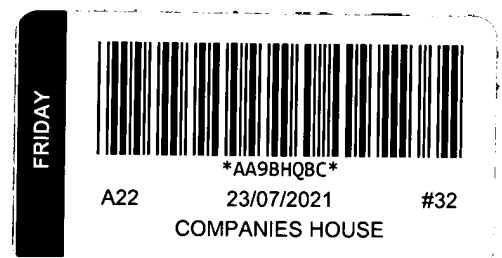


# ABM Catering (Holdings) Limited

## REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

31 July 2020

Company Registration No. 07551335



# ABM Catering (Holdings) Limited

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# ABM Catering (Holdings) Limited

## DIRECTORS AND ADVISORS

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### DIRECTORS

P Coates – Chairman  
SJ Johnson  
DM Coates  
S Hill  
NC Floyd

### SECRETARY

S Hill

### REGISTERED OFFICE

Eagle Court  
63-67 Saltisford  
Warwick  
Warwickshire  
CV34 4AF

### AUDITOR

RSM UK Audit LLP  
Chartered Accountants  
Festival Way  
Stoke-on-Trent  
Staffordshire  
ST1 5BB

# ABM Catering (Holdings) Limited

## STRATEGIC REPORT

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The directors have pleasure in submitting their Strategic Report for A.B.M. Catering (Holdings) Limited for the 52 week period ended 31 July 2020.

### REVIEW OF BUSINESS AND KEY PERFORMANCE INDICATORS

The trading profit for the period, before taxation, was £373,326 (2019: £901,456). The directors have paid interim dividends of £200,000 (2019: £50,000) and do not recommend the payment of a final dividend giving a total dividend for the period of £200,000 (2019: £50,000) which leaves a profit of £21,738 (2019: £706,150) to be retained.

The key performance indicators monitoring business performance are:

#### **Turnover**

Turnover has decreased compared to prior year by 15.4% (2019: Increase of 8.0%). This is a direct result of the Covid-19 lockdown from March 2020 onwards. Whilst our care brand, **Essence**, continued to trade at prior year levels, our Education brands (**Mint** and **Grow**) were affected by the closure of schools to all but key worker and vulnerable pupils. We are very proud to work with our education clients to provide this essential service.

Prior to the March 2020 lockdown coming into effect, the Group had mobilised 55 new sites during the first 7 months of the year and were on track to deliver an annual turnover in excess of £30 million.

#### **Gross Profit**

Gross Profit margin has decreased to 8.4% due to the fixed cost nature of the Company with declining sales before government support (2019: 16.5%), including this would show a 17.2% margin. This is driven by strong catering management and a good working relationship with clients and core suppliers.

Included in the Gross Profit is £166,205 of inventory write-offs which are classified as exceptional costs. These costs are both material and one-off in nature. As a result of the Covid-19 pandemic, the 2019/20 professional football season was postponed and the subsequent restarting of the season was behind closed doors to supporters. As a result of the sudden and prolonged period of no supporters being allowed to attend football matches and given perishable nature the stocks held within our football club contacts, the stocks were destroyed or gifted to local food banks at no cost

#### **Overheads %**

Overheads as a percentage of turnover were 16.5% (2019: 13.5%). The Group has carefully managed its overheads to minimise costs in response to the decreased turnover levels. There has been significant reductions in printing, postage, stationery and advertising and motor, travel and subsistence costs but with investment in staff costs and additional bad debt expense in the year.

#### **Statement of Financial Position**

The directors are pleased to present a strong Statement of Financial Position which shows a £21,738 improvement to Net Assets of £5,404,830 and a £697,996 reduction to Net Current Assets of £3,444,596. Reduced Trading due to Covid19 resulted in reductions in trade receivable and payable at the year end, compared to 2019 and capitalisation of catering equipment in 2020 shown within Fixed Assets. Cash balances within the Group remain healthy, as are liquidity ratios that enable the Group to meet its liabilities as they fall due.

### **RISKS AND UNCERTAINTIES**

The directors continue to monitor, plan and react to the challenges and legislation posed by the Covid-19 pandemic and the UK's exit from the European Union.

The directors monitor legislation within the food industry and ensure our policies and procedures are regularly reviewed, trained and implemented to ensure compliance.

The directors keep a risk register of the risks perceived to the business. This is discussed and updated regularly and processes and procedures are modified, where applicable, to mitigate developing risks. There is also a comprehensive Disaster Recovery Plan in place.

