

# **Chartwells Hounslow (Feeding Futures) Limited**

Annual report and financial statements for the year ended 30 September 2020

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**Company information**

<b>Directors</b>	Richard M Moran (Resigned 1 March 2020) James E D Wilkie (Resigned 1 March 2020) Charles B Brown (Appointed 4 March 2020) Jodi Lea (Appointed 1 March 2020) Robin R Mills (Appointed 1 March 2020) Sarah J Sergeant (Appointed 1 March 2020)
<b>Secretary</b>	Compass Secretaries Limited
<b>Registered office</b>	Parklands Court 24 Parklands Birmingham Great Park Rubery Birmingham West Midlands B45 9PZ
<b>Auditor</b>	KPMG LLP Chartered Accountants One Snow Hill Snow Hill Queensway Birmingham B4 6GH

## Strategic report for the year ended 30 September 2020

### Business review

The directors present their strategic report for the year ended 30 September 2020.

The trading results for the year to 30 September 2020 and the Company's financial position as at the end of the year are shown in the attached financial statements.

The Company employs on average 187 employees (2019: 202) across the UK.

Compass Group PLC manages its operations by sector in recognition that they have specific requirements and require specialists to drive tailor made solutions and operating efficiencies. The Company's directors believe that this sector specific approach requires no further KPI's to be presented for an understanding of the development, performance or position of the business.

### Commitment to corporate responsibility

Corporate responsibility (CR) underpins our business, enabling us to achieve our strategic goals in a responsible and sustainable way. We have identified four key CR pillars that address our most material business issues. These are: developing our people, the health and wellbeing of our consumers, the responsible use of resources and environmental reporting. Working to the Science Based Targets Initiative's accredited methodologies, we will reduce the intensity of our Greenhouse Gas emissions by 50% by 2030.

### Principal risks & uncertainties

Competitive pressure in the UK is a continuing risk for the Company, which could result in losing sales to its key competitors. The Company manages this risk by providing quality customer service to its customers and maintaining strong relationships with clients. The Company has some credit risk with a significant proportion of sales being on credit terms to clients. This risk is managed through a close relationship with clients and strong credit control procedures applied within the Company.

The Company's operations have been significantly disrupted as a result of the rapid development of the COVID-19 pandemic outbreak. The rapidity with which the COVID-19 pandemic has spread is causing unprecedented uncertainty around the world for businesses and communities alike. The acceleration of special containment measures which have been adopted by governments and clients across the globe to protect as many lives as possible, have required the Company to reduce or suspend business operations in certain sectors whilst creating a very challenging environment for those areas of our business that have been able to continue to operate during these extraordinary times.

The Company has implemented a wide range of mitigating actions to adapt to a situation which continues to evolve on a daily basis. These actions include: i) steps to gradually mobilise resource as business returns to more normal levels; ii) provisions to safeguard the health and safety of employees; iii) action plans to manage costs and liquidity; and iv) incident management and business continuity plans.

Compass Group PLC's risks are discussed in the Group's Annual Report which does not form part of this report.

### The impact of uncertainties due to Britain exiting the European Union

The UK has now left the EU with a deal and the impact to the food supply chain has been greatly reduced. We are working our way through the fine detail to ensure that all impacts have been mitigated. With the Covid-19 impact on the UK workforce there is now little risk to our labour force from the EU exit. We will continue to monitor new trade deals that the UK reach with other nations to ensure we maximise any opportunities.

## Strategic report for the year ended 30 September 2020 (continued)

### Future developments

Continuing development of relationships with the schools and a focus on continuous improvement ensures we maintain customer satisfaction and grow the business through referral. The Creative Kitchen facility continues to provide educational food experiences to Primary school children both within the Hounslow Borough and also in adjacent boroughs to further grow the business.

The Company is well placed to capitalise on the continued outsourcing of school feeding. We also expect to deliver further operating efficiencies which will help support future growth.

### Section 172(1) statement

Chartwells Hounslow (Feeding Futures) Limited (the Company)

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole. In doing this section 172 requires a director to have regard, amongst other matters, to the:

- likely consequences of any decisions in the long-term;
- interests of the company's employees;
- need to foster the company's business relationships with suppliers, customers and others;
- impact of the company's operations on the community and environment;
- desirability of the company maintaining a reputation for high standards of business conduct, and
- need to act fairly as between members of the company.

In discharging their duties under section 172 the directors have regard to both the factors set out above and others that may be considered relevant to the decisions being made. The directors acknowledge that every decision made will not necessarily result in a positive outcome for all of the Company's stakeholders. By considering the Company's purpose, vision and values together with its strategic priorities and having a process in place for decision-making, the directors aim to ensure that Board decisions are consistent and predictable.

