

**Catermasters Contract Catering  
(Holding) Company Limited**

Annual Report and Unaudited

Financial Statements

Year Ended

31 December 2019

Company Number 08092736

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# **Catermasters Contract Catering (Holding) Company Limited**

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<b>Directors</b>	W J Toner N E H Thomas
<b>Company secretary</b>	A Seymour
<b>Registered number</b>	08092736
<b>Registered office</b>	550 Second Floor Thames Valley Park Reading England RG6 1PT
<b>Accountants</b>	BDO LLP Level 12 Thames Tower Station Road Reading United Kingdom RG1 1LX



# Catermasters Contract Catering (Holding) Company Limited

## Strategic Report For the Year Ended 31 December 2019

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The Directors present their Strategic Report together with the unaudited financial statements for the year ended 31 December 2019.

This Strategic Report is from the group accounts of Orchestra Topco Limited which was approved on 30 November 2020.

### Principal activity

The principal activity of the Company is to act as an intermediate holding company for the CH&Co Group (the Group).

The principal activity of the Group is that of operating specialist corporate and commercial catering businesses providing catering and service solutions to a diverse range of customers in the outsourced food service market. The Group operates in the following sectors of the market: Workplaces, Destinations, Events, Venues, Livery and Education. The Group is headed by Orchestra Topco Limited, which indirectly acquired the 100% shareholding of CH & Co Catering Group (Holdings) Limited, the previous head of the Group, on 31 May 2019.

### Review of the business

#### Strategy and performance

The Company acts as an intermediate holding company to its subsidiary trading entities. Key performance indicators are not used in the assessment of the Company's own performance, where it acts entirely as a holding company. For the year ended 31 December 2019, the Company recorded a retained profit of £15,436 (2018 - £15,436). Net assets are £5.4m (2018 - £5.4m).

As part of the wider Group, the Directors are pleased to report that during the year ended 31 December 2019 the business of the Group performed well through strong retention and several significant new contract wins. The strength of the customer proposition across the Group and our ability to win and successfully mobilise larger contracts is at the heart of that success.

Trading in the majority of the contracts during the period was in line with expectations. The Group now has a very well-balanced portfolio of contracts across its core sectors that protects the Group both in terms of seasonality and wider changes in market conditions.

During the year the Group engaged in key M&A activity to further enhance the strength of the Group in its chosen market sectors and geographies. On 31 August 2019, the wholly owned intermediate holding subsidiary of CH & Co Catering Group Limited acquired 100% of the share capital of Gather & Gather Limited, Creativevents Limited, and Gather & Gather Ireland Limited. This was a strategically significant acquisition for the Group. Gather & Gather are a market leading Workplace caterer who operate several high profile national multi-site contracts both in the UK and Republic of Ireland. As a result of the acquisition of Gather & Gather, the Group became the preferred supplier of catering services in all Mitie integrated facilities management contracts.

On 30 September 2019 CH & Co Catering Group Limited acquired 100% of the share capital of Company of Cooks Limited and their 100% owned subsidiary company Public Restaurant Partner Limited. Company of Cooks Limited is a market leading provider of food and beverage services in the London venues and destinations market, further cementing the Groups position in these sectors.

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

The Group also monitors its liquidity position through monthly 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.



# Catermasters Contract Catering (Holding) Company Limited

## Strategic Report (continued) For the Year Ended 31 December 2019

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The Group maintains a positive relationship with its lenders and funding partners. The period after the Balance Sheet date in these financial statements has been dominated by the Covid-19 global pandemic. It has been well documented that the food and hospitality sectors have been hardest hit by the economic impact of the pandemic. The impact on the Group and the action taken by the Directors is fully documented in the Subsequent Events note 9 in the Financial Statements. This demonstrates that the Directors took decisive action at the start of the pandemic to reduce costs in line with falling revenue, to inject equity capital into the business to eliminate any liquidity issues and to cement existing client and stakeholder relationships, in readiness for the business emerging from the downturn after the pandemic.

### Future developments

Overall the Directors are very optimistic about the Company's fortunes. The Company's pipeline, as part of the wider Group for new business prospects, has proved to be very resilient through the Covid-19 pandemic which is a tribute to the strength of its People and the relationships 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. In addition, post period-end the Group completed the merger with Vacherin Ltd, a high quality London based company with a strong portfolio of clients in the Workplaces sector.