# ABM Catering (Holdings) Limited

## STRATEGIC REPORT

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**RISKS AND UNCERTAINTIES (continued)**  
The risks identified include the following:

Potential Risk	Consequence of Identified Risk	Action / Process
Food Safety	Provision of unsafe food causing allergic reaction, illness or death to customers	<ul style="list-style-type: none"> <li>• Comprehensive manual maintained that outlines key processes and procedures for food safety</li> <li>• Consultants retained to give advice on Food Safety protocols and the process is further supported by our in-house Health &amp; Safety Manager &amp; in-house Nutritionist</li> <li>• Robust induction and training process for all employees including Food Hygiene and allergens</li> <li>• Public liability Insurance cover in place</li> </ul>
Workplace Safety	Accidents in the workplace leading to an injury or death	<ul style="list-style-type: none"> <li>• Staff undertake induction training and relevant skill based training</li> <li>• Comprehensive manual maintained that outlines the correct operational procedures for safe working</li> <li>• Staff are issued with personal protective equipment</li> <li>• Safety advice is provided for all chemicals and they are stored properly labelled in their original packaging</li> <li>• Employers liability insurance cover in place</li> </ul>
Safeguarding of clients/ Right to Work	Employing unsuitable people into the business who may be a danger to others	<ul style="list-style-type: none"> <li>• Right to Work checks carried out before employment commences</li> <li>• Enhanced DBS checks for staff in schools and care sites before employment commences</li> <li>• Safeguarding training completed for school staff</li> </ul>
Theft of Cash or Stock	Liquid assets such as cash or stock are desirable and easy to steal	<ul style="list-style-type: none"> <li>• Monitor purchasing, stock levels and gross profit % on a monthly basis</li> <li>• Separation of duties in connection with cash handling</li> </ul>
Pandemic	Loss of business	<ul style="list-style-type: none"> <li>• Covid-19 has had a profound short term effect</li> </ul>
	Inability or restriction in ability to fully trade	<ul style="list-style-type: none"> <li>• Management of overheads in line with turnover levels</li> <li>• Ensure the Directors keep abreast of legislation and changing rules</li> <li>• Ensure contracts entered into have relevant and applicable pandemic clauses</li> <li>• Regularly review Disaster recovery Plan to ensure there are protocol and infrastructure for business support functions can work from home</li> </ul>

# ABM Catering (Holdings) Limited

## STRATEGIC REPORT

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### FINANCIAL INSTRUMENTS

The directors and managers are constantly reviewing the objectives of the business operations to identify areas where it is able to reduce financial risk without hindrance to onsite operations.

The directors consider there is limited exposure to credit risk as a substantial amount of sales are on a cash basis and close monitoring of debtors is also performed.

The business assesses pricing to ensure a fair return is achieved on the services supplied. The business has a very strong relationship with its banking team. The Group has the facilities available to meet its needs on an ongoing basis. These facilities are reviewed on a regular basis by both the bank and the management team.

By order of the board:



**P Coates**  
Director

16 July 2021

# ABM Catering (Holdings) Limited

## DIRECTORS' REPORT

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The directors submit their report and the audited financial statements of the Group for the 52 week period ended 31 July 2020.

The directors have disclosed the Financial Instruments section of the directors' report within the Strategic Report on page 2.

### PRINCIPAL ACTIVITY

The principal activity of the Company in the period under review is that of a holding company which owns office buildings used by the Group.

The principal activity of the Company's trading subsidiary A.B.M. Catering Limited in the period under review was that of catering facilities management.

The Company's other subsidiaries, Catering365 Limited, ABM Property Investments Limited, Grosvenor Catering Facilities Management Limited, ABM Catering Solutions Limited and Honest Catering Limited continued not to trade.

### FUTURE DEVELOPMENTS

9 new education units were mobilised in the first quarter of the 2020-21 financial period. The Group continues to adapt to the changing trading environments posed by the Covid-19 pandemic. The majority of the Group's business is done in the education and care sectors. The need for catering has continued in these sectors. The Directors feel the Group is well paced to navigate the 2020/21 financial year and Covid-19 pandemic and are prepared to realise the opportunities as the contract catering sector exits the pandemic period.

### DIRECTORS

The following directors have held office since 27 July 2019:

P Coates - Chairman

SJ Johnson

D Coates CBE                      Resigned 31 July 2020

JF Coates                              Resigned 31 July 2020

DM Coates

S Hill

N Floyd

### EMPLOYEE INVOLVEMENT

The Group encourages all members of staff to participate in the effective running and development of the business. Employees are encouraged to take an active interest in all matters affecting them.

The Group recognises its social and statutory duty to employ disabled persons and pursues a policy of providing, where possible, the same employment opportunities to disabled persons as to others.

The Group sends newsletters to all employees each month which details good news stories, new starters in the Operations and Support Centre Teams and summarises any relevant updates in our processes. The Group runs "Awesome Awards" where by team members, clients and customers can nominate employees who have gone above and beyond in their roles, to be awarded quarterly and annual recognition.

The Group regularly updates and distributes our Employee Manual to all employees. This manual outlines the Group's commitment to equal opportunities and further training opportunities amongst a wealth of other information.

# ABM Catering (Holdings) Limited

## DIRECTORS' REPORT

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### DONATIONS

During the period, the Group made £2,532 (2019: £3,485) of charitable donations to Macmillan, Synovial Sarcoma, Starlight Foundation, Crisis, Age UK, Salvation Army and various local community-based projects.

### GOING CONCERN

The financial statements have been prepared on a going concern basis, which assumes that the Group will be able to continue to trade for the foreseeable future.

The validity of the going concern basis is dependent upon the Group managing the risks of the business as identified in the Directors' report and Strategic report and its financial arrangements. The Group has prepared detailed forecasts and concluded there is sufficient cash and financing facilities available to meet its obligations as they fall due for 12 months from the date of approval of these financial statements. The Group has no borrowings and a strong balance sheet.

