
ORCHESTRA TOPCO LIMITED

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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ORCHESTRA TOPCO LIMITED

COMPANY INFORMATION

Directors	A Richards (appointed 30 June 2021) 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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ORCHESTRA TOPCO LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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, Education and Healthcare.

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 year ended 31 December 2021.

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 year ended 31 December 2021.

Future developments

The Directors are 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 and 2021, demonstrating resilience which is a tribute to the strength of its people and the relationship with all its stakeholders.

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

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GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Business review

Along with the rest of the hospitality and foodservice sector, the most significant impact on business performance in 2021 was the continuing Covid 19 pandemic. For much of the year 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 both 2020 and 2021.

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 2021 was made more difficult because of the impact of the pandemic.

KPIs were monitored against detailed forecasts that reflected the constantly evolving circumstances of the pandemic.

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

	2021 £000	2020 £000
Turnover	211,839	208,624
Gross profit/(loss)	26,030	(32,515)
EBITDA excluding exceptional items, goodwill & intangible asset impairment and release of contingent deferred consideration	17,944	(126)
Exceptional costs	(4,481)	(18,586)
Release of contingent and deferred consideration	164	13,427
Goodwill and intangible fixed asset impairment	-	(64,607)
Cash inflow/(outflow) from Operating Activities	20,484	(16,491)
Loss after tax	(44,092)	(116,697)

Gross profit is £26.0m in the year after recognising income under the Job Retention scheme of £13.8m (2020: £51.7m). The positive £58.5m movement of gross profit is driven mainly by lower staff costs following restructuring in the prior year.

Exceptional items in 2021 relate to:

- transaction costs relating to M&A in the period are £0.6m (2020: £1.0m).
- costs relating to the restructuring and integration of acquired business are £0.5m (2020: £0.8m).
- restructuring and other costs in response to the prolonged reduction in activity levels as a result of the pandemic restrictions £2.1m (2020: £13.4m).
- exit costs relating to the closure of a regional office and consolidation of support functions £0.2m (2020: £Nil).
- other exceptional costs including site exit costs due to Covid-19, refinancing and development of systems and processes £1.1m (2020: £3.4m).

ORCHESTRA TOPCO LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Business review (continued)

The Group utilised the Coronavirus Job Retention Scheme (CJRS) in its various forms when available and received income of £13.8m in the period (2020: £51.7m). This scheme, along with the bank and the Group's shareholders, supported the business throughout the pandemic in conjunction with the cost control measures outlined elsewhere in this report. The income is considered 'Other income' on the statement of total comprehensive income. The CJRS was closed in October 2021.

The financial performance of the Group was assessed throughout the period through the provision of sector management accounts and detailed analysis of changing business performance. This was in turn supported by analysis of performance at contract level with focus on delivering against both sales and gross margin targets and revised forecasts. Group overheads are incurred 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 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 in 2020 to reduce costs in line with falling revenue, to inject equity capital of £15.8m into the business to address potential 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 £240.2m (2020: £253.3m). This is explained in detail in note 14 to the Financial Statements.
- Trade and Other Receivables £63.6m (2020: £57.5m). This is broken down further in note 18 to the Financial Statements.
- Trade and Other Liabilities £78.1m (2020: £63.0m). This is broken down further in note 19 to the Financial Statements.
- Loans and borrowings £351.0m (2020 as restated: £345.5m). This is broken down further in note 20 to the Financial Statements.
- Deferred tax liabilities £36.9m (2020: £31.2m). This is broken down further in note 12 to the Financial Statements.

The principal matters to note in the Group cashflow are:

- Net cash inflow from operations was £20.5m (2020: £16.5m outflow).
- Movement in working capital was £10.4m inflow (2020: £1.8m).
- Interest paid in the year was £10.5m (2020: £9.3m).

Following a review in the current year of Right of Use assets and liabilities under IFRS 16, along with disclosures relating to financial instruments, errors have been noted relating to the prior year financial statements. These errors have been corrected in these financial statements – see note 25 for further details.

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GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Principal risks and uncertainties

The principal risks impacting the Group are through the Group's financial instruments, along with commercial risks. 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 remain relatively low but are expected to rise. The Group has interest rate cap protections in place covering approximately half of the senior debt, so the perceived risk from any significant impact from future interest rate movements is low.

Liquidity risks

The coronavirus pandemic continued to negatively impact 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 included a reduction in customer demand, and catering facilities suffering from staff absence due to sickness 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. 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. As further described in note 3.4 to the financial statements, a provision for impairment is made for expected credit losses, estimated with reference to average of historical losses and forward looking factors. These factors are for example the conflict in Ukraine, the continuing global pandemic and the effects of Brexit. The directors do not consider that emergent situations or events will have an effect on the collectibility of debt.

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**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Principal risks and uncertainties (continued)

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 there is now an ongoing commercial risk from the impact of inflationary pressures both on our raw material costs and labour arising from the conflict in Ukraine. The contract business models operated by the Group ensure that it has adequate mechanisms available to it to minimise and mitigate inflationary pressures. The majority of the Group's contracts are cost plus, and on commercial arrangements we are able to flex tariffs to pass on the cost to consumers.

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GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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 consider 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 consider 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 the Audit and Remuneration Committees

Allister Richards – COO

Madeleine Musselwhite – Non-Executive Director

Dominic Geer – Investment Director and member of the Remuneration Committee (Equistone)

Ed Baker – Investment Director and member of the Audit Committee (Equistone)

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.

ORCHESTRA TOPCO LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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 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.

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

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 and quarterly 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 investors and lenders was critical in shaping the covenant re-set solution implemented in December 2021 to ensure that the Group had sufficient headroom in its covenants to manage through the recovery from 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 Group Procurement and Supply Chain Director as well as through our Culinary and Operational teams.

In 2020 we 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 has significantly improved the environmental impact of our supply chain, with a material reduction in our road miles and carbon emissions. In turn the new distribution solution gives us greater flexibility on the products and suppliers that we use through our supply chain which will has benefits for our clients and customers.

ORCHESTRA TOPCO LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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" has supported 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.

ORCHESTRA TOPCO LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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.

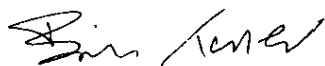
We worked extremely closely with all our clients and customers throughout the pandemic to ensure that our offer and services adapted to their continuously changing needs.

We engaged with our Investors and Lenders constantly throughout the pandemic and in the crucial decisions around the reset of our banking covenants. In December 2021 all lenders agreed to revised leverage covenant targets based on the latest long term forecasts that reflect the delay to Covid restrictions being eased.

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" has had 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, as we see the full year impact of this project as well as onboarding new clients into the distribution solution.

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



W J Toner
Director

Date: 24th June 2022

ORCHESTRA TOPCO LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report and the financial statements for the year ended 31 December 2021.

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 £44.1m (2020: £116.7m loss).

The directors do not recommend the payment of a dividend (2020: £Nil).

Directors

The directors who served during the year were:

A Richards (appointed 30 June 2021)
E Baker
D C E Geer
T J Jones
M S Musselwhite
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 year, there were no political donations made by the Group (2020: Nil).

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.

ORCHESTRA TOPCO LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Future developments

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

Subsequent events

Subsequent to the date of these financial statements the country continued to experience a brief period of "lockdown restrictions" as a result of the impact of the Omicron variant of Covid. This period lasted until the second half of January 2022. The directors are pleased to note that following the lifting of Covid restrictions in the UK, the recovery of the business in all sectors has been very encouraging and ahead of plan in the first quarter of 2022.