### Principal risks and uncertainties

The main risks arising from the Company's financial instruments as part of the wider group 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 and equity investment. The main senior facility is at variable rates of interest. Given the current Bank of England Base Rate is at a historic low, adrift from longer term trends, the Directors have implemented an interest rate cap in order to mitigate any significant impact from future interest rate movements.

#### *Liquidity risk*

The Company's policy, as part of the wider group, in the year has been that committed facilities are maintained at levels to ensure all planned requirements are met.

#### *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 Statement of Financial Position 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

### Approval

This Strategic Report was approved on behalf of the Board on 28/1/2021

  
N E H Thomas  
Chief Executive



# **Catermasters Contract Catering (Holding) Company Limited**

## **Directors' Report For the Year Ended 31 December 2019**

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The Directors present their report together with the unaudited financial statements for the year ended 31 December 2019.

This directors report is from the group accounts of Orchestra Topco Limited which was approved on 30 November 2020.

### **Results and dividends**

The Company has not traded during the current and prior year.

There are no recognised gains and losses other than those passing through the Statement of Comprehensive Income.

The Directors do not recommend the payment of a dividend (2018 - £Nil).

### **Principal activity**

The principal activity of the Company is that of a holding company for its subsidiaries whose primary business is the provision of contract catering services.

### **Going concern**

The going concern position of the Company is intrinsically linked to that of the Group and is therefore considered as part of the directors' going concern assessment of the wider group. The consolidated financial statements have been prepared on a going concern basis, with net assets of £27.1m at 31 December 2019 and a loss of £13.3m for the period then ended. Accordingly, the Directors continue to adopt the going concern basis of accounting in preparing these financial statements.

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

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

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

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

Our base case and reasonable worst case forecasts show the Group's compliance with its financial covenants at each quarter end to 31 December 2021, a period of at least 12 months after the date of this report.

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



# **Catermasters Contract Catering (Holding) Company Limited**

## **Directors' Report (continued) For the Year Ended 31 December 2019**

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

The Group's banking arrangements provide flexible arrangements for the shareholders to inject further equity capital, if required, to supplement the Group's EBITDA and liquidity measures, for covenant testing purposes, in advance of any anticipated breach. The Directors have satisfied themselves that key shareholders remain fully supportive of the business and are likely to continue to be so should the effect of the COVID-19 global pandemic on future operations mean that a further equity injection is required. Therefore, the Directors have concluded that it is appropriate to prepare the financial statements on a going concern basis. The financial statements do not include the adjustments that would result if the Group and Company were unable to continue as a going concern.

### **Directors**

The Directors who served during the year were:

N E H Thomas

W J Toner

M S Musselwhite (resigned 31 May 2019)

### **Financial risk management**

The impact of financial risk management and the associated objectives and policies, have been discussed in detail with respect to price risk, credit risk, liquidity risk and cash flow risk have been discussed in the Strategic Report.

### **Future developments**

The directors do not anticipate any future developments or changes to the principal activities of the company.

### **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.

### **Subsequent events**

Subsequent to the Balance Sheet date, the COVID-19 outbreak has escalated to a global pandemic. The impact of this has been considered on the financial statements up to the date of signing. The impact on the going concern assessment has been considered in the Directors Report. No adjustments are deemed necessary in respect of this matter.

In March 2020 the Group's financial performance was adversely impact by the Covid-19 pandemic and subsequent national lockdown. The impact of lockdown and social distancing measures on the food and hospitality sectors has been well documented and CH&CO as a Group was very much exposed to this across all the business sectors in which it operates.

The Group operates in the following sectors which were adversely impacted by the pandemic.

- Workplaces where employees using our staff restaurants and hospitality services were dramatically reduced due to the stay at home guidance.
- Destinations and visitor attractions, which were closed during lock down and have subsequently been adversely impacted after re-opening by the fall in overseas tourists and social distancing measure within restaurants.



# Catermasters Contract Catering (Holding) Company Limited

## Directors' Report (continued) For the Year Ended 31 December 2019

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- Venues and Conferencing and banqueting, which were closed during lockdown and remain effectively closed because of the restriction of numbers at events.
- Events and Parties, where the lockdown put paid to our summer season and restrictions on numbers have meant that our winter party season is unviable.
- Education, where we continued to operate through-out lockdown on minimal volumes feeding the children of key workers and at increased capacity following the reopening of schools
- Healthcare, whilst only a small part of our business, we remained open throughout the period and we were also very proud to provide the catering services to the Dragon's Heart Nightingale Hospital in Cardiff.

