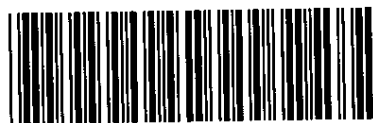

ABSOLUTELY CATERING LIMITED

UNAUDITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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ABSOLUTELY CATERING LIMITED

COMPANY INFORMATION

Directors	T J Jones N E H Thomas W J Toner
Company secretary	A Seymour
Registered number	06313610
Registered office	550 Second Floor Thames Valley Park Reading RG6 1PT
Accountants	Evelyn Partners LLP 4th Floor Cumberland House 15-17 Cumberland Place Southampton Hampshire SO15 2BG

ABSOLUTELY CATERING LIMITED

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ABSOLUTELY CATERING LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Introduction

The directors present their Strategic Report together with the unaudited financial statements for the year ended 31 December 2021.

Business review

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

Principal risks and uncertainties

The 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, credit risk and commercial 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 risk

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.

ABSOLUTELY CATERING LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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 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 collectability of debt.

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.

Financial key performance indicators

Measurement of performance against KPIs in 2021 and comparison of KPIs against prior period is made difficult in the Financial Statements because of the pandemic.

Some of the Company's key financial performance indicators during the period were as follows:

	2021	2020
	£	£
Revenue	5,353,227	5,069,050
Operating profit	827,892	341,665

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.

ABSOLUTELY CATERING LIMITED

STRATEGIC REPORT 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 considers the interests of the Group's employees and other stakeholders. The directors understand the importance of considering the views of all stakeholders and considers the impact of the Company's activities on the communities in which it operates, the environment and the Group's reputation. In its decision making, the directors also consider what is most likely to promote the success of the Company for its stakeholders in the long term.

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

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

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

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

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

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

Bill Toner – CEO and member of the Remuneration Committee

Nick Thomas – CFO and member of 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.

ABSOLUTELY CATERING LIMITED

STRATEGIC REPORT 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.

ABSOLUTELY CATERING LIMITED

STRATEGIC REPORT 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.

ABSOLUTELY CATERING LIMITED

STRATEGIC REPORT 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.

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


Nick Thomas [Sep 22, 2022 08:44 GMT+1]

N E H Thomas
Director

Date: 22/09/2022

ABSOLUTELY CATERING 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.

Principal activity

The principal activity of the Company during the year was that of the provision of contract catering services to the education sector.

Results and dividends

The profit for the year, after taxation, amounted to £674,465 (2020: £350,817 profit).

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

Directors

The directors who served during the year were:

T J Jones
N E H Thomas
W J Toner

Engagement with employees

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

Disabled employees

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

Qualifying third party indemnity provisions

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

Matters covered in the Strategic Report

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

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.

ABSOLUTELY CATERING LIMITED


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

Post reporting date 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.

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


Nick Thomas [Sep 22 2022 08:44 GMT+1]

N E H Thomas
Director

Date: 22/09/2022

ABSOLUTELY CATERING LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ABSOLUTELY CATERING LIMITED

ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF ABSOLUTELY CATERING LIMITED FOR THE YEAR ENDED 31 DECEMBER 2021

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Absolutely Catering Limited for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes from the Company's accounting records and from information and explanations you have given us.

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

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

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

Use of this report

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

Evelyn Partners

Evelyn Partners (Sep 22, 2022 08:56 GMT+1)

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

Date: 22/09/2022

ABSOLUTELY CATERING LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £	2020 £
Revenue	4	5,353,227	5,069,050
Cost of sales		(4,696,392)	(5,362,334)
Gross profit/(loss)		656,835	(293,284)
Other operating income	5	231,320	907,765
Administrative expenses		(60,263)	(272,816)
Operating profit	6	827,892	341,665
Interest receivable and similar income	8	3	46
Interest payable and similar expenses	9	(1,326)	-
Profit before tax		826,569	341,711
Tax on profit	10	(152,104)	9,106
Profit for the financial year		674,465	350,817

There was no other comprehensive income for 2021 (2020: £Nil).

The notes on pages 15 to 27 form part of these financial statements.

ABSOLUTELY CATERING LIMITED
REGISTERED NUMBER:06313610

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	11		19,584		38,452
			19,584		38,452
Current assets					
Stocks	12	197,283		195,646	
Debtors: amounts falling due within one year	13	9,183,042		3,932,677	
Cash at bank and in hand	14	686,959		1,288,040	
		10,067,284		5,416,363	
Creditors: amounts falling due within one year	15	(6,565,687)		(2,608,099)	
Net current assets			3,501,597		2,808,264
Net assets			3,521,181		2,846,716
Capital and reserves					
Called up share capital	17		2		2
Own shares	18		37,000		37,000
Retained earnings	18		3,484,179		2,809,714
Shareholders' funds			3,521,181		2,846,716

ABSOLUTELY CATERING LIMITED
REGISTERED NUMBER:06313610


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

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

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

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

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


N E H Thomas / Sep 22 2022 09:44 GMT+1

N E H Thomas
Director

Date: 22/09/2022

The notes on pages 15 to 27 form part of these financial statements.