In February 2022, Russian forces invaded Ukraine starting a conflict that is still ongoing at the time of signing these financial statements. Both Ukraine and Russia are significant producers of foodstuffs and food commodities in the global food supply chain, and the conflict will have an ongoing impact on food supply chains particularly commodities such as wheat and sunflower oils. The directors have reviewed their supply chains and sourcing strategies and are confident that they are able to mitigate and minimise any impact of the conflict on their profitability and their ability to fulfil service requirements to their clients and customers.

ORCHESTRA TOPCO LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Going Concern

Basis of preparation of Forecasts

The Directors consider the going concern period to be until the end of calendar year 2023. There are no events beyond this date that affect their going concern assessment. The Directors have prepared forecasts based upon the Group's 2022 Budget and rolling forecasts for 2023.

The Revenue Budget is prepared on a site by site basis, and all relevant factors have been considered in the preparation of the Budget and forecasts. The factors considered include, but are not limited to the following:

The Directors' view on the degree and speed of recovery from the Covid-19 pandemic in the various Sectors in which it operates. This view on Covid recovery is informed by industry expert bodies (such as Hospitality UK), our principal competitors' and industry colleagues' views and the conversations and reviews with our main supply chain partners. The Directors' view is also informed by ongoing conversations with our clients about their plans for post Covid recovery, particularly in the Workplace sector. All of the above is supported by the empirical evidence of trading in the period since the balance sheet date and the date of signing these financial statements.

The Budget and forecasts assume modest net new business growth. Net new business growth is defined as new wins less known losses, and the Directors are comfortable that these are supported by the size and composition of the current sales pipeline, sales conversion rates and retention rates.

Cashflow forecasts factor in the repayment of the deferred amounts owed to HMRC. The Cashflow forecast includes the settlement of all cash interest payable – interest on loan notes is accrued and settled at full term. Capital expenditure is included in the forecast on a basis consistent with historical spend and at a level that the Directors feel is appropriate to deliver the Group's net growth and retention projections.

The Budget and forecast are prepared on a prudent "reasonable worst-case scenario" basis. The Directors have also considered downside stress test forecasts. This supports the Directors' belief that there is no material uncertainty about the Group's ability to adopt the Going Concern basis of preparation of these financial statements or its ability to meet its Covenant obligations (both Net Leverage, Run-rate Leverage Test and Minimum Liquidity) for the foreseeable future.

All the following factors were also considered by the Directors in adopting the Going Concern basis of accounting.

For several reasons, the Group's business model is very resilient to any risks that might arise. The majority of the Group's contracts are now Cost Plus. In almost all contracts, the Group can mitigate the impact of input cost increases through tariff changes that pass on some or all of the impact of cost increases to the end consumer.

Another very important factor that makes the Group's business model very resilient is our ability to change and flex our offering and menu content. This enables the Group to respond very nimbly to changes in raw material costs or availability of products, by changing menus to reflect changing circumstances or by changing the supplier from which products are sourced. The Group's business model has inbuilt mechanisms that allow it to deal with food cost inflation.

The Group has strong relationships with its principal suppliers, and this ensures that the Group and its suppliers are aligned in ensuring that we pay optimum net cost for products and that we take collective action to minimise the impact of food cost inflation.

The Group is not over reliant on any single supplier and has (as a matter of strategy) back up supply in each category. The supply chain is not exposed to the risk of closures etc in any one of its supplier or distributor depots.

Because of the factors noted above on the resilience of the Group's business model, there is limited risk to the Group due to the conflict in Ukraine. The Group can mitigate any resulting food cost inflation and could remove and or change product should cost or availability be affected by the conflict and to change supplier should they be adversely impacted in an unforeseen way by the conflict.

ORCHESTRA TOPCO LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Going Concern (continued)

Basis of preparation of Forecasts (continued)

Whilst the business reports a loss before tax in its financial statements, this is primarily driven by non-cash items including rolled up (but unpaid) interest and amortisation (which are non-cash and relate to the acquisition activity of the business over recent years). At EBITDA and Cashflow from Operating Activities level, the business generates a positive cashflow, with a reported adjusted EBITDA of £17.9m and Cashflow from Operating Activities of £20.5m in financial year 2021.

Customer concentration

The Directors do not consider there to be any risk from levels of customer concentration: no one client accounts for more than 5% of the Group's revenue. The Directors do not consider there to be a risk of insolvency to any of its customers that would have a material and adverse impact on the Group. There is no significant risk to the Group from the closure of any single site.

Cyber security

The Directors are confident that they have robust processes and systems in place to protect them against cyber-attack. These matters are regularly reviewed at Board meetings and the business has Cyber Essentials Plus accreditation.

The Group has two principal offices (one in Reading and one in central London). All IT and systems are securely backed up to the "Cloud" and the recent pandemic has demonstrated the ability of the Group to function and operate effectively with all support staff working remotely.

ORCHESTRA TOPCO LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021	Reporting year period 2020 (as restated*)
Mandatory reporting		
Energy consumption used to calculate emissions: /kWh – optional to provide separate figures for gas, electricity, transport fuel and other energy sources	Gas: 344,128 KWh Electricity: 297,575 KWh Transport fuel: 1,358,423 KWh Total: 2,000,126 KWh	Gas: 148,234 KWh Electricity: 210,633 KWh Transport fuel: 1,326,604 KWh Total: 1,685,471 KWh
Emissions from combustion of gas tCO ₂ e (Scope 1)	73.81 tCO ₂ e	27.26 tCO ₂ e
Emissions from combustion of fuel for transport purposes tCO ₂ e (Scope 1)	319.54 tCO ₂ e	314.38 tCO ₂ e
Emissions from purchased electricity tCO ₂ e (Scope 2, locations-based)	64.78 tCO ₂ e	49.11 tCO ₂ e
Total gross tCO ₂ e based on above	458.13 tCO ₂ e	390.74 tCO ₂ e
Intensity ratio: tCO ₂ e per employee	2.04 tCO ₂ e / FTE	1.42 tCO ₂ e / FTE
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.	
Third Party Verification	No	

*Due to improvement of data collection and reporting, data has been restated for 2020.

Energy Reduction Initiatives

CH&CO is certified to the ISO 50001, Energy Management System. In 2021 a formal buildings' energy assessment was conducted to two of the Company's sites to identify opportunities for further energy reduction. During 2021, quarterly newsletters were delivered internally on various energy topics to keep employees engaged with the company's commitments on continual improvement of our environmental performance, including energy performance and emissions reduction. Regarding our fleet, CH&CO has a 3-year lease agreement in place for the vehicles. In 2021 any new leased vehicles had to meet an emission threshold of <50g/CO₂, as defined by internal procurement policies. Further, CH&CO continued expanding the number of hybrid and electric vehicles, over petrol or diesel, to achieve further energy and emissions reduction. Overall, compared to 2020, the fleet's low emission's fleet proportion increased from 25% to 40% in 2021. A new digital platform to report owned vehicles' fuel consumption (scope 3 emissions) has been implemented late 2020 and therefore the data reported does not reflect the full year data, which can explain the difference in emissions observed between 2020 and 2021.

ORCHESTRA TOPCO LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Corporate Governance arrangements

The Directors have adopted and implemented the Wates Corporate Governance principles for the year ended 31 December 2021. 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

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 UK-adopted international accounting standards. 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.

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.

ORCHESTRA TOPCO LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

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: 24th June 2022

ORCHESTRA TOPCO LIMITED

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 2021 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK adopted international accounting standards 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 2021 which comprise the Consolidated statement of total comprehensive income, Consolidated statement of financial position, Consolidated statement of changes in equity, Consolidated statement of cash flows and 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 UK adopted international accounting standards and, as regards the Parent Company financial statements, 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 are 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.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

ORCHESTRA TOPCO LIMITED

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

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 the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements;
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements; and
- In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and the 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 not 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' statement of compliance, 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.

