)
Group Relief	-	(755)
Current Year Total	(4,019)	(917)

## 8 AMOUNTS OWED BY PARENT UNDERTAKING

	As at <u>30.09.23</u> £	As at <u>30.09.22</u> £
Loan	4,155,470	4,073,591
Deposit Agreement	321,031	379,894
Accrued Interest	-	-
Net Intercompany Balance	-	-
Total amounts owed by Parent Undertaking	4,476,501	4,453,485

Loan and Deposit Agreements were executed between the Company and Hospitality Holdings Limited on 5<sup>th</sup> August 2016, following confirmation of no objection from the PRA.

The Loan Agreement was renewed and executed between the Company and Hospitality Holdings Limited on 29<sup>th</sup> September 2023. The Loan together with interest that has been accrued but not paid, will mature on 29 September 2025 (the new Maturity Date), at which point the Company expects the loan to be renewed.

The loan may be repaid or withdrawn prior to the new Maturity Date if notification is provided by one party to the other as specified in the agreement.

A Deposit Agreement is in place for surplus funds to be held by Hospitality Holdings Limited, and for interest to be paid on the amount of the Deposit at the interest rate. Interest is calculated as One Month SONIA less 15 basis points. There is a right of offset and expectations of net settlement relating to intercompany balances under FRS 102.11.38A.

The Directors review the credit risk on amounts due from the Parent Company on an annual basis.

## NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2023 (CONTINUED)

9 SHARE CAPITAL	As at 30.09.23 £	As at 30.09.22 £
Authorised: Ordinary 4,000,000 Shares of £1 each	4,000,000	4,000,000
Issued, allotted, called-up and fully paid: Ordinary 3,500,000 Shares of £1 each	3,500,000	3,500,000

10 PROFIT AND LOSS ACCOUNT	£
Balance at 1 October 2022	920,458
Retained profit for the period	14,249
	<hr/>
Balance at 30 September 2023	934,707
	<hr/>

## 11 RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDER FUNDS

	As at 30.09.23 £	As at 30.09.22 £
Profit for the period	14,249	(63)
	<hr/>	<hr/>
Net increase to shareholder funds	14,249	(63)
Opening shareholder funds	4,420,458	4,420,521
	<hr/>	<hr/>
Closing equity shareholder funds	4,434,707	4,420,458
	<hr/>	<hr/>

## 12 RELATED PARTY TRANSACTIONS

The ultimate controlling party is Compass Group PLC.

As 100% of the Company's voting rights are controlled within the group headed by Compass Group PLC, and the Company is included within the publicly available consolidated financial statements of Compass Group PLC, the Company is exempt from the requirement of section 33 of FRS 102 to disclose transactions with those undertakings that are part of the Group or investees of that Group qualifying as related parties.

## 13 CLAIM RESERVES

As noted on page 4, the Company ceased to write new business in 1998. The last known claim was paid during the year ended 30 September 2004 and since then no new valid claims have been notified to the Company. With the exception of diseases, the limitation periods for claims have now expired, which would result in any new claims being time-barred, i.e., the claimant would no longer be able to pursue a claim for compensation. The Directors do not believe that any claim liability for the Company will arise and therefore do not believe that it is necessary to hold any claims reserves. This is the key judgement made by the Directors in preparing the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2023 (CONTINUED)**

Nevertheless, it remains a possibility that a claim or claims exist which are currently 'incurred but not reported' and this may result in additional liabilities to the Company and potentially the need for additional capital. Compass Group PLC has confirmed that it will continue to support the Company in these circumstances.

**14 ULTIMATE PARENT COMPANY AND IMMEDIATE PARENT COMPANY**

The Company is a subsidiary undertaking of Compass Group PLC which is the ultimate parent company, and is incorporated in the United Kingdom and registered in England and Wales. The Company's immediate parent company is Hospitality Holdings Limited, which is also incorporated in the United Kingdom and registered in England and Wales. The largest group in which the results of the Company are consolidated is that headed by Compass Group PLC. This is also the smallest group in which the results of the Company are consolidated. The consolidated financial statements of the Group are available to the public and may be obtained from:

Compass House  
Guildford Street  
Chertsey  
Surrey  
KT16 9BQ

or on the Compass Group PLC website at [www.compass-group.com](http://www.compass-group.com).

**15 RISK MANAGEMENT**

The Directors are responsible for approving and implementing the risk management policies to protect the Company's shareholders. Management is comfortable that the insurance risk is appropriately reflected in the financial statements. The credit risk is with banks in respect of cash held and amounts owed by the parent entity. None of these amounts are past due or impaired. Credit ratings according to Fitch Agency for Barclays Bank PLC are A+ for Long Term and F1 for Short Term. The amounts owed by the parent entity are receivable on demand, so liquidity risk is considered to be appropriately managed. The Directors review the credit risk on amounts due from the Parent Company on an annual basis.

The Company is also exposed to the principal risks of the Group which are managed centrally. Group risks are discussed in the Group's Annual Report which does not form part of this Report.