As is normal for large companies, the Company's board (the Board) delegates authority for day-to-day management of the Company to executives and then engages management in setting, approving and overseeing execution of the business strategy and related policies. The executive committee, which comprises the directors of the Company, manages and oversees the UK and Ireland operation's health and safety, financial and operational performance and legal and regulatory compliance at regular meetings. It also reviews other areas over the course of the financial year including the business strategy; key risks; stakeholder-related matters; diversity and inclusivity; environmental matters; corporate responsibility; and governance, compliance and legal matters. This is done through the consideration and discussion of reports which are sent in advance of each executive committee meeting and through presentations to the directors as members.

As a parent holding entity for the Group's UK and Irish businesses, the directors consider the Company's key stakeholders as its workforce, customers, suppliers, JV partners and the local communities in which the UK and Ireland businesses operate. The views of and the impact of the Group's activities on those stakeholders are an important consideration for the directors when making relevant decisions. While there are cases where the Board itself judges that it should engage directly with certain stakeholder groups or on certain issues, the size and spread of both our stakeholders and the Group means that generally our stakeholder engagement best takes place at an operational or Group level. As well as being a more efficient and effective approach, the directors consider this also helps achieve a greater positive impact on environmental, social and other issues than by working alone as an individual company. For details on the stakeholder engagement at a Group level, please see pages 28 to 29 of the Compass Group PLC 2020 Annual Report (the ARA).

**Strategic report for the year ended 30 September 2020 (continued)**

**Section 172(1) statement (continued)**

During the year the directors received information which assisted in promoting their understanding of the interests and views of the Company's key stakeholders and other relevant factors when making decisions. This information was distributed in a range of different formats including in reports and presentations on financial and operational performance, non-financial KPIs, risk, ESG matters and the outcomes of specific pieces of engagement. This facilitated a greater understanding of the nature of stakeholder concerns, and assisted the directors in complying with their section 172 duty to promote success of the Company. Examples of how the directors have had regard to the matters set out in section 172(1)(a)-(f) when discharging their duties under section 172, and the effect of those decisions, are set out below:

As a direct result of the impact of COVID-19, in order to protect the long-term success of the Company, the Board considered a restructuring of the business. The objective of the restructuring was to generate cost savings during a period of increased economic stress on the Group. In contemplating restructuring plans, the Board received and considered information in relation to the potential impact on the workforce and key stakeholders in other areas. In considering the impact of the restructuring, the directors considered the needs of the stakeholders as a whole in securing the Company's long-term future, concluding that a restructuring of the business was in the best interests of the majority of stakeholders and would bring long-term benefits and security. In response to feedback received from employees, the Board also considered and approved actions designed to mitigate the impact of the redundancy programme. These included, for example, opportunities for re-training, relocation and assistance to members of the workforce seeking new employment, as well as a series of engagement activities with the remaining members of the workforce and local community to respond to their concerns about the restructuring.

During the year a new role of 'Director of Diversity and Inclusion' was created at Group level to lead the D&I agenda, and liaise with the established employee group for key areas of D&I including LGBT (Pride in Food), ethnicity (Within) and gender (Women in Food). The Board considers that the development of the D&I agenda of the UK and Ireland businesses is in the best interests of the workforce and the Company's stakeholders as a whole. Following employee feedback, a decision was taken at Group level to become a co-signatory of the Social Mobility Pledge; become a Real Living Wage Recognised Service Provider; and for the Group to be one of the first businesses to welcome Kickstart colleagues into its business.

In deciding whether to adopt Compass Subsidiary Governance Code (the Code) the directors considered whether its adoption would be in the best interests of its stakeholders, including its shareholders, employees and other group companies. It was concluded that formalising the governance arrangements of the Company, particularly with regard to the consideration of stakeholder views when taking decisions, would be in the best interest of stakeholders as a whole.

Approved by the Board on 25 June 2021 and signed on its behalf by:

  
.....

Sarah Sergeant  
Director

## Directors' report for the year ended 30 September 2020

The directors present their annual report and the financial statements for the year ended 30 September 2020.

### Going concern

Notwithstanding the current economic uncertainties arising from the COVID-19 outbreak, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reason. Compass Group PLC has indicated its intention to continue to make available funds as needed by the Company for a period of twelve months from the date of approval of the financial statements. Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least twelve months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

### Dividends

The directors do not recommend the payment of a dividend for the year (2019: £Nil).