ORCHESTRA TOPCO LIMITED

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

Auditor's 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 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 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 significant accounting estimates are indicative of potential bias in particular relation to impairment of goodwill and intangibles and expected credit loss provision; 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.

ORCHESTRA TOPCO LIMITED

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

Auditor's responsibilities for the audit of the financial statements (continued)

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

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Paul Etherington (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

Reading, UK

Date: 27 June 2022

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

ORCHESTRA TOPCO LIMITED

CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

		Year ended 31 December 2021 £000	Year ended 31 December 2020 £000
	Note		
Revenue	6	211,839	208,624
Cost of sales		(185,809)	(241,139)
Gross profit/(loss)		26,030	(32,515)
Other operating income	7	13,837	51,652
Administrative expenses		(47,580)	(112,870)
Earnings before interest and finance expenses, tax, depreciation and amortisation (EBITDA) and exceptional items, goodwill & intangible asset impairment and release of contingent deferred consideration			
		17,944	(126)
Exceptional items	9	(4,481)	(18,586)
Goodwill and intangible fixed asset impairment	9	-	(64,607)
Amortisation of intangible assets	9	(13,154)	(13,981)
Depreciation of tangible assets	9	(8,186)	(9,860)
Release of contingent and deferred consideration	9	164	13,427
Loss from operations		(7,713)	(93,733)
Finance income	11	-	5
Finance expense	11	(32,676)	(30,529)
Gain on financial instruments	11	454	-
Loss before tax		(39,935)	(124,257)
Tax (expense)/credit	12	(4,157)	7,560
Loss for the year		(44,092)	(116,697)

ORCHESTRA TOPCO LIMITED

CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Other comprehensive (loss)/income:

Items that will or may be reclassified to profit or loss:

Exchange (loss)/gain arising on translation on foreign operations	(119)	49
Total comprehensive loss	(44,211)	(116,648)
Total comprehensive loss attributable to equity holders of parent	(44,211)	(116,648)

ORCHESTRA TOPCO LIMITED
REGISTERED NUMBER: 11795592

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

		2021	<i>As restated</i> 2020
	Note	£000	£000
Assets			
Non-current assets			
Property, plant and equipment	13	20,700	23,650
Intangible assets	14	240,155	253,310
Deferred tax assets	12	6,627	4,800
Derivative instruments	26	669	-
Total non-current assets		268,151	281,760
Current assets			
Inventories	17	4,928	4,282
Trade and other receivables	18	63,583	57,532
Cash and cash equivalents		14,882	21,474
Total current assets		83,393	83,288
Total assets		351,544	365,048
Liabilities			
Non-current liabilities			
Loans and borrowings	20	351,031	345,499
Contingent consideration		-	2,481
Deferred tax liability	12	36,909	31,221
Total non-current liabilities		387,940	379,201
Current liabilities			
Bank overdraft	20	-	6,643
Trade and other liabilities	19	78,077	63,030
Loans and borrowings	20	19,273	5,710
Total current liabilities		97,350	75,383
Total liabilities		485,290	454,584
Net liabilities		(133,746)	(89,536)

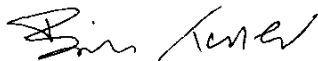
ORCHESTRA TOPCO LIMITED
REGISTERED NUMBER: 11795592

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2021

	Note	2021 £000	2020 £000
Issued capital and reserves attributable to owners of the parent			
Share capital	21	1	1
Share premium reserve	22	17,066	17,065
Merger reserve	22	23,387	23,387
Foreign exchange reserve	22	(70)	49
Other reserves	22	-	-
Accumulated losses	22	(174,130)	(130,038)
TOTAL EQUITY		(133,746)	(89,536)

The financial statements on pages 24 to 82 were approved and authorised for issue by the board of directors and were signed on its behalf by:

W J Toner
Director



Date: 24th June 2022

The notes on pages 36 to 82 form part of these financial statements.

ORCHESTRA TOPCO LIMITED
REGISTERED NUMBER: 11795592

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

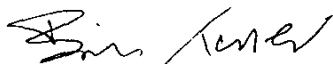
	Note	2021 £000	2020 £000
Assets			
Non-current assets			
Investments		-	-
Current assets			
Trade and other receivables		-	-
		-	-
		-	-
Total assets		-	-
Liabilities			
Non-current liabilities		-	-
Current liabilities		-	-
		-	-
Total liabilities		-	-
		-	-
Net assets		-	-
		-	-
Issued capital and reserves attributable to owners of the parent			
Share capital	22	1	1
Share premium reserve	23	17,066	17,065
Merger reserve	23	23,387	23,387
Accumulated losses	23	(40,454)	(40,453)
		-	-
TOTAL EQUITY		-	-

ORCHESTRA TOPCO LIMITED
REGISTERED NUMBER: 11795592

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

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 £0.6k (2020: £40,453.5k).

The financial statements on pages 24 to 82 were approved and authorised for issue by the board of directors and were signed on its behalf by:



W J Toner
Director

Date: 24th June 2022

The notes on pages 36 to 82 form part of these financial statements.

ORCHESTRA TOPCO LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Share capital £000	Share premium £000	Merger reserve £000	Other reserves £000	Foreign exchange reserve £000	Accumulated losses £000	Total attributable to equity holders of parent £000	Total equity £000
At 1 January 2021	1	17,065	23,387	-	49	(130,038)	(89,536)	(89,536)
Comprehensive loss for the year								
Loss for the year	-	-	-	-	-	(44,092)	(44,092)	(44,092)
Other comprehensive loss	-	-	-	-	(119)	-	(119)	(119)
Total comprehensive loss for the year	-	-	-	-	(119)	(44,092)	(44,211)	(44,211)
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 2021	1	17,066	23,387	-	(70)	(174,130)	(133,746)	(133,746)

The notes on pages 36 to 82 form part of these financial statements.

ORCHESTRA TOPCO LIMITED

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

	Share capital £000	Share premium £000	Merger reserve £000	Foreign exchange reserve £000	Accumulated Losses £000	Total attributable to equity holders of parent £000	Total equity £000
At 1 January 2020	-	17,065	23,387	-	(13,341)	27,111	27,111
Comprehensive (loss)/income for the year							
Loss for the period	-	-	-	-	(116,697)	(116,697)	(116,697)
Other comprehensive income	-	-	-	49	-	49	49
Total comprehensive loss for the year	-	-	-	49	(116,697)	(116,648)	(116,648)
Contributions by and distributions to owners							
Issue of shares, net of costs	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 pages 36 to 82 form part of these financial statements.

ORCHESTRA TOPCO LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Share capital	Share premium	Merger reserve	Accumulated Losses	Total equity
		£000	£000	£000	£000
At 1 January 2020	-	17,065	23,387	-	40,453
Comprehensive loss for the year					
Loss for the period	-	-	-	(40,453)	(40,453)
Contributions by and distributions to owners					
Issue of shares, net of costs	1	-	-	-	-
Total contributions by and distributions to owners	1	-	-	-	-
At 31 December 2020	1	17,065	23,387	(40,453)	-
At 1 January 2021	1	17,065	23,387	(40,453)	-
Comprehensive loss for the year					
Loss for the year	-	-	-	(1)	(1)
Contributions by and distributions to owners					
Issue of shares, net of costs	-	1	-	-	1
Total contributions by and distributions to owners	-	1	-	-	1
At 31 December 2021	1	17,066	23,387	(40,454)	-

The notes on pages 36 to 82 form part of these financial statements.