When the extent of the impact become evident in early March, the Directors took swift and decisive action to protect the business and took steps to reduce the Group's cost base. The Directors and senior Management sacrificed or significantly reduced salaries and took full advantage of the Government Job Retention Scheme to furlough colleagues for the period where the business had minimal revenues.

The Group already had good financial controls and processes in place for financial forecasting and cost and cash management. These processes were enhanced to build rolling forecasting models to enable us to respond speedily to the ever-changing trading environment in the post Covid world.

The most urgent action for the Directors was to ensure the long-term stability and liquidity of the business. To that end, the shareholders began immediate consultations with its Lenders. As a result of this, the Shareholders made a capital injection into the Group of £15m in May 2020. At the same time, our Lenders revised the Senior Facilities Agreement to re-set our Financial Covenants to reflect the ongoing impact of the pandemic and to ensure the stability of the Group. In addition, a new £5m revolving credit facility was put in place for a twelve-month period to May 2021 should this be required.

Based upon financial projections, and to mitigate the ongoing impact of the pandemic on trading, the Directors have conducted an ongoing review of the cost base of the business and regrettably have had to make a significant number of redundancies across both our overhead and site-based colleagues. We continue to try and utilise the various Government Job Support Schemes and to work with our clients to try and preserve as many jobs as possible.

As a result of the review of our cost base and restructuring, the Directors are confident that they now have the appropriate level of resource in place to respond to the changing conditions of the market and the recovery of our sectors when this occurs.

The Group has worked very closely with its clients over the pandemic to help to restructure contracts in a way that provides optimum service at optimum cost for all parties. We are delighted with the way in which our clients and operational teams and support teams have responded to the challenges of these unique times.

Working in conjunction with our clients and with insights from industry bodies and Government, we have prepared financial forecasts on the basis of "reasonable worst-case scenario" for each contract and for each of the sectors in which we operate. On this basis we are confident that the Group has adequate resources to continue in operational existence for the foreseeable future. We also have sufficient headroom in cash reserves and covenant headroom to weather any future restrictions and extended lockdowns. We are able to draw on our experience of the first lockdown and subsequent months to speedily reduce our cost base in line with any reductions in revenues. The recent extension of the Job Retention Scheme until March 2021 is welcome.

The experience of the pandemic has given us confidence that we have deep and long-term relationships with our client base, and we are confident of our ability to recover the business quickly as we emerge from the pandemic.



# Catermasters Contract Catering (Holding) Company Limited

## Directors' Report (continued) For the Year Ended 31 December 2019

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### Directors' responsibilities statement

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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.

This report was approved and signed on its behalf.

*N.E.H. Thomas*

**N E H Thomas**  
Director

Date: 28/1/2021



# **Catermasters Contract Catering (Holding) Company Limited**

## **Chartered Accountants' Report to the Board of Directors on the Preparation of the Unaudited Financial Statements of Catermasters Contract Catering (Holding) Company Limited for the Year Ended 31 December 2019**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Catermasters Contract Catering (Holding) Company Limited for the year ended 31 December 2019 which comprise 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.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

It is your duty to ensure that Catermasters Contract Catering (Holding) Company Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and result of Catermasters Contract Catering (Holding) Company Limited. You consider that Catermasters Contract Catering (Holding) Company Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Catermasters Contract Catering (Holding) Company 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 accounts.

### **Use of our report**

This report is made solely to the board of Directors of Catermasters Contract Catering (Holding) Company Limited, as a body, in accordance with the terms of our engagement letter dated 12 November 2020. Our work has been undertaken solely to prepare for your approval the accounts of Catermasters Contract Catering (Holding) Company Limited and state those matters that we have agreed to state to the board of Directors of Catermasters Contract Catering (Holding) Company 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 Catermasters Contract Catering (Holding) Company Limited and its board of Directors as a body for our work or for this report.

BDO LLP

**BDO LLP**  
Reading  
United Kingdom

Date: 29 January 2021

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



**Catermasters Contract Catering (Holding) Company Limited**  
Registered number: 08092736

**Statement of Financial Position**  
**As at 31 December 2019**

	Note	2019 £	2019 £	2018 £	2018 £
<b>Fixed assets</b>					
Investments	5		6,499,000		6,499,000
Creditors: amounts falling due within one year	6	(1,067,564)		(1,067,564)	
<b>Net current liabilities</b>			(1,067,564)		(1,067,564)
<b>Total assets less current liabilities</b>			<b>5,431,436</b>		<b>5,431,436</b>
<b>Net assets</b>			<b>5,431,436</b>		<b>5,431,436</b>
<b>Capital and reserves</b>					
Called up share capital	7		240		240
Merger relief reserve			5,415,760		5,415,760
Retained earnings			15,436		15,436
<b>Shareholders' funds</b>			<b>5,431,436</b>		<b>5,431,436</b>

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 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.