At the date of approval of these financial statements, the world continues to be affected by the COVID-19 pandemic. The UK is in the midst of a successful vaccine roll out, schools remain open and other lockdown measures are easing. The Group has successfully negotiated alternative charging models with clients to mitigate the effect of sales shortfalls.

The directors have concluded that there are no material uncertainties that lead to significant doubt over the Group's ability to continue as a going concern and therefore consider it appropriate to prepare financial statements on a going concern basis.

### STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

### AUDITOR

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

By order of the board:



**P Coates**  
Director

16 July 2021

# ABM Catering (Holdings) Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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The directors are responsible for preparing the Strategic Report and 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 period. 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 Group and the Company and of the profit or loss of the Group for that period.

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

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABM CATERING (HOLDINGS) LIMITED**

### **Opinion**

We have audited the financial statements of ABM Catering (Holdings) Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 31 July 2020 which comprise the consolidated statement of comprehensive income, consolidated and company statements of financial position, consolidated and company statements of changes in equity, consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 July 2020 and of the group's profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABM CATERING (HOLDINGS) LIMITED (continued)**

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

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the 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.

RSM UK Audit Up

ADAM KRUPSKI (Senior Statutory Auditor)  
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
Festival Way  
Stoke-on-Trent  
Staffordshire  
ST1 5BB

19 July 2021

**ABM Catering (Holdings) Limited**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
For the 52 week period ended 31 July 2020

	Note	52 week period ended 31 July 2020 £	52 week period ended 26 July 2019 £
TURNOVER		<b>24,025,802</b>	28,397,529
Cost of sales		<b>(22,008,300)</b>	(23,710,584)
GROSS PROFIT		<b>2,017,502</b>	4,686,945
Administrative expenses		<b>(3,960,373)</b>	(3,790,140)
Other operating income	3	<b>2,310,408</b>	-
OPERATING PROFIT		<b>367,537</b>	896,805
Interest receivable and similar income	4	<b>8,546</b>	7,645
Interest payable and similar expenses	5	<b>(2,757)</b>	(2,994)
PROFIT BEFORE TAXATION	2-8	<b>373,326</b>	901,456
Taxation	9	<b>(151,588)</b>	(145,306)
PROFIT FOR THE PERIOD AND TOTAL COMPREHENSIVE INCOME		<b>221,738</b>	756,150

**ABM Catering (Holdings) Limited**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**At 31 July 2020**

	Note	31 July 2020		26 July 2019	
		£	£	£	£
<b>FIXED ASSETS</b>					
Intangible assets	11	139,619		159,469	
Tangible assets	12	1,973,912		1,217,183	
			<b>2,113,531</b>		<b>1,376,652</b>
<b>CURRENT ASSETS</b>					
Stocks	14	372,724		547,535	
Debtors	15	2,688,412		4,205,384	
Cash at bank and in hand		3,881,471		4,035,681	
		<b>6,942,607</b>		<b>8,788,600</b>	
<b>CREDITORS: Amounts falling due within one year</b>	16	<b>(3,498,011)</b>		<b>(4,646,008)</b>	
<b>NET CURRENT ASSETS</b>			<b>3,444,596</b>		<b>4,142,592</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>5,558,127</b>		<b>5,519,244</b>
<b>CREDITORS: Amounts falling due after more than one year</b>	17		<b>(29,230)</b>		<b>(79,009)</b>
<b>PROVISIONS FOR LIABILITIES</b>	19		<b>(124,067)</b>		<b>(57,143)</b>
<b>NET ASSETS</b>			<b>5,404,830</b>		<b>5,383,092</b>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	20		147		147
Merger reserve			524,873		524,873
Other reserve			83,674		83,674
Profit and loss account			4,796,136		4,774,398
<b>TOTAL EQUITY</b>			<b>5,404,830</b>		<b>5,383,092</b>

The financial statements on pages 10 to 36 were approved by the board of directors and authorised for issue on 16 July 2021 and are signed on its behalf by:



**P Coates**  
**Director**

**ABM Catering (Holdings) Limited**  
**COMPANY STATEMENT OF FINANCIAL POSITION**  
**At 31 July 2020**

	Note	<b>31 July 2020</b>		<b>26 July 2019</b>	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	12	<b>535,598</b>		<b>535,598</b>	
Investments	13	<b>10,151</b>		<b>10,151</b>	
			<b>545,749</b>		<b>545,749</b>
<b>CURRENT ASSETS</b>					
Debtors	15	<b>137,889</b>		<b>85,114</b>	
		<b>137,889</b>		<b>85,114</b>	
<b>CREDITORS: Amounts falling due within one year</b>					
	16	<b>(17,128)</b>		<b>(14,196)</b>	
<b>NET CURRENT ASSETS</b>			<b>120,761</b>		<b>70,918</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>666,510</b>		<b>616,667</b>
<b>PROVISIONS FOR LIABILITIES</b>	19		<b>(20,363)</b>		<b>(18,041)</b>
<b>NET ASSETS</b>			<b>646,147</b>		<b>598,626</b>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	20		<b>147</b>		<b>147</b>
Fair value reserve			<b>83,674</b>		<b>83,674</b>
Profit and loss account brought forward		<b>514,805</b>		<b>464,916</b>	
Profit for the period		<b>247,521</b>		<b>99,889</b>	
Dividends	10	<b>(200,000)</b>		<b>(50,000)</b>	
Profit and loss account carried forward			<b>562,326</b>		<b>514,805</b>
<b>TOTAL EQUITY</b>			<b>646,147</b>		<b>598,626</b>

As permitted by section 408 Companies Act 2006, the company has not presented its own statement of comprehensive income. The Company's profit for the period and total comprehensive income for the period was £247,521 (26 July 2019: £99,889).