### Directors' of the Company

The directors who held office during the year are:

Richard M Moran (Resigned 1 March 2020)  
James E D Wilkie (Resigned 1 March 2020)  
Charles B Brown (Appointed 4 March 2020)  
Jodi Lea (Appointed 1 March 2020)  
Robin R Mills (Appointed 1 March 2020)  
Sarah J Sergeant (Appointed 1 March 2020)

### Section 172(1) statement

#### Statement of Corporate Governance Arrangements

In compliance with the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 as amended by The Companies (Miscellaneous Reporting) Regulations 2018, the Company hereby discloses its Statement of Corporate Governance Arrangements.

The Company's ultimate parent, Compass Group PLC, is subject to and complies with the UK Corporate Governance Code 2018. As a subsidiary of Compass Group PLC, the Company, together with other companies within the Group, is subject to and adheres with certain governance arrangements, structures and policies that are common throughout the Group. The specific governance arrangements adopted by the Company are defined by the Code, the principles of which, and how the Company has applied them during the financial year, are detailed below.

## Directors' report for the year ended 30 September 2020 (continued)

### Statement of Corporate Governance Arrangements (continued)

#### Code Principle

**PURPOSE AND LEADERSHIP** - The board will promote the purpose of the company, and ensure that its values, strategy and culture align with that of Compass Group PLC.

**BOARD COMPOSITION** - The board will be chaired effectively and composed of individuals with the requisite balance of skills, backgrounds, experience and knowledge. Individual directors will have sufficient capacity to make a valuable contribution.

**DIRECTOR RESPONSIBILITIES** - The board and individual directors will have a clear understanding of their accountability and responsibilities. Board procedures will support effective decision-making and independent challenge.

**OPPORTUNITY AND RISK** - The board will promote the long-term sustainable success of the company by identifying opportunities to create and preserve value, and will establish and maintain oversight of the identification and mitigation of risks.

**STAKEHOLDER RELATIONSHIPS AND ENGAGEMENT** - The board will be responsible for ensuring the maintenance of stakeholder relationships and the oversight of engagement with stakeholders, including the workforce. The board will have regard to stakeholder views when taking decisions.

#### Employees

The Company and the Group places importance on employee engagement, keeping employees regularly informed on matters of concern to them as employees, issues affecting their performance, and promoting a common awareness of the financial and economic factors affecting the performance of the Company. For the Company's employees, engagement is achieved through management briefings, team meetings and town halls, bulletins and other in house publications and through the Group's internal communications channels. Employees are also represented on the Group's European Works Council, which provides a forum for exchanging information and engaging in consultation on the Group's performance and plans, and relevant transnational issues affecting those countries in the EEA and the UK. Feedback from employee engagement informs the directors' decision making processes, and those decisions taken and policies made on a wider Group basis. For further information on how the Group engages with employees globally see pages 28 to 29, 51 to 57, 84 to 86 and 157 to 158 of the ARA.

Employees are offered a range of benefits, such as private medical cover, depending on the local environment. Priority is given to the training of employees and the development of their skills is of prime importance. Employment of disabled people is considered on merit with regard only to the ability of any applicant to carry out the function required. Arrangements to enable disabled people to carry out the function required will be made if it is reasonable to do so. An employee becoming disabled would, where appropriate, be offered retraining.

#### How the Company has applied the Code

During the year, in accordance with their duties as directors of the Company, the directors promoted the purpose of the Company ensuring that its activities and goals were aligned to those of the Compass Group.

The directors comprising the Board are all specialists in their respective fields. The directors of the Company also comprise the executive committee of the Company, and represent and lead the Company's commercial, finance, legal and human resources functions. Each director demonstrated the capacity to make a valuable contribution to the Company and board during the year.

A review of governance arrangements and directors' duties was undertaken during the year which refreshed the directors' knowledge of their responsibilities with respect to the Company. Board procedures were supported by the Compass Legal Department.

Opportunity and existing and emerging risks were managed in line with the strategy and risk profile of Compass Group PLC which prepares consolidated accounts for the Compass Group, further details of which can be found on pages 41 to 49 of the Compass Group PLC Annual Report 2020.

The board ensured that stakeholder relationships as were relevant to the status and purpose of the Company were maintained in line with Compass Group PLC policies and procedures. Details of how the directors considered stakeholders in the decision making process can be found in the S172 statement on page 5.



**Directors' report for the year ended 30 September 2020 (continued)**

**Statement of Corporate Governance Arrangements (continued)**

**Business Relationships**

The Company has limited engagement with external parties such as suppliers, clients, consumers and others, this being delegated to the operational functions within the business. In the limited circumstances where the Company does interact with external business partners, in line with the Group's policies and procedures the directors promote and ensure the highest standards of ethical behaviour and probity in the Company's business dealings. For further information on how the Group fosters business relationships with its business partners see pages 28 and 29 of the ARA.

