

**Company Registration No. 3165891**

**Compass Group Finance No.2 Limited**

**Annual Report and Financial Statements  
For the year ended 30 September 2017**



# **Compass Group Finance No.2 Limited**

## **Annual report and financial statements 2017**

<b>Contents</b>	<b>Page</b>
<b>Officers and professional advisers</b>	<b>1</b>
<b>Directors' Report</b>	<b>2</b>
<b>Directors' Responsibilities Statement</b>	<b>4</b>
<b>Independent Auditor's Report to the members of Compass Group Finance No.2 Limited</b>	<b>5</b>
<b>Profit and loss account</b>	<b>7</b>
<b>Balance sheet</b>	<b>8</b>
<b>Statement of changes in equity</b>	<b>9</b>
<b>Notes to the accounts</b>	<b>10</b>

# **Compass Group Finance No.2 Limited**

## **Annual report and financial statements 2017**

### **Officers and professional advisers**

#### **Directors**

L E Carr  
M J White

#### **Secretary**

Compass Secretaries Limited

#### **Registered Office**

Compass House  
Guildford Street  
Chertsey  
Surrey  
KT16 9BQ

#### **Auditor**

KPMG LLP  
15 Canada Square  
London  
E14 5GL

# Compass Group Finance No.2 Limited

## Directors' Report

The directors present their Annual Report and the audited financial statements for Compass Group Finance No.2 Limited (the Company) for the year ended 30 September 2017. This Directors' Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption under section 414B of the Companies Act 2006 (CA 2006).

### Business review and principal activities

The Company is a wholly-owned subsidiary of Compass Group PLC (the Group) and its principal activity is to provide finance to other members of this Group. The results for the Company show a retained loss after taxation for the year of £785,000 (2016: loss £806,000) and total assets less current liabilities of £392,781,000 (2016: £393,566,000).

The Company's directors believe that analysis using key performance indicators is not necessary for an understanding of the position of the Company. The performance of Compass Group PLC is discussed in its Annual Report which does not form part of this report. A copy of the Compass Group PLC Annual Report 2017 can be found on the Compass Group PLC website at [www.compass-group.com](http://www.compass-group.com) or from the Company Secretarial Department at Compass House, Guildford Street, Chertsey, Surrey, KT16 9BQ.

The directors expect the same general level of activity to continue and are not aware of any post balance sheet events.

### Principal risks and uncertainties

The Company is financed by intra-group loans and has no third party debt and hence no external interest rate exposure. Group risks are discussed in the Group's Annual Report which does not form part of this Report.

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of Compass Group PLC and are not managed separately. Group risks are discussed in the Group's Annual Report which does not form part of this report. A copy of the Compass Group PLC Annual Report 2017 can be found on the Compass Group PLC website at [www.compass-group.com](http://www.compass-group.com) or from the Company Secretarial Department at Compass House, Guildford Street, Chertsey, Surrey, KT16 9BQ.

Due to the current economic conditions there are inherent future uncertainties that may impact the business. After making enquiries the directors have a reasonable expectation that the Company, as part of the Compass Group, has adequate resources to continue in existence for the 12 months from the date of this Report. For this reason, the directors continue to adopt the going concern basis in preparing the accounts.

### Dividends

The directors do not recommend the payment of a dividend for the year ended 30 September 2017 (2016: £nil).

### Directors

The directors who served throughout the financial year ended 30 September 2017 and up to the date of this Report were as follows:

L E Carr (appointed 18 May 2017)  
K Dunham (resigned 31 May 2017)  
M J White

### Directors' qualifying third party indemnity

A qualifying third party indemnity provision as defined in section 234(2) - (6) of the CA 2006 is and was in full force and effect for the benefit of each of the directors of the Company, both at the date of this Report and throughout the financial year to which this Report relates.

## Compass Group Finance No.2 Limited

### Directors' Report (continued)

#### Directors' disclosure of information to auditor

Each of the persons who is a director at the date of approval of this Report confirms that:

- the directors have permitted the auditor to undertake whatever inspections it considers to be appropriate for the purpose of enabling the auditor to give its audit opinion
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the CA 2006.

#### Auditor

In accordance with the provisions of section 485(2) of the CA 2006, the current appointment of KPMG LLP as the Company's auditor will end at the conclusion of the current period for appointing auditors.

KPMG LLP, has advised of its willingness to act as auditor of the Company. The directors will therefore seek shareholder approval to (i) reappoint KPMG LLP to hold office until the end of the next period for appointing auditors under section 485(2) of the CA 2006 and (ii) to grant the directors authority to agree how much the auditor should be paid.