The financial statements on pages 10 to 36 were approved by the board of directors and authorised for issue on 16 July 2021 and are signed on its behalf by:



**P Coates**  
Director

Company Registration No. 07551335

**ABM Catering (Holdings) Limited**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
For the 52 week period ended 31 July 2020

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	Share capital £	Merger reserve £	Other reserve £	Profit and loss account £	Total £
<b>Balance at 27 July 2018</b>	<b>147</b>	<b>524,873</b>	<b>83,674</b>	<b>4,068,248</b>	<b>4,676,942</b>
Profit for the period	-	-	-	756,150	756,150
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>756,150</b>	<b>756,150</b>
Transactions with owners in their capacity as owners:					
Dividends	-	-	-	(50,000)	(50,000)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance at 26 July 2019</b>	<b>147</b>	<b>524,873</b>	<b>83,674</b>	<b>4,774,398</b>	<b>5,383,092</b>
Profit for the period	-	-	-	221,738	221,738
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>221,738</b>	<b>221,738</b>
Transactions with owners in their capacity as owners:					
Dividends	-	-	-	(200,000)	(200,000)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance at 31 July 2020</b>	<b>147</b>	<b>524,873</b>	<b>83,674</b>	<b>4,796,136</b>	<b>5,404,830</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**ABM Catering (Holdings) Limited**  
**COMPANY STATEMENT OF CHANGES IN EQUITY**  
For the 52 week period ended 31 July 2020

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	Share capital £	Fair value reserve £	Profit and loss account £	Total £
<b>Balance at 27 July 2018</b>	<b>147</b>	<b>83,674</b>	<b>464,916</b>	<b>548,737</b>
Profit for the period	-	-	99,889	99,889
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>99,889</b>	<b>99,889</b>
Total transactions with owners in their capacity as owners:				
Dividends	-	-	(50,000)	(50,000)
<b>Balance at 26 July 2019</b>	<b>147</b>	<b>83,674</b>	<b>514,805</b>	<b>598,626</b>
Profit for the period	-	-	247,521	247,521
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>247,521</b>	<b>247,521</b>
Transactions with owners in their capacity as owners:				
Dividends	-	-	(200,000)	(200,000)
<b>Balance at 31 July 2020</b>	<b>147</b>	<b>83,674</b>	<b>562,326</b>	<b>646,147</b>

**ABM Catering (Holdings) Limited**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
For the 52 week period ended 31 July 2020

	Note	52 week period ended 31 July 2020 £	52 week period ended 26 July 2019 £
<b>OPERATING ACTIVITIES</b>			
Cash generated from operations	21	1,753,517	1,328,931
Interest paid		(2,757)	(2,994)
Income taxes paid		(139,961)	(188,178)
		<u>(142,718)</u>	<u>(191,172)</u>
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>1,610,799</b>	<b>1,137,759</b>
<b>INVESTING ACTIVITIES</b>			
Interest received		8,546	7,645
Purchase of intangible fixed assets		(14,452)	(17,379)
Purchase of tangible fixed assets		(1,462,897)	(132,431)
Sale of tangible fixed assets		6,600	8,600
		<u>(1,462,203)</u>	<u>(133,565)</u>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(1,462,203)</b>	<b>(133,565)</b>
<b>FINANCING ACTIVITIES</b>			
Capital element of finance lease rental payments		(102,806)	(159,501)
Dividends	10	(200,000)	(50,000)
		<u>(302,806)</u>	<u>(209,501)</u>
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>(302,806)</b>	<b>(209,501)</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS IN THE PERIOD</b>		<b>(154,210)</b>	<b>794,693</b>
<b>CASH AND CASH EQUIVALENTS AT START OF PERIOD</b>		<b>4,035,681</b>	<b>3,240,988</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>		<b>3,881,471</b>	<b>4,035,681</b>

# ABM Catering (Holdings) Limited

## ACCOUNTING POLICIES

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### GENERAL INFORMATION

ABM Catering (Holdings) Limited ("the Company") is a private company limited by shares and is registered, domiciled and incorporated in England.

The address of the Company's registered office and principal place of business is Eagle Court, 63-67 Saltisford, Warwick, Warwickshire, CV34 4AF.

The Group consists of ABM Catering (Holdings) Limited and all of its subsidiaries.

The Company's and the Group's principal activities and nature of operations are included in the directors' report.

### BASIS OF ACCOUNTING

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties at fair value.

Monetary amounts in these financial statements are rounded to the nearest whole £1, except where otherwise indicated.

### GOING CONCERN

The financial statements have been prepared on a going concern basis, which assumes that the Group and Company will be able to continue to trade for the foreseeable future.