ABSOLUTELY CATERING LIMITED

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

	Called up share capital £	Own shares £	Retained earnings £	Total equity £
At 1 January 2020	2	37,000	2,458,897	2,495,899
Comprehensive income for the year				
Profit for the year	-	-	350,817	350,817
At 31 December 2020	2	37,000	2,809,714	2,846,716
Comprehensive income for the year				
Profit for the year	-	-	674,465	674,465
At 31 December 2021	2	37,000	3,484,179	3,521,181

ABSOLUTELY CATERING LIMITED

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

1. General information

Absolutely Catering Limited is a private company, limited by shares, domiciled and incorporated in England and Wales (registered number: 06313610). The registered office address is 550 Second Floor, Thames Valley Park, Reading, RG6 1PT.

The Company's functional and presentational currency is GBP.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The following principal accounting policies have been applied:

2.2 Financial reporting standard 101 - reduced disclosure exemptions

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

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

The information is included in the consolidated financial statements of Orchestra Topco Limited as at 31 December 2021 and these financial statements may be obtained from Companies House.

ABSOLUTELY CATERING LIMITED

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

2. Accounting policies (continued)

2.3 Going concern

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

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

2.4 Revenue recognition

Revenue represents the subsidies charged and management fees received for the provision of catering services.

Revenue from the supply of catering services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded as the fair value of the consideration received or receivable. Revenue is recognised in the year in which services are provided in accordance with the terms of the individual contractual relationships.

2.5 Government grants

Government grants received on capital expenditure are initially recognised within deferred income on the Company's Statement of Financial Position and are subsequently recognised in profit or loss on a systematic basis over the useful life of the related capital expenditure.

Grants for revenue expenditure are presented as part of the profit or loss in the periods in which the expenditure is recognised.

2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

ABSOLUTELY CATERING LIMITED

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

2. Accounting policies (continued)

2.7 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Borrowing costs

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

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements - over the remaining life of the lease, on a straight-line basis

Office and computer equipment - 3-4 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

ABSOLUTELY CATERING LIMITED

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

2. Accounting policies (continued)

2.10 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.11 Debtors

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

2.12 Cash and cash equivalents

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

2.13 Creditors

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

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

2.14 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company 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 Company in independently administered funds.

ABSOLUTELY CATERING LIMITED

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

2. Accounting policies (continued)

2.15 Financial instruments

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

Financial assets

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

Debt instruments at amortised cost

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

Impairment of financial assets

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

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

Financial liabilities

At amortised cost

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

ABSOLUTELY CATERING LIMITED

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

2. Accounting policies (continued)

2.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

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

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is

determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

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

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

Useful lives of tangible fixed assets

The selection of the estimated useful lives requires the exercise of management's judgement. Useful lives are regularly reviewed and should management's assessment of useful lives shorten, then depreciation charges in the financial statements would increase and carrying amounts of property, plant and equipment would reduce accordingly. The directors have reviewed the estimates and assumptions used in the preparation of the financial statements. The directors do not believe that there is a significant risk which would lead to material adjustments to the carrying value of any assets and liabilities in the next financial year due to the changes on the estimates or assumptions.

Deferred tax

Under IAS 12 "Income taxes" deferred tax assets are recognised to the extent that taxable profits will be available against which the deductible temporary differences can be utilised. As at the period end the Directors consider that the IAS 12 recognition criteria are satisfied.

The directors have reviewed the estimates and assumptions used in the preparation of the financial statements. The directors do not believe that there is a significant risk which would lead to material adjustments to the carrying value of any assets and liabilities in the next financial year due to the changes on the estimates or assumptions.

ABSOLUTELY CATERING LIMITED

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

4. Revenue

	2021	2020
	£	£
Sales derived from principal activity	<u>5,353,227</u>	<u>5,069,050</u>

All revenue arose within the United Kingdom.

5. Other operating income

	2021	2020
	£	£
Coronavirus Job Retention Scheme	<u>231,320</u>	<u>907,765</u>

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

6. Operating profit

The operating profit is stated after charging:

	2021	2020
	£	£
Depreciation of tangible fixed assets	33,307	79,938
Defined contribution pension cost	<u>88,968</u>	<u>94,655</u>

7. Employees

Staff costs were as follows:

	2021	2020
	£	£
Wages and salaries	2,810,511	3,084,575
Social security costs	86,419	106,580
Cost of defined contribution scheme	88,968	94,655
	<u>2,985,898</u>	<u>3,285,810</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2021	2020
	No.	No.
Catering	<u>250</u>	<u>302</u>