Approved by the Board of Directors and signed on behalf of the Board



L E Carr  
Director

19 June 2018

Compass Group Finance No.2 Limited  
Registered in England and Wales No. 3165891

# Compass Group Finance No.2 Limited

## Directors' Responsibilities Statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant, reliable 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 the financial statements comply with the CA 2006. They have a 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.

On behalf of the Board



L E Carr  
Director

19 June 2018

Compass Group Finance No.2 Limited  
Registered in England and Wales No. 3165891

# **Independent Auditor's Report to the Members of Compass Group Finance No.2 Limited**

## **Opinion**

We have audited the financial statements of Compass Group Finance No.2 Limited (the Company) for the year ended 30 September 2017 which comprise:

- the Profit and loss account;
- Balance sheet;
- Statement of changes in equity; and
- 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 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the CA 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 have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

## **Going concern**

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

## **Directors' report**

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

Our responsibility is to read 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 the Directors' Report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the CA 2006.

## **Matters on which we are required to report by exception**

Under the CA 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

## **Independent Auditor's Report to the Members of Compass Group Finance No.2 Limited continued**

### **Directors' responsibilities**

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; 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. In addition, the directors 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.

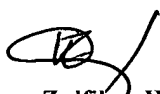
### **Auditor's responsibilities**

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).

### **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 CA 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.



**Zulfiqar Walji (Senior Statutory Auditor)**

**for and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*

15 Canada Square

London

E14 5GL

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## Compass Group Finance No.2 Limited

### Profit and loss account

For the year ended 30 September 2017

	Notes	2017 £'000	2016 £'000
Profit before taxation		-	-
Tax charge on profit	4	(785)	(806)
Loss for the financial year		<u>(785)</u>	<u>(806)</u>

All amounts in the current and prior year relate to continuing activities.

There are no recognised gains or losses for the current year other than those dealt with in the profit and loss account. Accordingly, no separate statement of other comprehensive income has been presented.

The notes on pages 10 to 13 form part of these financial statements.

## Compass Group Finance No.2 Limited

### Balance sheet

As at 30 September 2017

	Notes	2017 £'000	2016 £'000
<b>Current assets</b>			
Debtors: amounts falling due within one year	5	1,143,322	1,144,127
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	6	(750,541)	(750,561)
<b>Total assets less current liabilities</b>		<u>392,781</u>	<u>393,566</u>
<b>Capital and reserves</b>			
Called up share capital	7	53,976	53,976
Profit and loss account		<u>338,805</u>	<u>339,590</u>
<b>Total shareholders' funds</b>		<u>392,781</u>	<u>393,566</u>

The financial statements of Compass Group Finance No.2 Limited (registered number 3165891) were approved by the Board of Directors on 19 June 2018.

Signed on behalf of the Board of Directors



L E Carr  
Director

## Compass Group Finance No.2 Limited

### Statement of changes in equity For the year ended 30 September 2017

	<b>Called up share capital £'000</b>	<b>Profit and loss account £'000</b>	<b>Total shareholders' funds £'000</b>
At 1 October 2015	53,976	340,396	394,372
Loss for the financial year	-	(806)	(806)
At 30 September 2016	<u>53,976</u>	<u>339,590</u>	<u>393,566</u>
At 1 October 2016	<b>53,976</b>	<b>339,590</b>	<b>393,566</b>
Loss for the financial year	-	(785)	(785)
At 30 September 2017	<u><b>53,976</b></u>	<u><b>338,805</b></u>	<u><b>392,781</b></u>

The notes on pages 10 to 13 form part of these financial statements.

# Compass Group Finance No.2 Limited

## Notes to the accounts

### For the year ended 30 September 2017

#### 1. Accounting policies

The Company is a private company and is incorporated and domiciled in the UK. The registered number is 3165891 and the address of its registered office is: Compass House, Guildford Street, Chertsey, Surrey, KT16 9BQ.

The significant accounting policies adopted in the preparation of the financial statements of the Company are set out below.

##### **Basis of preparation**

These financial statements are prepared in accordance with the historical cost convention, *Financial Reporting Standard 101 Reduced Disclosure Framework* (FRS 101), and in accordance with applicable United Kingdom laws. The Company has not prepared consolidated financial statements as it is a wholly-owned subsidiary of Compass Group PLC, a Company registered in the United Kingdom company and the ultimate parent which prepares consolidated financial statements (section 400 CA 2006). In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU (Adopted IFRS), but makes amendments where necessary in order to comply with the CA 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken. These financial statements thus present information about the Company as an individual undertaking not as a Group undertaking.