The validity of the going concern basis is dependent upon the Group managing the risks of the business as identified in the Directors' report and Strategic report and its financial arrangements. The Group has prepared detailed forecasts and concluded there is sufficient cash and financing facilities available to meet its obligations as they fall due for 12 months from the date of approval of these financial statements. The Group has no borrowings and a strong balance sheet.

At the date of approval of these financial statements, the world continues to be affected by the COVID-19 pandemic. The UK is in the midst of a successful vaccine roll out, schools remain open and other lockdown measures are easing. The company has successfully negotiated alternative charging models with clients to mitigate the effect of sales shortfalls.

The directors have concluded that there are no material uncertainties that lead to significant doubt over the Group's ability to continue as a going concern and therefore consider it appropriate to prepare financial statements on a going concern basis.

### BASIS OF CONSOLIDATION

The consolidated financial statements incorporate those of ABM Catering (Holdings) Limited and all of its subsidiary undertakings for the period. The financial statements consolidate the financial statements of those undertakings which are owned by the shareholders of ABM Catering (Holdings) Limited as if they had always so been owned. Accordingly, in those years when mergers take place, the whole of the results, assets, liabilities and shareholders' funds of the merged companies are consolidated, regardless of the actual merger date, and corresponding figures for previous years are re-stated.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

As permitted by Section 408 of the Companies Act 2006, the Company has not presented its own Statement of Comprehensive Income. The Company's profit and total comprehensive income for the period is disclosed in the Company Statement of Financial Position.

# ABM Catering (Holdings) Limited

## ACCOUNTING POLICIES

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### REDUCED DISCLOSURES

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements;

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares
- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income.
- Section 33 'Related Party Disclosures' – Compensation for key management personnel

### INTANGIBLE ASSETS - GOODWILL

Goodwill representing the cost of contracts acquired in the period is capitalised and written off evenly over the contract length as in the opinion of the directors this represents the period over which the goodwill is expected to give rise to economic benefits. Goodwill is reviewed for impairment at the end of the first full financial period following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Goodwill is capitalised and written off evenly over 10 years as in the opinion of the directors, this represents the period over which the goodwill is expected to give rise to economic benefits.

The directors consider this useful life to be appropriate because goodwill on contracts acquired are in Business and Industry (B&I) and Care sectors, where the average length of time the Group historically runs contracts in these sectors are around 10 years.

### INTANGIBLE FIXED ASSETS – OTHER THAN GOODWILL

Intangible assets purchased other than in a business combination are recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets arising on a business combination are recognised, except where the asset arises from legal or contractual rights, and there is no history or evidence of exchange transactions for the same or similar assets and estimating the asset's fair value would depend on immeasurable variables.

Intangible assets are initially recognised at cost (which for intangible assets acquired in a business combination is the fair value at acquisition date) and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised to profit or loss on a straight-line basis over their useful lives, as follows:-

Purchased computer software	-	15% per annum straight line
Customer lists	-	10% per annum straight line

The useful lives of purchased computer software is based on the length of time the software is expected to be used in the business. The useful lives of customer contracts is based on the average time that customer contracts are held within the industry. Customers lists are shown as a disposal if the contract is not renewed, as there will be no future inflow of economic benefit to the group and on disposal, the difference between the net disposal proceeds and the carrying amount of the intangible asset is recognised in profit or loss.

Amortisation is revised prospectively for any significant change in useful life or residual value.

### INVESTMENTS

Interests in subsidiaries are stated at cost. Provision is made for any impairment in the value of fixed asset investments.

# ABM Catering (Holdings) Limited

## ACCOUNTING POLICIES

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### PRESENTATIONAL AND FUNCTIONAL CURRENCIES

The consolidated financial statements are presented in sterling which is also the functional currency of the Group.

### TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost or valuation net of depreciation and any provision for impairment. Depreciation is provided on tangible fixed assets, other than freehold land and investment properties at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:

Freehold Buildings	-	2% per annum straight line
Freehold Buildings - fixed plant	-	10% per annum straight line
Motor vehicles	-	25% per annum straight line
Fixtures and fittings	-	15% per annum straight line
Plant and equipment	-	15% per annum straight line
Contract catering equipment	-	over the term of the respective catering contract

Residual value is calculated on prices prevailing at the reporting date after estimated costs of disposal for the asset as if it were at the age and in the condition expected at the end of its useful life.

Land and buildings are accounted for separately even when acquired together.

Obligations for site investments and contract catering equipment not yet purchased are recognised over the term of the contract within accruals and deferred income.

### IMPAIRMENTS

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Group estimates the recoverable amount of the asset or, for goodwill, the recoverable amount of the cash-generating unit to which the goodwill belongs.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses and recognised in profit or loss.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in profit or loss. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

### INVESTMENT PROPERTIES

Investment properties (including properties held under an operating lease) are initially measured at cost and subsequently measured at fair value whilst a reliable measure of fair value is available without undue cost or effort. Changes in fair value are recognised in profit or loss.

### STOCKS

Stocks are valued at the lower of cost and estimated selling price less costs to complete and sell.

At each reporting date, the Group assesses whether stocks are impaired or if an impairment loss recognised in prior periods has reversed. Any excess of the carrying amount of stock over its estimated selling price less costs to complete and sell, is recognised as an impairment loss in profit or loss.