**Disclosure of information to the auditor's**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Approved by the Board on 25 June 2021 and signed on its behalf by:



.....  
Sarah Sergeant  
Director

## **Statement of directors' responsibilities in respect of the strategic report, directors' report and the financial statements**

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

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

# **Independent Auditor's Report to the Members of Chartwells Hounslow (Feeding Futures) Limited**

## **Report on the audit of the financial statements**

### **Opinion**

We have audited the financial statements of Chartwells Hounslow (Feeding Futures) Limited (“the Company”) for the year ended 30 September 2020, which comprise the Income Statement, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies set out in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company’s affairs as at 30 September 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (“ISAs (UK)”) and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Going concern**

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

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors’ conclusions, we considered the inherent risks to the Company’s business model and analysed how those risks might affect the company’s financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

### **Strategic report and directors’ report**

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

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

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

## **Independent Auditor's Report to the Members of Chartwells Hounslow (Feeding Futures) Limited (continued)**

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

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

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

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 7, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

### **The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



.....  
**Mark Flanagan (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*  
One Snow Hill  
Snow Hill Queensway  
Birmingham  
B4 6GH

Date: 28 June 2021

**Income statement**

For the year ended 30 September 2020

	Note	2020 £000	2019 £000
Turnover	2	2,842	4,527
Cost of Sales		(960)	(1,473)
<b>Gross Profit</b>		<u>1,882</u>	<u>3,054</u>
Administrative Expenses	3	(1,394)	(2,309)
<b>Operating Profit</b>		<u>488</u>	<u>745</u>
Interest payable and Similar Charges	4	(13)	1
<b>Profit on Ordinary Activities before taxation</b>		<u>475</u>	<u>746</u>
Tax on profit on ordinary activities	7	(95)	(147)
<b>Profit for the financial year</b>		<u><u>380</u></u>	<u><u>599</u></u>

The above results were derived from continuing operations.

**Statement of comprehensive income**

For the year ended 30 September 2020

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Profit for the financial year	380	599
<b>Total comprehensive income for the year</b>	<u>380</u>	<u>599</u>

**Balance sheet**

As at the 30 September 2020

	Note	2020 £000	2019 £000
<b>Fixed assets</b>			
Intangible assets	10	-	5
Tangible fixed assets	9	<u>169</u>	<u>166</u>
		169	171
<b>Current assets</b>			
Stocks	11	81	94
Debtors	12	2,601	3,886
Cash at bank and in hand		<u>129</u>	<u>98</u>
		2,811	4,078
<b>Creditors:</b> Amounts falling due within one year	13	<u>(1,629)</u>	<u>(3,278)</u>
<b>Net current assets</b>		1,182	800
<b>Net assets</b>		<u>1,351</u>	<u>971</u>
<b>Capital and reserves</b>			
Called up share capital	14	-	-
Retained earnings		<u>1,351</u>	<u>971</u>
Equity shareholder's funds/(deficit)		<u>1,351</u>	<u>971</u>

The financial statements of Chartwells Hounslow (Feeding Futures) Limited (registered number 08989091) were approved by the Board of Directors and authorised for issue on 25 June 2021 and signed on its behalf by:



.....  
Sarah Sergeant  
Director

**Statement of changes in equity**

For the year ended 30 September 2020

	<b>Called up share capital £000</b>	<b>Retained earnings £000</b>	<b>Total £000</b>
<b>At 1 October 2019</b>	-	971	971
Profit for the year	-	380	380
<b>At 30 September 2020</b>	<u>-</u>	<u>1,351</u>	<u>1,351</u>

For the year ended 30 September 2019

	<b>Called up share capital £000</b>	<b>Retained earnings £000</b>	<b>Total £000</b>
<b>At 1 October 2018</b>	-	372	372
Profit for the year	-	599	599
<b>At 30 September 2019</b>	<u>-</u>	<u>971</u>	<u>971</u>



## Notes to the financial statements for the year ended 30 September 2020

### 1 Accounting policies

Chartwells Hounslow (Feeding Futures) Limited ("the Company") is a private company limited by share capital, incorporated, and registered in England & Wales and domiciled in England. The registered number is 08989091, and is a subsidiary of Compass Group, UK and Ireland Limited. It's registered address is: Parklands Court, 24 Parklands, Birmingham Great Park, Rubery, Birmingham, B45 9PZ, United Kingdom.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101"). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied.