ORCHESTRA TOPCO LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021	2020
	£000	£000
Cash flows from operating activities		
Loss for the year	(44,092)	(116,697)
Adjustments for		
Depreciation of property, plant and equipment	3,999	5,494
Depreciation on right-of-use-assets	4,187	4,366
Amortisation of intangible fixed assets	13,154	13,981
Impairment losses on intangible assets	-	64,607
Release of deferred consideration	(164)	(13,427)
Finance income	-	(5)
Gain on derivative instruments	(454)	-
Finance expense	32,676	30,529
(Gain)/loss on sale of property, plant and equipment	(2,222)	1,648
Income tax expense/(credit)	4,157	(7,560)
	<u>11,241</u>	<u>(17,064)</u>
Movements in working capital:		
Decrease in trade and other receivables	(4,468)	42,310
(Increase)/decrease in inventories	(655)	2,320
Increase/(decrease) in trade and other payables	15,491	(42,801)
Cash generated from/(used in) operations	<u>21,609</u>	<u>(15,235)</u>
 Income taxes paid	 <u>(1,125)</u>	 <u>(1,256)</u>
Net cash generated from/(used in) operating activities	<u>20,484</u>	<u>(16,491)</u>

ORCHESTRA TOPCO LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021 £000	2020 £000
Cash flows used in investing activities		
Acquisition of subsidiary, net of cash acquired	-	(14,857)
Purchases of property, plant and equipment	(5,064)	(3,539)
Proceeds from sale of property, plant and equipment	514	-
Purchase of intangibles	(6)	(5)
Finance income received	-	3
Payment of deferred consideration	(2,534)	-
Purchase of derivative instruments	(215)	-
Net cash used in investing activities	(7,305)	(18,398)
 Cash flows from financing activities		
Issue of share capital	1	-
Proceeds from loans, net of costs	-	47,030
Repayment of lease capital	(2,506)	(962)
Loans repaid	-	(3,000)
Interest paid on loans and leases	(10,457)	(9,329)
Increase/(decrease) in invoice financing	-	(7)
Net cash (used in)/generated from financing activities	(12,962)	33,732
Net cash increase/(decrease) in cash and cash equivalents	217	(1,157)
Effects of FX changes	(166)	-
 Cash and cash equivalents at the beginning of year	14,831	15,988
Cash and cash equivalents at the end of the year	14,882	14,831
 Cash and cash equivalents are made up as follows		
Cash	14,882	21,474
Less: Overdraft	-	(6,643)
Net cash	14,882	14,831

ORCHESTRA TOPCO LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Right of use asset additions and disposals are non-cash transactions and have therefore been excluded from the above numbers for purchase of/proceeds from sales of property, plant and equipment.

Repayment of leases refers to capital portion only (£2.2m relating to right of use assets and £0.3m relating to other leases); interest portion (£0.7m) included in interest paid on loans and leases line.

ORCHESTRA TOPCO LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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 UK-adopted international accounting standards. 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.

In these Financial Statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a cash flow statement and related notes;
- disclosures in respect of transactions with wholly owned subsidiaries;
- the effects of new, but not yet effective, accounting standards; and
- disclosures in respect of the compensation of key management personnel.

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.

Following a review in the current year of Right of Use assets and liabilities under IFRS 16, along with disclosures relating to financial instruments, errors have been noted relating to the prior year financial statements. These errors have been corrected in these financial statements – see note 25 for further details.

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).

ORCHESTRA TOPCO LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

2.1 Impact of new accounting standards

New and amended Standards and Interpretations adopted by the Group and Company

Interest rate benchmark reform – phase 2 – amendments provided a practical expedient when accounting for a modification of a financial instrument when an old interest rate benchmark is replaced with an alternative (SONIA) as a result of the reform.

New and amended Standards and Interpretations issued but not effective for the financial year beginning 1 January 2021

- Amendment to IAS 1: "Classification of Liabilities as Current or Non-current".
- Amendment to IAS 12 'Deferred tax related to assets and liabilities arising from a single transaction'.
- IAS 8: *Definition of accounting estimates*.
- IAS 1: Disclosure initiative – accounting policies.
- IFRS 9: Fees in the '10 per cent' test for derecognition of financial liabilities.
- IAS 37: Onerous contracts – cost of fulfilling a contract.
- IAS 16: PPE: Proceeds before intended use.
- IAS 41: Taxation in fair value measurements.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

3. Accounting policies (continued)

3.2 Going concern

Basis of preparation of Forecasts

The Directors consider the Going Concern period to be until the end of calendar 2023. There are no events beyond this date that affect their Going Concern Opinion. The Directors have prepared forecasts based upon the Group's 2022 Budget and rolling forecasts for 2023.

The Revenue Budget is prepared on a site by site basis, and all relevant factors have been considered in the preparation of the Budget and forecasts. The factors considered include, but are not limited to the following:

The Directors' view on the degree and speed of recovery from the Covid-19 pandemic in the various Sectors in which it operates is informed by Industry expert bodies (such as Hospitality UK), our principal competitors' and industry colleagues' views and the conversations and reviews with our main supply chain partners. The Directors' view is also informed by ongoing conversations with our clients about their plans for post Covid recovery, particularly in the Workplace sector. All of the above is supported by the empirical evidence of trading in the first in the period since the balance sheet date and the date of signing these financial statements.

The Budget and forecasts assume modest net new business growth. Net new business growth is defined as new wins less known losses, and the Directors are comfortable that these are supported by the size and composition of the current sales pipeline, sales conversion rates and retention rates.

Cashflow forecasts factor in the repayment of the deferred amounts owed to HMRC. The Cashflow forecast includes the payment of all interest due. Capital expenditure is included in the forecast on a basis consistent with historical spend and at a level that the Directors feel is appropriate to deliver the Group's net growth and retention projections.

The Budget and forecast are prepared on a prudent downside case basis. The Directors have also considered downside stress test forecasts. This supports the Directors' belief that there is no material uncertainty about the Group's ability to adopt the Going Concern basis of preparation of these financial statements or its ability to meet its Covenant obligations (both Net Leverage, Run rate Leverage, and Minimum Liquidity) for the foreseeable future.

All the following factors were also considered by the Directors in adopting the Going Concern basis of accounting

For several reasons, the Group's business model is very resilient to any risks that might arise. The majority of the Group's contracts are now Cost Plus. In almost all contracts, the Group can mitigate the impact of input cost increases through tariff changes that pass on some or all of the impact of cost increases to the end consumer.

Another very important factor that makes the Group's business model very resilient is our ability to change and flex our offering and menu content. This enables the Group to respond very nimbly to changes in raw material costs or availability of products, by changing menus to reflect changing circumstances or by changing the supplier from which products are sourced.

The Group's business model has inbuilt mechanisms that allow it to deal with food cost inflation.

ORCHESTRA TOPCO LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

3. Accounting policies (continued)

3.2 Going concern (continued)

Basis of preparation of Forecasts (continued)

The Group has strong relationships with its principal suppliers and this ensures that the Group and its suppliers are aligned in ensuring that we pay optimum net cost for products and that we take collective action to minimise the impact of food cost inflation.

The Group is not over reliant on any single supplier and has (as a matter of strategy) back up supply in each category. The supply chain is not exposed to the risk of closures etc in any one of its supplier or distributor depots.

Because of the factors noted above on the resilience of the Group's business model, there is limited risk to the Group because of the conflict in Ukraine. The Group can mitigate any resulting food cost inflation and could remove and or change product should cost or availability be affected by the conflict and to change supplier should they be adversely impacted in an unforeseen way by the conflict.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

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.

ORCHESTRA TOPCO LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

3. Accounting policies (continued)

3.4 Revenue recognition (continued)

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.

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. This is recognised as a reduction in cost of sales in the statement of total comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

3. Accounting policies (continued)

3.5 Leasing

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.

Where variable lease payments are included as described above, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

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.

ORCHESTRA TOPCO LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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.

Embedded leases within revenue contracts are accounted for under IFRS 16 as right-of-use assets.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

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	25%-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.