Reversals of impairment losses are also recognised in profit or loss.

# ABM Catering (Holdings) Limited

## ACCOUNTING POLICIES

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### TAXATION

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the period. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income or expenses from subsidiaries that will be assessed to or allow for tax in a future period except where the Group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

For non-depreciable assets measured using the revaluation model and investment properties measured at fair value (except investment property with a limited useful life held by the Group to consume substantially all of its economic benefits), deferred tax is measured using the tax rates and allowances that apply to the sale of the asset or property.

Current and deferred tax is charged or credited in profit or loss.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

### LEASED ASSETS AND OBLIGATIONS

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding.

All other leases are "operating leases" and the annual rentals are charged to profit and loss on a straight line basis over the lease term.

# ABM Catering (Holdings) Limited

## ACCOUNTING POLICIES

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### FINANCIAL INSTRUMENTS

The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument, and are offset only when the Group currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### ***Financial assets***

##### ***Trade, group and other debtors***

Trade, group and other debtors which are receivable within one year are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Trade debtors is shown net of a provision of £112,540 (2019: £nil) in respect of bad debts.

#### ***Financial liabilities and equity***

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

##### ***Equity instruments***

Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

##### ***Trade, group and other creditors***

Trade, group and other creditors (including accruals) payable within one year are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

#### ***Derecognition of financial assets and liabilities***

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

### RETIREMENT BENEFITS

The Group operates a number of defined contribution pension schemes. The amount charged to the profit and loss account in respect of pension costs, and other post retirement benefits is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Certain of the employees of the Group participate in individual council's defined benefit schemes. The defined benefit schemes are co-sponsored by a number of different companies. The Group makes contributions to the schemes in accordance with the recommendations of the actuaries to the schemes.

As the Group is one of a number of participating employers in the schemes, it is not possible to allocate that part of any actuarial rights or deficit owing to the Group's employees. Consequently, contributions are charged to the profit and loss account as they become payable.

# ABM Catering (Holdings) Limited

## ACCOUNTING POLICIES

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### TURNOVER

Turnover represents the invoiced value, net of Value Added Tax, derived from the provision of catering services to UK based customers. Revenue is recognised when substantially all of the obligations under a sales contract have been fulfilled.

### RESERVES

Reserves of the Company and Group represent the following:

#### *Merger reserve*

The merger reserve arose on the share for share exchange by ABM Catering (Holdings) Limited and A.B.M. Catering Limited of £147. The reserve is the difference between the nominal value of ABM Catering (Holdings) Limited share capital and the share capital and share premium value of the shares acquired.

#### *Other reserve*

The cumulative revaluation gains and losses in respect of land and buildings, arising before the adoption of the deemed cost basis at the date of transition at 26 July 2014 under the requirements of FRS102.

#### *Fair value reserve*

The cumulative fair value gains and losses in respect of investment property are transferred to another reserve in equity as permitted under FRS102.

#### *Profit and loss account*

Cumulative profit and loss net of distributions to owners.

### GOVERNMENT GRANTS

During the year the group has received a government grant from the Job Retention Scheme. The grant has been recognised using the accrual model. The grant was received to cover 80% of the wages cost of employees who were unable to work during the Covid-19 pandemic.

### EXCEPTIONAL ITEMS

The Group classifies certain charges that have a material impact on the Group's financial results as 'exceptional items'. These are disclosed separately to provide further understanding of the financial performance of the Group. During the year these costs related to inventory write offs.

# ABM Catering (Holdings) Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 31 July 2020

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### 1 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### *Critical accounting estimates, assumptions and areas of judgement*

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### *Stock*

Stocks are valued at the lower of cost and net realisable value. At the balance sheet date, the directors deem that no stock provision is required. Where sites' catering facilities are closed at the balance sheet date (eg school kitchens being closed due to summer school holiday) it is the Group's policy to use or dispose of perishable stock before the kitchen is closed for the summer.

#### *Income Recognition*

Income is recognised when obligation under the sales contract has occurred and this is accounted for on an accruals basis. Provisions are made where there is a difference between income invoiced and the income that should be recognised as defined by the sales contract.

### 2 TURNOVER

The Group's turnover is 100% based in the UK and relates solely to catering facilities management, which is considered to be the one reporting segment.

### 3 OTHER OPERATING INCOME

	52 week period ended 31 July 2020 £	52 week period ended 26 July 2019 £
Government grants	2,310,408	-

Other operating income relates to government grants received from the Coronavirus Job Retention Scheme.