The Company's ultimate parent undertaking, Compass Group PLC includes the Company in its consolidated financial statements. The consolidated financial statements of Compass Group PLC are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Companies House, Crown Way, Cardiff, United Kingdom, CF14 3UZ.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements the Company has applied the exemptions available under FRS101 in respect of the following disclosures:

- Cash flow statement and related notes;
- Certain disclosures regarding revenue;
- Comparative period reconciliations for share capital;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- The effects of new but not yet effective IFRSs;
- Disclosure in respect of the compensation of Key Management Personnel; and
- Disclosure of transactions with a management entity that provides key management personnel services to the company.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

As the consolidated financial statements of Compass Group PLC include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 Share Based Payments in respect of group settled share based payments; and
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

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

### Basis of measurement

The financial statements have been prepared on a historical cost basis.

### Going concern

Chartwells Hounslow (Feeding Futures) Limited is a profitable entity in a net asset position. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date of signing these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. In doing so, the directors have considered the latest guidelines from the Financial Reporting Council regarding the preparation of the financial statements on a going concern basis.

**Notes to the financial statements for the year ended 30 September 2020 (continued)**

**1 Accounting policies (continued)**

**Going concern (continued)**

Notwithstanding the current economic uncertainties arising from the COVID-19 outbreak, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reason. Compass Group PLC has indicated its intention to continue to make available funds as needed by the Company for a period of twelve months from the date of approval of the financial statements. Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least twelve months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

**Changes in significant accounting policies**

**Impact of the adoption of IFRS 16**

The Company has adopted IFRS 16 'Leases' on 1 October 2019 using the modified retrospective transition approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 'Leases' and IFRIC 4 'Determining whether an arrangement contains a lease'. The impact of the adoption of IFRS 16 'Leases' on the Company's financial statements is included below.

The table below sets out the opening balance sheet adjustments recognised at the date of initial application of IFRS 16. Where practical, line items which are not impacted by the adoption have been aggregated within the relevant sub-totals:

	30 Sep 2019 (IAS 17 basis) £ 000	(IFRS 16) £ 000	1 Oct 2019 (IFRS 16 basis) £ 000
<b>Non-current assets</b>			
Right of use assets	-	703	703
<b>Current liabilities</b>			
Short term lease liabilities	-	(129)	(129)
<b>Non current liabilities</b>			
Long term lease liabilities	-	(531)	(531)

Upon transition on 1 October 2019, the Company recognised additional lease liabilities of £660k for the present value of the lease payments due under the lease contracts. The right of use assets of £703k is recognised at an amount equal to the lease liability and adjusted by property, plant and equipment held under finance leases, existing prepaid or accrued lease payments, lease incentives and onerous lease provisions recognised in the balance sheet at the date of the initial application. The net impact on the balance sheet is £Nil.

The table below presents a reconciliation of the minimum operating lease commitments disclosed applying IAS 17 at 30 September 2019 to the lease liabilities recognised at 1 October 2019 under IFRS 16:

Notes to the financial statements for the year ended 30 September 2020 (continued)

1 Accounting policies (continued)

Changes in significant accounting policies (continued)

	£ 000
Total minimum lease payments reported at 30 September 2019 under IAS 17	689
Impact of discounting	(30)
Short terms leases	-
Low value leases	-
Leases not yet commenced	-
Extension and termination options reasonably certain to be exercised	-
<b>Additional lease liabilities recognised on transition to IFRS 16 at 1 October</b>	<b>659</b>
Existing finance leases	-
<b>Total lease liabilities recognised as at 1 October 2019</b>	<b>659</b>

The reconciling items included in the table above are as follows:

-impact of discounting: previously disclosed lease commitments were undiscounted and under the modified retrospective transition method, lease payments were discounted on transition using an incremental borrowing rate.

**Income statement**

Under IFRS 16, the operating lease expense previously reported in operating costs has been replaced by a depreciation of the right of use asset, which is lower than the operating lease expense recognised under IAS 17, and a separate interest expense on the lease liabilities, recorded in finance costs. These changes result in a higher operating profit, operating margin and finance costs and in a lower profit before tax for the period. The Company transitioned to IFRS 16 using the modified retrospective approach without restating prior period comparatives, therefore prior period comparatives reported under IAS 17 are not directly comparable.

Refer below for the Leases accounting policy.

**Functional and presentation currency**

These financial statements are presented in Sterling, which is the Company's functional currency. All financial information presented in Sterling has been rounded to the nearest thousand, except when otherwise indicated.

**Estimates and judgements**

The preparation of the financial statements in conformity with FRS101 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The Board do not believe that there are any principal accounting estimates, assumptions and judgements employed in the preparation of these financial statements which could affect the carrying amounts of assets and liabilities at the balance sheet date.