ORCHESTRA TOPCO LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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 Covid-19 related rent concession

The group has early adopted the practical expedient from the Covid-19 Related Rent Concessions amendment to IFRS 16. The practical expedient enables the group to account for any change in lease payments resulting from rent concessions due to Covid-19 as if it were not a lease modification. This has been applied to all rent concessions that meet the following conditions:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30 June 2022; and
- there is no substantive change to other terms and conditions of the lease.

The amount of the lease payment change due to the rent concessions has been recognised through profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

3. Accounting policies (continued)

3.14 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 holds assets for the purpose of trading and classifies these as financial assets. The assets are subsequently measured at fair value through profit and 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.

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

ORCHESTRA TOPCO LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

3. Accounting policies (continued)

13.14 Financial instruments (continued)

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.

Effective interest rate method

The effective interest rate method is a method of calculating the amortised cost of a financial asset or liability and allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest rate benchmark reform

Modifications to financial instruments which meet both of the following conditions are not considered a normal modification rather the effective interest rate is amended with no gain or loss on modification:

- the change is necessary as a direct consequence of interest rate benchmark reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

3. Accounting policies (continued)

3.15 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

3.16 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.

ORCHESTRA TOPCO LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

3. Accounting policies (continued)

3.16 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.

3.17 Exceptional items

Exceptional items are transactions that result from the operating activities of the Group but are separately disclosed due to their exceptional, non-recurring nature. These can include (but are not limited to) restructuring, M&A activity and, since 2020, incremental costs explicitly linked to the Covid-19 pandemic.

4. Functional and presentation currency

These consolidated financial statements are presented in pound sterling, which is the Group'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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

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.

No businesses were acquired during 2021.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

6. Revenue

Revenue is derived from the following sectors:

	Year ended 31 December 2021 £000	Year ended 31 December 2020 £000
Workplaces	115,055	127,514
Education & Healthcare	42,838	48,394
Destinations	33,993	18,545
Venues & Liveries	12,705	11,308
Events	7,248	2,863
	<u>211,839</u>	<u>208,624</u>

Analysis of revenue by country of destination:

	Year ended 31 December 2021 £000	Year ended 31 December 2020 £000
United Kingdom	203,211	198,030
Rest of Europe	8,628	10,594
	<u>211,839</u>	<u>208,624</u>

Revenue is derived almost entirely from the United Kingdom with the exception of 4.1 % (2020: 5.1 %) of the Group's revenue which is derived from the Republic of Ireland.

ORCHESTRA TOPCO LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

7. Other operating income

	Year ended 31 December 2021 £000	Year ended 31 December 2020 £000
Coronavirus Job Retention Scheme	<u>13,837</u>	<u>51,652</u>

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

8. Auditor's remuneration

	2021 £000	2020 £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	595	651
Non-audit taxation services	5	8
Other non-audit services	-	73
	<u>635</u>	<u>767</u>

ORCHESTRA TOPCO LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

9. Expenses by nature

	Year ended 31 December 2021 £000	Year ended 31 December 2020 £000
Raw materials and consumables used	74,113	95,291
(Gain)/loss on disposal of property, plant and equipment	(2,222)	1,648
Depreciation of property, plant and equipment	3,999	5,494
Depreciation of right-of-use assets	4,187	4,366
Amortisation of intangible assets	13,154	13,981
Exceptional items	4,481	18,586
Release of contingent and deferred consideration	(164)	(13,427)
Goodwill and intangible fixed asset impairment	-	64,607

Exceptional items in 2021 relate to:

- transaction costs relating to M&A in the period are £0.6m (2020: £1.0m);
- costs relating to the restructuring and integration of acquired business are £0.5m (2020: £0.8m);
- restructuring and other costs in response to the prolonged reduction in activity levels as a result of the pandemic restrictions £2.1m (2020: £13.4m);
- exit costs relating to the closure of a regional office and consolidation of support functions £0.2m (2020: £Nil); and
- other exceptional costs including site exit costs related to Covid-19, refinancing and development of systems and processes £1.1m (2020: £3.4m).

10. Employee benefit expenses

Group

	Year ended 31 December 2021 £000	Year ended 31 December 2020 £000
Employee benefit expenses (including directors) comprise:		
Wages and salaries	113,941	159,097
Social security costs	9,150	9,967
Defined contribution pension cost	3,881	4,050
	<u>126,972</u>	<u>173,114</u>

ORCHESTRA TOPCO LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

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 13.

	Year ended 31 December 2021 £000	Year ended 31 December 2020 £000
Aggregate emoluments	759	487
Defined contribution pension cost	7	17
	<u>766</u>	<u>504</u>

There was no additional compensation during the year for loss of office (2020: £128k).

The highest paid director received remuneration of £266k (2020: £230k).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £0k (2020: £8k).

The number of directors to whom retirement benefits are accrued under money purchase pension schemes in respect of qualifying services is 2 (2020: 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 2021 No.	Year ended 31 December 2020 No.
Administration	248	419
Catering	5,163	7,904
	<u>5,411</u>	<u>8,323</u>

ORCHESTRA TOPCO LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

11. Finance income and expense

Recognised in profit or loss

	Year ended 31 December 2021 £000	Year ended 31 December 2020 £000
Finance income		
Interest on:		
Bank deposits	-	5
Gain on derivatives	454	-
Total Finance income	454	5
 Finance expense		
Interest expense on bank loans	15,156	13,717
Interest expense on leases	692	1,111
Interest expense on loan notes	16,496	16,177
Interest on Time to Pay arrangements	149	-
Interest on deferred consideration	183	(506)
Other costs of borrowing	-	30
Total finance expense	32,676	30,529
 Net finance expense recognised in profit or loss	(32,222)	(30,524)

ORCHESTRA TOPCO LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

12. Tax expense

12.1 Income tax recognised in profit or loss

	Year ended 31 December 2021 £000	Year ended 31 December 2020 £000
Current tax		
Current tax on losses for the year	41	250
Adjustment in respect of prior periods	256	(1,712)
Total current tax	297	(1,462)
Deferred tax expense		
Origination and reversal of temporary differences	(3,381)	(9,836)
Prior year adjustment	547	151
Impact of changes in tax rates	6,694	3,587
Total deferred tax	3,860	(6,098)
 Tax expense/(credit)	 4,157	 (7,560)
Total income tax expense/(credit)	4,157	(7,560)

Included within current tax on losses for the year there is foreign tax of £41k (2020: £250k).

ORCHESTRA TOPCO LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

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:

	2021	2020
	£000	£000
Loss for the year	(44,092)	(116,697)
Income tax (expense)/credit	(4,157)	7,560
Loss before income taxes	(39,935)	(124,257)
Tax using the Company's domestic tax rate of 19% (2020: 19%)	(7,588)	(23,609)
Fixed asset differences	156	(88)
Interest not deductible for tax purposes	-	2,546
Expenses not deductible for tax purposes	1,440	10,126
Other permanent differences	(126)	86
Loss carry back claim	-	1,366
Non-taxable income	-	(2,773)
Other tax adjustments, reliefs and transfers	38	-
Adjustments in respect of prior periods	803	(1,561)
Rate change adjustment	6,694	3,414
Deferred tax asset not recognised	2,740	2,933
Total tax expense/(credit)	4,157	(7,560)

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 substantively enacted at the balance sheet date, as result deferred tax balances as at 31 December 2021 relating to periods after April 2023 are measured at 25% and balances to be utilised sooner 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 decrease the deferred tax liability to £23.6m.

ORCHESTRA TOPCO LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021 £000	Year ended 31 December 2020 £000
Deferred tax assets	6,627	4,800
Deferred tax liabilities	(36,909)	(31,221)
	<u>(30,282)</u>	<u>(26,421)</u>

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 19% or 25% dependent on timing.