### 4 INTEREST RECEIVABLE AND SIMILAR INCOME

	52 week period ended 31 July 2020 £	52 week period ended 26 July 2019 £
Other interest	8,456	7,645

# ABM Catering (Holdings) Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 31 July 2020

### 5 INTEREST PAYABLE AND SIMILAR EXPENSES

	52 week period ended 31 July 2020 £	52 week period ended 26 July 2019 £
Bank overdraft	2	28
Finance leases	2,755	2,966
	<u>2,757</u>	<u>2,994</u>

### 6 PROFIT BEFORE TAXATION

	52 week period ended 31 July 2020 £	52 week period ended 26 July 2019 £
Profit before taxation is stated after charging/(crediting):		
Depreciation and amounts written off tangible fixed assets:		
Charge for the period:		
Owned assets	711,841	201,134
Leased assets	63,124	51,149
Amortisation of intangible fixed assets	34,302	55,502
Impairment of intangible fixed assets	-	169,295
Operating lease rentals:		
Plant and machinery	1,627	18,925
Auditor's remuneration:		
Audit services	19,900	16,250
Profit on disposal of tangible fixed assets	(6,600)	(8,600)
	<u></u>	<u></u>
<b>Exceptional items</b>		
Stock impairment losses recognised in cost of sales	166,205	-
	<u></u>	<u></u>

During the year exceptional expenditure totalling £166,205 has been incurred, relating to inventory write-offs. These costs are both material and one-off in nature. As a result of the Covid-19 pandemic, the 2019/20 professional football season was postponed and the subsequent restarting of the season was behind closed doors to supporters. As a result of the sudden and prolonged period of no supporters being allowed to attend football matches and given perishable nature the stocks held within our football club contacts, the stocks were destroyed or gifted to local food banks at no cost.

# ABM Catering (Holdings) Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 31 July 2020

### 7 EMPLOYEES

The average monthly number of persons employed by the Group (including directors) during the period was:	GROUP		COMPANY	
	52 week period ended 31 July 2020 Number	52 week period ended 26 July 2019 Number	52 week period ended 31 July 2020 Number	52 week period ended 26 July 2019 Number
Catering staff	913	804	-	-
Management and administration	54	52	7	7
	<u>967</u>	<u>856</u>	<u>7</u>	<u>7</u>

In addition to the above the Group employed an average of 301 (2019: 285) casual catering staff during the period.

Staff costs for the above persons:	GROUP		COMPANY	
	52 week period ended 31 July 2020 £	52 week period ended 26 July 2019 £	52 week period ended 31 July 2020 £	52 week period ended 26 July 2019 £
Wages and salaries	11,348,300	13,101,423	-	-
Social security costs	745,584	744,509	-	-
Other pension costs	535,338	428,343	-	-
	<u>12,629,222</u>	<u>14,274,275</u>	<u>-</u>	<u>-</u>

### DIRECTORS' REMUNERATION

	52 week period ended 31 July 2020 £	52 week period ended 26 July 2019 £
Emoluments	567,489	565,422
Money purchase pension contributions	23,255	20,158
	<u>590,744</u>	<u>585,580</u>

# ABM Catering (Holdings) Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 31 July 2020

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### 7 EMPLOYEES (continued)

Directors' emoluments disclosed above include the following payments:

	Highest paid director 52 week period ended 31 July 2020 £	52 week period ended 26 July 2019 £
Emoluments	356,959	355,235
Money purchase pension contributions	10,000	10,000
	<u>366,959</u>	<u>365,235</u>
	52 week period ended 31 July 2020 Number	52 week period ended 26 July 2019 Number
Number of directors for whom relevant benefits are accruing under:		
Money purchase pension schemes	3	3
	<u>3</u>	<u>3</u>

### 8 REMUNERATION OF KEY MANAGEMENT PERSONNEL

The total remuneration of the directors and managers who are considered to be the key management personnel of the Group was £781,820 (2019: £757,194).

# ABM Catering (Holdings) Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 31 July 2020

### 9 TAXATION

	52 week period ended 31 July 2020 £	52 week period ended 26 July 2019 £
Current tax:		
UK corporation tax on profits of the period	85,342	181,894
Adjustment in respect of prior periods	(678)	-
Total current tax	84,664	181,894
Deferred tax:		
Origination and reversal of timing differences	55,829	(36,588)
Adjustment in respect of prior periods	4,997	-
Effect of tax rate change on opening balance	6,098	-
Total deferred tax	66,924	(36,588)
Tax on profit	151,588	145,306

Factors affecting tax charge for the period:

	52 week period ended 31 July 2020 £	52 week period ended 26 July 2019 £
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The tax assessed for the period is higher (2019: lower) than the average standard rate of corporation tax in the UK 19% (2019: 19%). The differences are explained below:

Profit before tax	373,326	901,456
Profit multiplied by the average standard rate of corporation tax in the UK 19% (2019: 19%)	70,932	171,277
<i>Effects of:</i>		
Expenses not deductible for tax purposes	70,238	5,630
Deferred tax reversal	(1,545)	(32,662)
Adjustment to tax charge in respect of previous periods	4,319	-
Remeasurement of deferred tax for changes in tax rates	3,482	-
Rate differences on deferred tax	-	5,412
Deferred tax not recognised	4,162	(4,351)
Total tax charge for the period	151,588	145,306

The standard rate of corporation tax in the United Kingdom for the year was 19% (2019: 19%). The Finance Act 2016 enacted a further reduction in the main rate of corporation tax to 17% with effect from 1 April 2020. However, the Budget which took place on 11 March 2020 confirmed the rate of corporation tax will remain at 19% from 1 April 2020, cancelling the enacted rate reduction to 17%. The rate reduction reversal was substantively enacted on 17 March 2020 by way of a special resolution. Deferred tax has therefore been provided at a rate of 19% (2019: 17%).