For the period ending 31 December 2019 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The Company has not traded during the current and prior year so no Statement of Comprehensive Income has been presented.

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

28/1/2021

N E H Thomas *N.E.H. Thomas*  
Director

The notes on pages 10 to 15 form part of these financial statements.



# Catermasters Contract Catering (Holding) Company Limited

## Statement of Changes in Equity For the Year Ended 31 December 2019

	Share capital	Merger relief reserve	Retained earnings	Total
	£	£	£	£
At 1 January 2019	240	5,415,760	15,436	5,431,436
Result for the year	-	-	-	-
Profit for the year and total comprehensive income	-	-	-	-
At 31 December 2019	240	5,415,760	15,436	5,431,436

## Statement of Changes in Equity For the Year Ended 31 December 2018

	Share capital	Merger relief reserve	Retained earnings	Total
	£	£	£	£
At 1 January 2018	240	5,415,760	15,436	5,431,436
Result for the year	-	-	-	-
Profit for the year and total comprehensive income	-	-	-	-
At 31 December 2018	240	5,415,760	15,436	5,431,436

The notes on pages 10 to 15 form part of these financial statements.



# Catermasters Contract Catering (Holding) Company Limited

## Notes to the Financial Statements For the Year Ended 31 December 2019

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### 1. General information

Catermasters Contract Catering (Holding) Company Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act. The address of the registered office is given on the Contents page and the nature of the Company's operations is set out in the Strategic Report.

### 2. Accounting policies

#### *Basis of preparation*

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 principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been applied consistently to all the years presented unless otherwise stated.

#### *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 paragraphs 91-99 of IFRS 13 Fair Value Measurement
- 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 requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases. The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details in indebtedness relating to amounts payable after 5 years required by company law is presented separately for lease liabilities and other liabilities, and in total
- 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 2019 and these financial statements may be obtained from Companies House.

#### *Exemption from preparation of consolidated financial statements*

The financial statements contain information about Catermasters Contract Catering (Holding) Company Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company has taken advantage of the exemption conferred by s400 of the Companies Act 2006 not to produce consolidated financial statements as it is included in the consolidated financial statements of Orchestra Topco Limited, a company registered in England and Wales. The consolidated financial statements of Orchestra Topco Limited are available to the public and may be obtained from Companies House.



# Catermasters Contract Catering (Holding) Company Limited

## Notes to the Financial Statements For the Year Ended 31 December 2019

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### 2. Accounting policies (continued)

#### *Presentational currency*

The currency used in the presentation of these financial statements is British Pound Sterling. Values are rounded to the nearest pound.

#### *Judgements and key areas of estimation uncertainty*

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires the Company's Directors to exercise judgement in applying the Company's accounting policies. The areas where significant judgements and estimates have been made in preparing the financial statements and their effect are disclosed in note 3.

#### *Going concern*

The going concern position of the Company is intrinsically linked to that of the Group and is therefore considered as part of the directors' going concern assessment of the wider group. The consolidated financial statements of the Group have been prepared on a going concern basis, with net assets of £27.1m at 31 December 2019 and a loss of £13.3m for the period then ended. Accordingly, the Directors continue to adopt the going concern basis of accounting in preparing these financial statements.

In March 2020 the Group's financial performance was adversely impacted by the Covid-19 pandemic and subsequent national lockdown. The impact of lockdown and social distancing measures on the food and hospitality sectors has been well documented and CH&CO as a Group was very much exposed to this across all the business sectors in which it operates.

When the extent of the impact became evident in early March, the Directors took swift and decisive action to protect the business and took steps to reduce the Group's cost base. The Directors and senior Management sacrificed or significantly reduced salaries and took full advantage of the Government Job Retention Scheme to furlough colleagues for the period where the business had minimal revenues.

As a result of the review of our cost base and restructuring, the Directors are confident that they now have the appropriate level of resource in place to respond to the changing conditions of the market and the recovery of our sectors when this occurs. The experience of the pandemic has given us confidence that we have deep and long-term relationships with our client base, and we are confident of our ability to recover the business quickly as we emerge from the pandemic.