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, temporary fixed asset and short term differences.

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

	Asset 2021 £000	Liability 2021 £000	Net 2021 £000	Charged to profit or loss 2021 £000
Accelerated capital allowances	753	-	753	354
Other temporary and deductible differences	176	-	176	(59)
Available losses	5,698	-	5,698	(808)
Arising from business combinations	-	(36,909)	(36,909)	(2,321)
Tax asset/(liability)	<u>6,627</u>	<u>(36,909)</u>	<u>(30,282)</u>	<u>(2,834)</u>

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 2022 and 2023 to utilise these losses.

The amounts arising from business combinations related to deferred tax on related intangible assets arising on business combinations in prior years.

ORCHESTRA TOPCO LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

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 (As restated) £000	Total £000
Cost						
At 1 January 2020	4,850	588	27,876	5,295	21,762	60,371
Additions	46	-	2,958	535	953	4,492
Acquired through business combinations	17	-	54	149	-	220
Disposals	(2)	-	(2,852)	-	(1,185)	(4,039)
As restated at 31 December 2020	4,911	588	28,036	5,979	21,530	61,044
Additions	25	-	4,678	361	5,716	10,780
Disposals	(350)	-	(1,168)	(26)	(9,843)	(11,387)
Reclassification	2,396	(77)	(2,885)	566	-	-
Effects of movement in exchange rates	-	-	(46)	-	-	(46)
At 31 December 2021	6,982	511	28,615	6,880	17,403	60,391

ORCHESTRA TOPCO LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

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 (As restated) £000	Total £000
Accumulated depreciation						
At 1 January 2020	4,065	514	17,947	4,114	2,358	28,998
Charge for the period	364	43	4,300	787	4,177	9,671
Disposals	-	-	(1,207)	1	(216)	(1,422)
Acquired through business combinations	17	-	130	-	-	147
As restated 31 December 2020	4,446	557	21,170	4,902	6,319	37,394
Charge for the year	350	7	3,034	608	4,187	8,186
Disposals	(339)	(1)	(373)	(134)	(5,018)	(5,865)
Reclassification	2,319	(86)	(2,897)	664	-	-
Effects of movement in exchange rates	-	-	(24)	-	-	(24)
At 31 December 2021	6,776	477	20,910	6,040	5,488	39,691
Net book value						
At 1 January 2020	785	74	9,929	1,181	19,404	31,373
At 31 December 2020	465	31	6,866	1,077	15,211	23,650
At 31 December 2021	206	34	7,705	840	11,915	20,700

Management have determined that certain fully depreciated assets included in the fixed asset register should be reclassified to the appropriate asset categories. The main classes of asset affected are Site improvements and Office equipment, fixtures and fittings. There is no impact on net book value and no net book value impact between asset categories and therefore management have concluded that a prior period adjustment is not required.

Right of use assets classification is shown in note 24.

ORCHESTRA TOPCO LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

14. Intangible assets

Group

	Goodwill	Customer relationships	Preferred supplier agreement	Brand name	Software development	Total
	£000	£000	£000	£000	£000	£000
Cost						
At 1 January 2020	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
Additions	-	-	-	-	6	6
Disposal	-	-	-	-	-	-
Other	-	-	-	-	(7)	(7)
At 31 December 2021	137,684	162,196	3,097	33,871	451	337,299
Accumulated amortisation						
At 1 January 2020	-	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
Charge for the year	-	10,730	258	2,018	148	13,154
Disposal	-	-	-	-	-	-
At 31 December 2021	48,815	40,228	602	7,202	297	97,144
Net book value						
At 31 December 2020	88,869	132,698	2,753	28,687	303	253,310
At 31 December 2021	88,869	121,968	2,495	26,669	154	240,155

ORCHESTRA TOPCO LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

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 owner- ships as at 31 December 2021	Principal activity
Orchestra Midco Limited	United Kingdom	11795652	100%	Holding Company
Orchestra Holdco Limited	United Kingdom	11795699	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 Ltd	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 Ltd	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
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
Ultimate Experience Limited	United Kingdom	07804608	100%	Dormant Company
Full Circle Performance Ltd*****	United Kingdom	11835971	50%	Event management
Mask (UK) Limited****	United Kingdom	06449035	100%	Dormant Company

ORCHESTRA TOPCO LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Inspire Catering Scotland LLP	United Kingdom	S0301918	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	0654479	100%	Catering services
Company of Cooks Ltd	United Kingdom	03395673	100%	Holding Company
Public Restaurant Partner Limited	United Kingdom	05111519	100%	Catering services
Vacherin Limited	United Kingdom	04516461	100%	Catering services

* Notice for voluntary strike-off on 14 September 2020

** Dissolved via voluntary strike-off on 5 January 2021

*** Dissolved via voluntary strike-off on 6 April 2021

**** Dissolved via voluntary strike-off on 1 December 2021

***** 50% share sold 25 January 2021

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

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 79 Fitzwilliam Lane, Dublin 2.

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 2021. This thereby allows 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 2021.

ORCHESTRA TOPCO LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

16. Goodwill, intangible fixed assets and impairment

In accordance with accounting standards, the Group undertakes an annual review of Goodwill and Intangible Fixed Assets (IFAs).

This is the third period of account since the Group restructure (on 31st May 2019) when the Group decided that the most appropriate way to evaluate impairment was with reference to the sectors in which it operates as the Cash Generating Units (CGUs).

These CGUs are:

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

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 on behalf of management at 4 points:

- transfer of control of the Group to Equistone partners 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; and
- acquisition of Vacherin on 28th February 2020.

The original PPA for the whole Group in existence at 31st May allocated Goodwill and IFAs across the sectors as part of the exercise. The PPAs for subsequent acquisition provided a value for Goodwill and IFAs for the company (or companies) acquired and that has then been allocated across sectors based the on the split of revenue at acquisition. All IFA's have been amortised in line with useful economic lives determined by management at each relevant acquisition date.

Allocation of Goodwill and IFAs carried forward cost and accumulated amortisation at 31st December 2021 were as follows:

	Workplaces	Education & Healthcare	Destinations	Events	Venues & Liveries	Group Total
Cost	153,240	58,329	62,898	15,441	47,391	337,299
Impairment	-	(16,428)	(16,510)	-	(31,669)	(64,607)
Amortisation	(16,044)	(4,303)	(5,259)	(1,708)	(5,223)	(32,537)
NBV at 31 December 2021	137,196	37,598	41,129	13,733	10,499	240,155

ORCHESTRA TOPCO LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

16. Goodwill, intangible fixed assets and impairment (continued)

Carrying value of intangibles and goodwill

In order to determine if there has been any impairment, management has prepared calculations for the forecast of present value of future cash flows of each CGU based on 5-year projections ending in a terminal growth assumption. Forecasts are based on the following assumptions:

- Forecast for 2022 is based on budget prepared by management and approved by the board.
- Revenue for 2023 has been forecast to be in line with pre-COVID levels of trading for the current group structure.
- Revenue for 2024 to 2026 has been forecast to have steady growth each year based on average wins during the pandemic for each CGU.
- The 2023 and 2024 forecasts have been approved by the board.
- Terminal growth after year five has been assumed as 2%. This matches the Bank of England's target inflation, so represents only inflationary growth.
- Working capital cash flow has been based on a split of the current balance sheet as at 31st December 2021. The split by CGU has been done using appropriate allocations according to the nature of the balance sheet items.
- Discount rates for each CGU which have been determined by external advisors in analysis carried out in early 2022. The calculations have been prepared on a pre-tax basis, and accordingly a pre-tax discount rate has been used. The discount rate used for Workplaces and Education & Healthcare is 14.1%. The discount rate for Venues & Liveries, Events and Destinations is 14.9%. The tax rate used is 25% as that affects more periods of the fair value calculation than the current tax rate of 21%.
- Forecast overhead spend grows at a rate matching the CGU's steady growth. This growth drops down to by 1 percentage point in 2026 to represent economies of scale from systems currently being implemented reducing the need to increase overheads as the business grows.
- Capital expenditure forecast to maintain asset base in 2022 and 2023 then forecast in future years to grow at a blended rate of 1.4% per year. This is based on the business returning to its pre-COVID volumes which it already had the asset base to support.
- In determining any impairment, the net liabilities of £18.8m have also been allocated across CGUs, pro-rated according to the relative revenue for each sector.