## Notes to the financial statements for the year ended 30 September 2020 (continued)

### 1 Accounting policies (continued)

#### COVID-19 specific related estimates

##### **Recoverability of contract related non-current assets (contract fulfilment assets and contract costs, right of use assets, property, plant and equipment and intangible assets)**

The Company has tested for impairment all of its contract related non-current assets where there are indicators of impairment. Impairment indicators were considered to be present when client contracts had low profitability or were loss making due to a reduction in volumes as a result of COVID-19. In these instances, management has estimated the recoverable value of these assets and compared it to their carrying value in order to estimate any impairment to be recorded. The estimate of the recoverable amount was derived from the most recent management forecasts in relation to the likely trading performance over the remaining life of the contracts, taking into account the impact of COVID-19 and likelihood of a second waves, the time period of government enforced restrictions and the extent to which performance would recover in the following year. Due to the significant uncertainty regarding the ultimate impact of COVID-19, the assumptions used in these estimates include an increased level of inherent uncertainty.

##### **Impairment of trade receivables**

The Company considers that, given the widespread impact that the COVID-19 pandemic is having globally with the resulting economic downturn, there is additional uncertainty when determining the assumptions used in calculating expected future credit losses. The Company has no significant credit concentration risk.

##### **Non-derivative financial instruments**

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

##### **Trade and other debtors**

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

##### **Trade and other creditors**

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

##### **Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

##### **Interest-bearing borrowings**

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

## Notes to the financial statements for the year ended 30 September 2020 (continued)

### 1 Accounting policies (continued)

#### Non-derivative financial liabilities

The Company initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated as at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

The Company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

#### Share capital

##### Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

##### Impairment excluding deferred tax assets

##### Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

##### Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units, or ("CGU"). Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

## Notes to the financial statements for the year ended 30 September 2020 (continued)

### 1 Accounting policies (continued)

#### Impairment excluding deferred tax assets (continued)

##### Non-financial assets (continued)

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the income statement. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### Tangible Assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

Under IAS17, the Company had leases which were classified as finance leases as the Company has assumed substantially all the risks and rewards of ownership of the lease asset.

Where land and buildings were held under leases the accounting treatment of the land was considered separately from that of the buildings. Prior to 1 October 2019, these leased assets acquired by way of finance leases were stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses. The accounting treatment for these leases subsequent to transition to IFRS 16, and for leases entered into after 1 October 2019 are described in the Leases accounting policy below.

#### Depreciation

Depreciation is charged to the income statement account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Land is not depreciated. The estimated useful lives are as follows:

Asset class	Depreciation method and rate
Plant and vehicles	Straight-line 3 years
Fixtures and fittings, tools and equipment	Straight-line 4 years

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

#### Leases

The Company has adopted IFRS 16 'Leases' on 1 October 2019 using the modified retrospective transition approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 'Leases' and IFRIC 4 'Determining whether an arrangement contains a lease'. IFRS 16 eliminates the classification of leases as either operating leases or finance leases and, instead, introduces a single lessee accounting model. Under IFRS 16, leases, other than short term leases and leases of low value assets, give rise to the recognition of lease liabilities for future lease payments and corresponding right of use assets, representing the right to use the leased item.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the Company has both the right to direct the identified asset's use and to obtain substantially all the economic benefits from that use. The Company allocates the consideration in the contract to each lease and non-lease component. The non-lease component, where it is separately identifiable, is not included in the right of use asset.

## Notes to the financial statements for the year ended 30 September 2020 (continued)

### 1 Accounting policies (continued)

#### Leases (continued)

When a lease is recognised in a contract, the Company recognises a right of use asset and a lease liability at the lease commencement date. The Company recognises a right of use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for leases of low value assets with an initial fair value less than approximately £5,000 and short term leases of 12 months or less. For these leases, the lease rentals are charged to the income statement as an operating expense on a straight line basis over the period of the lease.

The right of use asset is initially measured at cost, comprising the initial lease liability adjusted for any lease payments already made, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. The right of use asset is subsequently depreciated on a straight line basis over the shorter of the lease term or the useful life of the underlying asset. The estimated useful lives of right of use assets are determined on the same basis as those of property, plant and equipment. The right of use asset is tested for impairment if there are any indicators of impairment.