In these financial statements, the Company has applied the exemptions under FRS 101 in respect of the following disclosures:

- a cashflow statement and related notes;
- disclosures in respect of transactions with wholly owned subsidiaries; and
- the effect of new but not yet effective IFRS

The significant accounting policies adopted in the preparation of the financial statements of the Company set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

##### **Going concern**

Due to current economic conditions there are inherent future uncertainties that may impact the business. The directors have made enquiries and have a reasonable expectation that the Company has adequate resources to continue in existence for the 12 months from the date of approval of this report. For this reason, the directors continue to adopt the going concern basis in preparing the accounts.

##### **Financial instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions and derecognised when it ceases to be party to such provisions. Such assets and liabilities are classified as current if they are expected to be realised or settled within twelve months of the balance sheet date. If not, they are recognised as non-current.

Financial assets and financial liabilities are initially recognised at fair value, plus directly attributable transaction costs where applicable, with subsequent measurement as set out below.

Investments in Group subsidiary undertakings are stated at cost. Other non-derivative financial assets are classified on initial recognition as loans and receivables or cash and cash equivalents as follows:

- Loans and receivables: these are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market.
- Cash and cash equivalents: include cash in hand and deposits held on call, together with other short term highly liquid investments including investments in certain money market funds. Cash equivalents normally comprise instruments with maturities of three months or less at the date of acquisition.

# Compass Group Finance No.2 Limited

## Notes to the accounts (continued) For the year ended 30 September 2017

### 1. Accounting policies (continued)

#### Financial instruments (continued)

Non-derivative financial assets are stated at amortised cost using the effective interest method, subject to reduction for allowances in recoverable amounts. These estimates for irrecoverable amounts are recognised when there is objective evidence that the full amounts receivable will not be collected according to the original terms of the asset.

#### Financial guarantees

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company considers these to be insurance arrangements and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

#### Taxation

Current tax is the expected tax payable on the taxable income for the accounting period, using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided at the anticipated tax rates on timing differences arising from the inclusion of items of income and expenditure in tax computations in periods different from those in which they are included in the financial statements. Deferred tax assets and liabilities are not discounted. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

### 2. Auditor's remuneration

Fees of £1,200 (2016: £1,200) were received by the auditor in respect of the Company's statutory audit for the current and preceding years. These fees were borne and not recharged by another Group company.

### 3. Directors and employees

The directors received no emoluments from the Company during the current year (2016: £nil).

There are no employees of Compass Group Finance No.2 Limited (2016: none).

# Compass Group Finance No.2 Limited

## Notes to the accounts (continued) For the year ended 30 September 2017

### 4. Tax charge

	2017 £'000	2016 £'000
UK corporation tax at 19.5% (2016: 20%)	786	807
Current tax charge	786	807
Adjustment in respect of prior years: UK corporation tax	(1)	(1)
Current tax charge	785	806

Reconciliation of the current tax charge to the tax charge at the UK statutory rate:

	2017 £'000	2016 £'000
Profit before tax	-	-
Tax charge at UK statutory rate of 19.5% (2016: 20%)	-	-
Increase resulting from:		
Adjustments in respect of prior years	(1)	(1)
Transfer pricing adjustment	786	807
Current tax charge	785	806

The UK corporation tax rate is decreased from 20% to 19% from 1 April 2017 and to 17% from 1 April 2020. This will reduce the Company's future current tax charge accordingly.

### 5. Debtors: amounts due within one year

	2017 £'000	2016 £'000
Amounts owed by fellow group undertakings	1,143,322	1,144,127

### 6. Creditors: amounts due within one year

	2017 £'000	2016 £'000
Amounts owed to fellow group undertakings	749,754	749,754
Corporation tax payable	787	807
	750,541	750,561

## Compass Group Finance No.2 Limited

### Notes to the accounts (continued) For the year ended 30 September 2017

#### 7. Called up share capital

	2017 £'000	2016 £'000
<b>Allotted, called up and fully paid</b>		
215,903,300 Ordinary shares of 25p each	<b>53,976</b>	<b>53,976</b>

#### 8. Ultimate parent company and controlling entity

The immediate and ultimate parent undertaking as at 30 September 2017 was Compass Group PLC, a company incorporated in England and Wales.

Compass Group PLC, is the parent undertaking of the largest and smallest group of undertakings for which Group accounts are drawn up. Copies of the Compass Group PLC financial statements are available from its registered address: Compass House, Guildford Street, Chertsey, Surrey KT16 9BQ or from the Compass Group PLC website at [www.compass-group.com](http://www.compass-group.com).