ORCHESTRA TOPCO LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

16. Goodwill, intangible fixed assets and impairment (continued)

Fair Value

A summary of findings is as follows:

	Workplaces	Education & Healthcare	Destinations	Events	Venues & Liveries	Group Total
NBV Goodwill	52,195	15,219	16,489	4,966	-	88,869
NBV IFA	85,001	22,379	24,640	8,767	10,499	151,286
Net Liabilities	(10,193)	(3,799)	(3,013)	(643)	(1,125)	(18,773)
Total carrying value before impairment	127,003	33,799	38,116	13,090	9,374	221,382
Fair value	198,954	36,369	39,021	22,600	9,931	306,875
Fair value less carrying amount	71,951	2,570	905	9,510	557	85,493

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. A summary of this analysis is as follows:

	Workplaces	Education & Healthcare	Destinations	Events	Venues & Liveries
A change in discount rate	44.6%	6.4%	2.2%	73.3%	5.8%
A change in revenue growth in year 2	-73.5%	-10.2%	-9.2%	-52.1%	-6.3%
A change in revenue growth from year 3	-193.4%	-78.3%	-48.0%	-724.1%	-58.6%
A change in WC cash generation in year 1	-164.5%	-33.5%	-10.0%	-658.8%	-47.4%

It is the conclusion of management that there has been no impairment of Goodwill. Due to the low excess fair value of the Venues & Liveries CGU and uncertainties still around post-COVID trading, management have concluded that it would not be prudent to reverse any impairment losses being carried on intangible fixed assets in that CGU until clearer forecasts are available for the impairment review at the end of 2022. This conclusion has been discussed with and approved by the Management team of the Group.

ORCHESTRA TOPCO LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

17. Inventories

Group

	2021	2020
	£000	£000
Raw materials	<u>4,928</u>	<u>4,282</u>

18. Trade and other receivables

Group

	2021	2020
	£000	£000
Trade receivables	<u>30,536</u>	<u>34,163</u>
Trade receivables - net	30,536	34,163
Prepayments and accrued income	18,518	10,278
Other receivables	<u>14,529</u>	<u>13,091</u>
Total trade and other receivables	<u>63,583</u>	<u>57,532</u>

Included in other receivables are amounts of £143.4k (2020: £23.4k) due from Directors. See note 27 for further details.

Included in other receivables are payroll related items £0.5m, corporation tax debtor £1.8m and deferred costs £4.7m.

Included in accrued income are CTC receivables of £4.3m

As at 31 December 2021 trade receivables of £477.0k (2020: £934.0k) 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 3 months or more past due and therefore unrecoverable. The ageing of these receivables is as follows:

ORCHESTRA TOPCO LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

18. Trade and other receivables (continued)

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

	Total £000	Current £000	31 - 60 days £000	61 - 120 days £000	Over 120 days £000
31 December 2021					
Gross receivables	31,013	17,685	7,060	3,102	3,166
Expected credit loss provision	(477)	-	-	(20)	(457)
Net receivables	30,536	17,685	7,060	3,082	2,709
Provision percentage	1.5%	0.0%	0.0%	0.6%	14.4%
31 December 2020					
Gross receivables	35,097	23,516	2,992	3,490	5,099
Expected credit loss provision	(934)	-	-	(11)	(923)
Net receivables	34,163	23,516	2,992	3,479	4,176
Provision percentage	2.7%	0.0%	0.0%	0.3%	18.1%

Company

	2021 £000	2020 £000
Receivables from related parties	40,453	40,452
Expected credit losses on receivables from related parties	(40,453)	(40,452)
Total financial assets other than cash and cash equivalents classified as loans and receivables	-	-

Repayment of related party receivables depends on future Group cashflows being higher than Group debt. The increase in debt in 2020 meant the fair value of all CGUs was lower than total debt. Therefore, a 100% expected loss provision was applied to the debt. This situation still exists at 31 December 2021 so the 100% provision has been maintained.

ORCHESTRA TOPCO LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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19. Trade and other payables

Group

	2021	2020
	£000	£000
Trade payables	29,750	18,625
Other payables - including pension and payroll	19,146	4,758
Accruals	10,727	18,297
Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	59,623	41,680
Other payables - tax and social security payments	15,425	21,183
Deferred income	3,029	167
Total trade and other payables	78,077	63,030

20. Loans and borrowings

Group

	2021	<i>As restated</i> 2020
	£000	£000
Non-current		
Bank and other loans	170,553	180,142
Loan notes	168,785	150,569
Lease liabilities	11,693	14,788
	351,031	345,499
Current		
Overdrafts	-	6,643
Bank and other loans	15,790	-
Loan notes	-	1,667
Lease liabilities	3,483	4,043
	19,273	12,353
Total loans and borrowings	370,304	357,852

ORCHESTRA TOPCO LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

20. Loans and borrowings (continued)

Terms and debt repayment schedule

	Amount	Currency	Nominal interest rate	Year of maturity
EPE loan notes	72,698	GBP	11.50%	2029
Equistone loan	32,000	GBP	20.00%	2029
Deferred loan notes	1,702	GBP	5.00%	2029
Management loan notes	10,436	GBP	7.50%	2029
FY20 loan notes	12,388	GBP	7.50%	2029
Senior facility B1*	95,626	GBP	6.50%	2026
			Above LIBOR or equivalent	
Senior facility B2*	47,799	GBP	6.50%	2026
			Above LIBOR or equivalent	
Capex facility drawdown*	30,603	GBP	7.30%	2026
Revolving facility repayment*	14,591	GBP	2.75%	2025
	317,843			
Capitalised loan fees	(3,475)			
Accrued interest	40,761			
	355,129			

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, run rate 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.

There has been no additional borrowing in the current year (other than repayment and redrawing of the Revolving Credit Facility at net nil cash effect). However, some interest on loan notes and bank loans has been rolled up into the principal.

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21. Share capital

Authorised

	2021 Number	2021 £000	2020 Number	2020 £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	-	159,529	-
C1 ordinary shares of £0.010000 each	84,303	1	84,303	1
C2 ordinary shares of £0.010000 each	17,280	-	19,158	-
	<u>1,136,112</u>	<u>1</u>	<u>1,137,990</u>	<u>1</u>

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 18th February 2021 the Company repurchased and cancelled 3,095 C2 Ordinary Shares of nominal value £0.01 each for a total consideration of £1;
- on 12th August 2021 the Company issued 1,155 C2 Ordinary Shares of £0.01 each for total consideration of £519.75;
- on 8th September 2021 the Company issued 287 C2 Ordinary Shares of £0.01 each for total consideration of £129.15; and
- on 14th December 2021 the Company repurchased and cancelled 225 C2 Ordinary Shares of nominal value £0.01 each for a total consideration of £1.

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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
Year to 31 December 2021	
Exchange differences arising on translation of foreign operations	(119)

ORCHESTRA TOPCO LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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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 if 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; and
- 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).