The lease liability is measured at the present value of the lease payments that are reasonably certain and not paid at the commencement date, discounted at the Company's incremental borrowing rate specific to the term and start date of the lease. The lease liability is subsequently measured at amortised cost using the effective interest rate method. The lease liability is remeasured, with a corresponding adjustment to the right of use asset, by discounting the revised lease payments as follows:

- (i) using the initial discount rate at the inception of the lease when lease payments change as a result of changes to residual value guarantees and changes in an index other than a floating interest rate; and
- (ii) using a revised discount rate when lease payments change as a result of the Company's reassessment of whether it is reasonably certain to exercise a purchase, extension or termination option, changes in the lease term or as a result of a change in floating interest rates.

#### Stock

Stocks are stated at the lower of cost and net realisable value. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition.

#### Revenue

Turnover represents income derived from contracts for the provision of food and support services by the Company to customers in exchange for consideration in the normal course of business. The Company's revenue is comprised of revenues under its contracts with clients. Clients engage the Company to provide food and support services at their locations. Payment terms are set at contract level and vary according to country, sector and individual client. IFRS 15 'Revenue from contracts with customers' deals with the revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

#### Taxation

Tax expense comprises current and deferred tax, it is recognised in the income statement except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

**Notes to the financial statements for the year ended 30 September 2020 (continued)**

**1 Accounting policies (continued)**

**Taxation (continued)**

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

**Defined contribution plan**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the income statement in the periods during which related services are rendered by employees.

**Expenses**

**Financing income and expenses**

Financing expenses comprise interest payable. Interest income and interest payable is recognised in the income statement as it accrues, using the effective interest method. Dividend income is recognised in the income statement on the date the entity's right to receive payments is established.

**Interest receivable and Interest payable**

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains. Foreign currency gains and losses are reported on a net basis.

**2 Turnover**

Turnover, all one class of business, represents the invoiced value excluding value added tax of goods and services provided to customers.

The analysis of turnover by geographical area is as follows:

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
United Kingdom	2,842	4,527



Notes to the financial statements for the year ended 30 September 2020 (continued)

**3 Expenses and auditors remuneration**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Depreciation and amounts written off tangible fixed assets	121	110
Amortisation charge	1	4
Operating lease rentals	-	129
	<hr/>	<hr/>
Auditor's remuneration:		
	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Audit of the financial statements	11	10
	<hr/>	<hr/>

**4 Interest payable and similar charges**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Interest payable and similar charges	13	1
	<hr/>	<hr/>

**5 Employee information**

The average number of persons employed by the Company (including directors) during the year, analysed by category was as follows:

	<b>2020</b>	<b>2019</b>
	<b>No.</b>	<b>No.</b>
Administration and support	187	202
	<hr/>	<hr/>

The aggregate payroll costs (including directors' remuneration) were as follows:

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	1,559	1,919
Social security costs	72	91
Pension costs	198	193
	<hr/>	<hr/>
	1,829	2,203
	<hr/>	<hr/>

**6 Directors' remuneration**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Directors' Emoluments	1,045	123
Pension contributions	24	2
	<hr/>	<hr/>

In respect of the highest paid director:

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Directors' emoluments	562	67
	<hr/>	<hr/>

The directors' remuneration is borne by other group companies.

None of the directors are active members of a defined benefit pension scheme (2019: £Nil).

Notes to the financial statements for the year ended 30 September 2020 (continued)

7 Income tax

Tax charged/(credited) in the income statement account

	2020 £000	2019 £000
<b>Current Taxation</b>		
UK Corporation tax	99	149
UK Corporation tax adjustment to prior periods	1	3
	<u>100</u>	<u>152</u>
<b>Deferred taxation</b>		
Arising from origination and reversal of temporary differences	(7)	(5)
Adjustment in respect of previous years	7	-
Impact of change in tax rate	(5)	-
Tax expense in the income statement account	<u>95</u>	<u>147</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2019: Higher than the standard rate of corporation tax in the UK) of 19% (2019: 19%).

The differences are reconciled below:

	2020 £000	2019 £000
Profit before tax	475	746
Corporation tax at standard rate	90	142
Expenses not deductible for tax purposes	2	1
Increase (decrease) from effect of different UK tax rates on some earnings	(5)	1
Increase (decrease) in current tax from unrecognised temporary difference from a prior period	8	3
Total tax charge	<u>95</u>	<u>147</u>

Factors that may affect future charges

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020. This will have no material effect on the Company's future current tax charge.