The following principal accounting policies have been applied:

#### *Investments*

Investments in subsidiaries are carried at cost less any provision for losses arising on impairment. Profits or losses arising from disposals of fixed asset investments are treated as part of the result from ordinary activities.

#### *Impairment*

Assets, other than those measured at fair value, are assessed for indicators of impairment at each Statement of Financial Position date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.



# Catermasters Contract Catering (Holding) Company Limited

## Notes to the Financial Statements For the Year Ended 31 December 2019

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### 2. Accounting policies (continued)

#### *Impairment of non-financial assets*

Impairment tests on intangibles with indefinite useful economic lives are undertaken annually at the financial year end. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Impairment charges are included in profit and loss, except to the extent they reverse gains previously recognised in other comprehensive income.

#### *Financial assets*

The Company does not have any financial assets which it would classify as fair value through profit or loss, held for trading or held to maturity. Therefore all financial assets are classed as below:

#### *Loans and receivables*

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers, but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

#### *Financial liabilities*

The Company does not have any financial liabilities that would be classified as fair value through the profit or loss. Therefore these financial liabilities are classified as financial liabilities at amortised cost, as defined below.

Financial liabilities include the following items:

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

#### *Share capital*

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.



# Catermasters Contract Catering (Holding) Company Limited

## Notes to the Financial Statements For the Year Ended 31 December 2019

### 3. Critical accounting estimates and judgements

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.

#### *Impairment of investments*

Impairment reviews in respect of financial assets are performed if events indicate that this is necessary. Impairment reviews are based on future cash flows discounted using the weighted average cost of capital. The future cash flows are based on business forecasts, and the discount rates used are dependent on management estimates and judgements. Future events could cause the assumptions used in these impairment reviews to change with a consequent impact on the results and net position of the company.

### 4. Directors remuneration

Directors are remunerated through other group companies. No charge has been made to the Company in the year (2018 - £Nil) and no amount has been accrued at the year end.

### 5. Fixed asset investments

	Investments in subsidiary undertakings £
<b>Cost</b>	
At 1 January 2019	6,499,000
At 31 December 2019	6,499,000
<b>Net book value</b>	
At 31 December 2019	6,499,000
At 31 December 2018	6,499,000



# Catermasters Contract Catering (Holding) Company Limited

## Notes to the Financial Statements For the Year Ended 31 December 2019

### 5. Fixed asset investments (continued)

#### Details of undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Catermasters Contract Catering Limited*	Ordinary shares	100%	Catering services
Bite Catering Limited	Ordinary shares	100%	Catering services
The In House Catering Company Limited	Ordinary shares	100%	Dormant

\* Held directly

All companies have their registered offices at 550 Second Floor, Thames Valley Park, Reading, Berkshire RG6 1PT.

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

	2019 £	2018 £
Amounts owed to group undertakings	1,067,564	1,064,406
Corporation tax	-	3,158
	<u>1,067,564</u>	<u>1,067,564</u>

Amounts owed are interest free and repayable on demand.

### 7. Share capital

	2019 £	2018 £
<b>Allotted, called up and fully paid</b>		
240 Ordinary shares of £1 each	240	240
	<u>240</u>	<u>240</u>

Shares rank pari passu in all respects.

The following describes the nature and purpose of each reserve within equity:

Reserve	Description and purpose
Share capital	Nominal value of share capital subscribed for.
Merger relief reserve	Merger relief represents the difference in consideration and nominal value of the shares issues during a merger and the fair value of the assets transferred.
Retained earnings	Retained earnings represents cumulative profits or losses, net of dividends paid and other adjustments.



# **Catermasters Contract Catering (Holding) Company Limited**

## **Notes to the Financial Statements For the Year Ended 31 December 2019**

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### **8. 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.

### **9. Contingent liabilities**

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

### **10. Subsequent events**

Subsequent to the Balance Sheet date, the COVID-19 outbreak has escalated to a global pandemic. The impact of this has been considered on the financial statements up to the date of signing. The impact on the going concern assessment has been considered in the Directors Report and in note 2. No adjustments are deemed necessary in respect of this matter.

### **11. Ultimate parent undertaking**

The immediate parent Company is HCMGH Limited, a company incorporated and registered in the United Kingdom. At 31 December 2019 the ultimate controlling company is Orchestra Topco Limited, a company incorporated and registered in the United Kingdom. The registered office of Orchestra Topco Limited is 550 Second Floor Thames Valley Park, Reading, England, RG6 1PT. Consolidated group accounts can be accessed via Companies House.

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.

There is not considered to be a single ultimate controlling party.