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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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:

	2021 £000	<i>As restated</i> 2020 £000
Contractual undiscounted cash flows due		
Not later than one year	3,935	4,043
Between one year and five years	10,646	13,442
Later than five years	1,960	1,346
	<u>16,541</u>	<u>18,831</u>
Lease liabilities included in the Consolidated Statement of Financial Position at 31 December	<u>15,176</u>	<u>18,831</u>
Non-current	11,693	14,788
Current	<u>3,483</u>	<u>4,043</u>

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

	2021 £000	2020 £000
Short-term lease expense	402	579
Low value lease expense	<u>-</u>	<u>89</u>

ORCHESTRA TOPCO LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

24. Leases (continued)

	Land and buildings £000	Motor vehicles £000	Equipment £000	Total £000
Right-of-use assets				
At 31 December 2020 (as restated)	14,130	634	447	15,211
Additions	5,380	265	70	5,715
Modifications	(2,256)	-	-	(2,256)
Disposals	(5,411)	(64)	(214)	(5,689)
Depreciation charge for the year	(3,418)	(455)	(314)	(4,187)
Depreciation on disposal of ROU assets	2,843	64	214	3,121
Balance at 31 December 2021	11,268	444	203	11,915

	Land and buildings £000	Motor vehicles £000	Equipment £000	Total £000
Lease liabilities				
At 31 December 2020 (as restated)	18,035	324	472	18,831
Additions	5,380	265	70	5,715
Modifications	(2,719)	227	-	(2,492)
Disposals	(4,564)	(64)	(17)	(4,645)
Interest	648	15	26	689
Lease payments	(2,327)	(323)	(272)	(2,922)
Balance at 31 December 2021	14,453	444	279	15,176

Right of use asset additions, modifications and disposals are non-cash transactions and are therefore excluded from purchase of/proceeds from sales of property, plant and equipment in the Statement of Cash Flows. Repayments of capital and interest are included within cash flows from financing activities.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

25. Prior year adjustments

25.1 Lease Liabilities

For 2020, 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 2021 is to correct this as a prior period adjustment. The impact of this correction is to decrease the lease liabilities, and to decrease the right-of-use assets, by £3.6m in the 2020 Consolidated Statement of Financial Position. This has no material impact on profit and loss or opening retained earnings.

Restated prior year balances have been shown in notes 13, 20 and 24. Any other amounts in these Financial Statements that are affected have been highlighted as restated amounts.

25.2 Financial Instruments

In 2020, figures for trade and other payables, trade and other receivables and loans and borrowings were incorrectly shown on note 26. Given the amounts disclosed, management consider it appropriate to disclose this amendment.

In section 26.1, the figure for trade and other receivables incorrectly included prepayments and corporation tax receivable in the total of £57.5m. This has been restated to £46.3m. The figure for trade and other payables was stated incorrectly as £50.1m. This has been restated to £41.7m.

In section 26.2, disclosing future contractual cashflows for financial liabilities, the value of trade and other payables was presented as £88.4m for 2020 and £41.7m for 2019. These figures were transposed and the correct value for 2020 was £41.7m

Additionally, the figure for Loans and borrowings over 5 years was presented as £360.2m when the correct figure for over 5 years was £596.9m

All of these errors are limited to note 26, there is no effect on the primary financial statements or any other notes.

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26. Financial instruments - fair values and risk management

26.1 Accounting classifications and fair values

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

		Carrying amount		
31 December 2021	Note	Mandatorily at FVTPL - others £000	Amortised cost £000	Total £000
Financial assets measured at fair value				
Derivative instruments		669	-	669
		669	-	669
Financial assets measured at amortised cost				
Trade and other receivables	18	-	44,106	44,106
Cash and cash equivalents		-	14,882	14,882
		-	58,988	58,988
Financial liabilities measured at amortised cost				
Loan notes	20	-	168,785	168,785
Bank loans	20	-	186,343	186,343
Trade and other payables	19	-	59,623	59,623
		-	414,751	414,751

Derivative instruments consist of two Interest Rate Cap products; the trading date of these assets was August 2021 and they have a termination date of September 2024. Derivative instruments have been measured at fair value through profit and loss. The Interest Rate Cap covers £90m of senior debt.

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

26.1 Accounting classifications and fair values (continued)

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 (as restated)	18	-	46,275	46,275
Cash and cash equivalents		-	14,832	14,832
		-	61,107	61,107
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 and other payables (as restated)	19	-	41,680	41,680
		-	379,480	379,480

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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.

All financial instruments have been modified in accordance with interest rate benchmark reform and therefore there are no remaining risks relating to the reforms.

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
- Interest rate caps

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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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 2021					
Trade and other payables	59,623	-	-	-	-
Loans and borrowings	2,146	8,887	12,557	229,769	473,681
	61,769	8,887	12,557	229,769	473,681
31 December 2020 (as restated)					
Trade and other payables	41,680	-	-	-	-
Overdraft	6,643	-	-	-	-
Loans and borrowings	4,623	9,370	12,008	36,023	596,908
Contingent consideration	-	2,000	-	-	-
	52,946	11,370	12,008	36,023	596,908

Included in the above are balances of £143.4m which incur interest at variable rates linked to LIBOR or equivalent rate. A 1.0% increase in the LIBOR or equivalent rate would equate to a rise in debt service costs of approximately £1.4m per annum.

Loans and borrowings shown above excludes lease liabilities. The maturity of these liabilities is shown in note 24.

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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 20.

The key management personnel are deemed to be the Directors. Details of Directors' remuneration are given in note 10.

Certain Directors have loans totalling £143,384 (31 December 2020: £23,384), used to subscribe for B shares in Orchestra Topco Limited on 2 October 2019. The loans accrue interest of 1.0% PA, and all amounts remain outstanding at the period end.

The Group's 50% ownership of the issued share capital of Full Circle Performance Ltd was sold on 25 January 2021 to the other 50% shareholder, who is otherwise unconnected to the Group. During the year the group made purchases of £nil (period ended 31 December 2020: £495,965) from, and sales of £nil (period ended 31 December 2020: £nil) to Full Circle Limited. The balance outstanding at 31 December 2021 was £nil (31 December 2020: net debtor £229,000).

28. Controlling party

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

29. Notes supporting statement of cash flows

	Current loans and borrowings £000	Non-current loan 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)

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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29. Notes supporting statement of cash flows (continued)

	Current loans and borrowings £000	Non-current loan and borrowings £000	Total £000
1 January 2021	(8,312)	(333,191)	(341,503)
Cash flows			
Overdraft repayment	6,643	-	6,643
Deferred consideration paid	2,534	-	2,534
Non-Cash-flows			
Interest accrued	(1,088)	(22,326)	(23,414)
Change in classification	(15,403)	15,403	-
Capitalised loan fees amortisation	-	776	776
FV adjustment of deferred consideration	(164)	-	(164)
At 31 December 2021	(15,790)	(339,338)	(355,128)

The equivalent disclosure for lease liabilities is provided in note 24.

Interest paid in the year was £9.8m (2020: £4.8m)

Deferred consideration and bank overdraft do not form part of financing activities within the cash flow statement as they are not financing.

30. Events after the reporting date

Subsequent to the date of these financial statements the country continued to experience a brief period of "lockdown restrictions" as a result of the impact of the Omicron variant of Covid. This period lasted until the second half of January 2022. The directors are pleased to note that following the lifting of Covid restrictions in the UK, the recovery of the business in all sectors has been encouraging and ahead of plan in the first quarter of 2022.

In February 2022, Russian forces invaded Ukraine starting a conflict that is still ongoing at the time of signing these financial statements. Both Ukraine and Russia are significant producers of foodstuffs and food commodities in the global food supply chain, and the conflict will have an ongoing impact on food supply chains particularly commodities such as wheat and sunflower oils. The directors have reviewed their supply chains and sourcing strategies and are confident that they are able to mitigate and minimise any impact of the conflict on their profitability and their ability to fulfil service requirements to their clients and customers.