8 Deferred tax

The elements of deferred taxation are as follows:

	2020 £000	2019 £000
Differences between accumulated depreciation and capital allowances	49	40
Other timing differences	-	4
	<u>49</u>	<u>44</u>
1 October	44	39
Deferred tax charged in profit and loss account (note 7)	5	5
Total provision for deferred tax	<u>49</u>	<u>44</u>

Notes to the financial statements for the year ended 30 September 2020 (continued)

9 Tangible fixed assets

	Fixtures, fittings, tools and equipment £000	Plant and Vehicles £000	Total £000
<b>Cost</b>			
At 1 October 2019	275	395	670
Additions	106	40	146
Transfer to fellow group companies	(16)	(33)	(49)
Disposals	-	(3)	(3)
At 30 September 2020	<u>365</u>	<u>399</u>	<u>764</u>
<b>Depreciation</b>			
At 1 October 2019	163	341	504
Charge for the year	86	35	121
Transfer to fellow group companies	(7)	(21)	(28)
Disposals	-	(2)	(2)
At 30 September 2020	<u>242</u>	<u>353</u>	<u>595</u>
<b>Carrying amount</b>			
At 30 September 2020	<u>123</u>	<u>46</u>	<u>169</u>
At 30 September 2019	<u>112</u>	<u>54</u>	<u>166</u>

10 Intangible assets

	Software £000
<b>Cost</b>	
At 1 October 2019	9
Additions	-
Transfer to fellow group companies	(9)
At 30 September 2020	<u>-</u>
<b>Amortisation</b>	
At 1 October 2019	4
Amortisation charge	1
Transfer to fellow group companies	(5)
At 30 September 2020	<u>-</u>
<b>Carrying amount</b>	
At 30 September 2020	<u>-</u>
At 30 September 2019	<u>5</u>

11 Stock

	2020 £000	2019 £000
Finished goods	81	94
	<u>81</u>	<u>94</u>

There is no material difference between the above values and the estimated replacement cost.

Notes to the financial statements for the year ended 30 September 2020 (continued)

**12 Trade and other debtors**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Trade debtors	441	544
Amounts owed by other group companies	1,386	2,773
Deferred tax	49	44
Prepayments and accrued income	725	525
	<u>2,601</u>	<u>3,886</u>

The amounts due from group undertakings are loans to related entities in the Compass Group. This is repayable on demand.

**13 Trade and other creditors: Amounts falling due within one year**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Trade Creditors	255	288
Accrued Expenses	171	162
Corporation Tax	95	152
Other creditors	1,102	2,676
Deferred income	6	-
	<u>1,629</u>	<u>3,278</u>

Subsequent to the year end, the Company has received confirmation that group companies will not seek repayment of balances within 12 months of the date of signing of these accounts.

**14 Share capital**

**Allotted, called up and fully paid shares**

**Called up share capital**

	<b>30 September 2020</b>		<b>30 September 2019</b>	
	<b>No. 000</b>	<b>£000</b>	<b>No. 000</b>	<b>£000</b>
100 ordinary shares of £1 each	-	-	-	-

**15 Right of use assets**

The Company's lease portfolio consists of office premises, rental of a production unit and motor vehicles. Lease terms are negotiated on an individual basis and contain a broad range of terms and conditions.

Information regarding leases for which the Company is a lessee is presented below.

	Land and buildings <b>£ 000</b>	Plant and machinery <b>£ 000</b>	Fixture and fittings <b>£ 000</b>	Total <b>£ 000</b>
<b>Right of use assets</b>				
At 1 October 2019	703	-	-	703
Additions	-	-	-	-
Disposal	(642)	-	-	(642)
Depreciation expense	(61)	-	-	(61)
At 30 September 2020	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

A maturity analysis of contractual undiscounted cash flows relating to lease liabilities is presented below.

Notes to the financial statements for the year ended 30 September 2020 (continued)

15 Right of use assets (continued)

<b>Lease Liabilities Maturity Analysis</b>	<b>£ 000</b>
Less than 1 year	-
Between 1 and 5 years	-
Over 5 years	-
<b>Total undiscounted lease liabilities</b>	<u>-</u>
Impact of discounting	-
<b>Lease liabilities included in the balance sheet</b>	<u>-</u>

<b>Comprised of</b>	<b>£ 000</b>
Current	-
Non-current	-

<b>Amounts recognised in the income statement</b>	<b>£ 000</b>
Expenses relating to short term leases	6
Depreciation expense of right of use assets	61
Interest on lease liabilities	11
<b>Total</b>	<u>78</u>

16 Contingent liabilities

There are no contingent liabilities in the year (2019: Nil)

17 Parent and ultimate parent undertaking

The Company's immediate parent undertaking is Compass Contract Services (U.K.) Limited.

The ultimate parent company and controlling party is Compass Group PLC. This is the largest and smallest group into which the Company is consolidated.

The only group of undertakings for which group accounts are drawn up and of which the Company is a member is Compass Group PLC. Copies of the group accounts referred to above can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.