ABSOLUTELY CATERING LIMITED

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

8. Interest receivable

	2021	2020
	£	£
Other interest receivable	<u>3</u>	<u>46</u>

9. Interest payable and similar expenses

	2021	2020
	£	£
Other interest payable	<u>1,326</u>	<u>-</u>

10. Taxation

	2021	2020
	£	£
Corporation tax		
Current tax on profits for the year	<u>157,666</u>	<u>-</u>
Total current tax	<u>157,666</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	<u>1,000</u>	<u>(9,106)</u>
Effect of tax rate change on opening balance	<u>(6,562)</u>	<u>-</u>
Total deferred tax	<u>(5,562)</u>	<u>(9,106)</u>
Taxation on profit on ordinary activities	<u>152,104</u>	<u>(9,106)</u>

ABSOLUTELY CATERING LIMITED

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

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020: lower than) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	826,569	341,711
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	157,048	64,925
Effects of:		
Fixed asset differences	1,207	1,255
Expenses not deductible for tax purposes	171	-
Group relief claimed	-	(73,912)
Remeasurement of deferred tax for changes in tax rates	(6,323)	(1,374)
Unexplained difference	1	-
Total tax charge/(credit) for the year	152,104	(9,106)

Changes in tax rates and factors affecting the future tax charges

Finance Act 2021 includes legislation to increase the main rate of corporation tax from 19% to 25% from 1 April 2023. The full anticipated effect of these changes is reflected in the above deferred tax balances.

ABSOLUTELY CATERING LIMITED

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

11. Tangible fixed assets

	Site improve- ments £	Office equipment, fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 January 2020	24,000	206,272	6,820	237,092
Additions	-	38,670	-	38,670
At 31 December 2020	24,000	244,942	6,820	275,762
Additions	-	14,439	-	14,439
At 31 December 2021	24,000	259,381	6,820	290,201
Depreciation				
At 1 January 2020	24,000	127,625	5,747	157,372
Charge for the year	-	79,091	847	79,938
At 31 December 2020	24,000	206,716	6,594	237,310
Charge for the year	-	33,307	-	33,307
At 31 December 2021	24,000	240,023	6,594	270,617
Net book value				
At 31 December 2021	-	19,358	226	19,584
<i>At 31 December 2020</i>	-	38,226	226	38,452

12. Stocks

	2021 £	2020 £
Raw materials and consumables	197,283	195,646

The difference between purchase price or production cost of stocks and their replacement cost is not material.

ABSOLUTELY CATERING LIMITED

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

13. Debtors

	2021	2020
	£	£
Trade debtors	659,124	1,735,326
Amounts owed by group undertakings	8,481,903	1,984,739
Other debtors	15,671	187,135
Prepayment and accrued income	-	4,695
Deferred taxation	26,344	20,782
	<u>9,183,042</u>	<u>3,932,677</u>

Amounts owed by group undertakings are repayable on demand.

14. Cash and cash equivalents

	2021	2020
	£	£
Cash at bank and in hand	<u>686,959</u>	<u>1,288,040</u>

15. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Bank overdrafts	-	274,325
Trade creditors	394,659	625,350
Amounts owed to group undertakings	4,896,989	-
Corporation tax	157,666	7,395
Other taxation and social security	249,064	1,269,436
Other creditors	643,658	215,624
Accruals and deferred income	223,651	215,969
	<u>6,565,687</u>	<u>2,608,099</u>

Amounts owed to group undertakings are repayable on demand.

ABSOLUTELY CATERING LIMITED

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

16. Deferred taxation

	2021 £	2020 £
At beginning of year	(20,782)	(11,676)
Charged to profit or loss	(5,562)	(9,106)
At end of year	(26,344)	(20,782)

The deferred tax asset is made up as follows:

	2021 £	2020 £
Fixed asset temporary differences	(24,646)	(18,382)
Short-term temporary differences	(1,698)	(2,400)
	(26,344)	(20,782)

17. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
2 Ordinary shares of £1.00 each	2	2

18. Reserves

Own shares

Share based payment credit reserve

Retained earnings

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

19. Contingent liabilities

The Company has a fixed and floating charge in place in respect of borrowings of fellow group undertakings.

20. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £88,968 (2020: £94,655). Contributions totalling £6,794 (2020: £12,628) were payable to the fund at the reporting date and are included in creditors.

ABSOLUTELY CATERING LIMITED

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

21. Related party transactions

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

22. 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.

23. Controlling party

The immediate parent undertaking is CH & Co Catering Limited, a company registered in England and Wales.

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

The largest and smallest group of undertakings for which group accounts for the year ending 31 December 2021 have been drawn up is that headed by Orchestra Topco Limited. The registered office address of Orchestra Topco Limited is 550 Second Floor, Thames Valley Park, Reading, RG6 1PT. Copies of the group accounts are available from Companies House.

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