# ABM Catering (Holdings) Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 31 July 2020

### 10 DIVIDENDS

	52 week period ended 31 July 2020 £	52 week period ended 26 July 2019 £
Ordinary, ordinary 'B' and ordinary 'C' shares:		
Dividends paid	200,000	50,000

During the period, a dividend of £13.57 per share (2019: £3.39) was paid by the Company.

### 11 INTANGIBLE FIXED ASSETS

	Software £	Goodwill £	Customer list £	Total £
<b>GROUP</b>				
<i>Cost</i>				
At beginning of period	169,438	68,860	95,641	333,939
Additions	14,452	-	-	14,452
At end of period	183,890	68,860	95,641	348,391
<i>Amortisation and impairment</i>				
At beginning of period	82,394	50,670	41,406	174,470
Charged in the period	23,438	2,729	8,135	34,302
At end of period	105,832	53,399	49,541	208,772
<i>Carrying amount</i>				
At 31 July 2020	78,058	15,461	46,100	139,619
At 26 July 2019	87,044	18,190	54,235	159,469

Amortisation of intangible fixed assets is recognised in administrative expenses.

# ABM Catering (Holdings) Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 31 July 2020

### 12 TANGIBLE FIXED ASSETS

GROUP	Freehold land and buildings £	Freehold buildings – fixed plant £	Motor vehicles £	Fixtures and fittings £	Plant and Equipment £	Contract catering equipment £	Total £
<i>Cost</i>							
At beginning of period	665,000	182,590	785,927	708,751	80,252	-	2,422,520
Additions	-	-	87,981	72,282	4,403	1,367,028	1,531,694
Disposals	-	-	(68,760)	-	-	-	(68,760)
At end of period	665,000	182,590	805,148	781,033	84,655	1,367,028	3,885,454
<i>Depreciation</i>							
At beginning of period	96,835	131,598	454,176	468,346	54,382	-	1,205,337
Charged in the period	19,367	18,259	152,412	71,819	13,873	499,235	774,965
Disposals	-	-	(68,760)	-	-	-	(68,760)
At end of period	116,202	149,857	537,828	540,165	68,255	499,235	1,911,542
<i>Carrying amount</i>							
<b>At 31 July 2020</b>	<b>548,798</b>	<b>32,733</b>	<b>267,320</b>	<b>240,868</b>	<b>16,400</b>	<b>867,793</b>	<b>1,973,912</b>
At 26 July 2019	568,165	50,992	331,751	240,405	25,870	-	1,217,183

The Group has uplifted the deemed cost of the freehold land and buildings to its fair value of £665,000 at the date of transition being 26 July 2014 as permitted by FRS102 section 35.10 (c).

Included in freehold land and buildings is £150,000 (2019: £150,000) relating to land which is not depreciated.

On a historical cost basis, freehold land and buildings would be included at:

	31 July 2020 £	26 July 2019 £
Cost	586,859	586,859
Aggregate depreciation	151,051	133,247

Included in the total net book value of motor vehicles is £174,430 (2019: £219,884) in respect of assets held under finance leases and similar hire purchase contracts outstanding at the period end.

Additions to contract catering equipment include assets with a net book value of £754,803 previously recognised within prepayments. The purchase of these assets was treated as a cost of the contract and released to the profit and loss account over the life of the contract in the previous period. Management have reassessed the nature of these assets and deemed it appropriate to recognise in tangible fixed assets as they are under the entity's control. Management have considered this not to be material to the prior period financial statements to retrospectively adjust. There has been no impact on profit before tax of this adjustment.

# ABM Catering (Holdings) Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 31 July 2020

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### 12 TANGIBLE FIXED ASSETS (continued)

#### COMPANY

Investment  
property  
£

#### *Fair value*

At beginning and end of period

535,598

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Investment property comprises freehold land and buildings. The fair value of the Company's investment property at 31 July 2020 has been arrived at by the directors by considering the valuation carried out at 27 July 2012 by PNF Chartered Surveyors along with subsequent rental income streams and local property market factors. PNF Chartered Surveyors are not connected with the Company.

On a historical cost basis the investment property would be included at:

	31 July 2020 £	26 July 2019 £
Cost	473,523	473,523
Aggregate depreciation	60,419	53,949

# ABM Catering (Holdings) Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 31 July 2020

### 13 FIXED ASSET INVESTMENTS

COMPANY	Shares in subsidiary undertakings £
<i>Cost and net book value</i>	
At beginning and end of period	10,151

The Company holds more than 20% of the equity (and no other share or loan capital) of the following undertaking:

<i>Subsidiary undertaking</i>	<i>Principal activity</i>	<i>Class and percentage of shares held</i>
A.B.M. Catering Limited	Catering facilities management	100% Ordinary
Catering365 Limited	Dormant	100% Ordinary
Grosvenor Catering Facilities Management Limited	Dormant	100% Ordinary
ABM Property Investments Limited	Dormant	100% Ordinary
ABM Catering Solutions Limited	Dormant	100% Ordinary
Honest Catering Limited	Dormant	100% Ordinary

The net assets of Catering365 Limited, Grosvenor Catering Facilities Management Limited, ABM Property Investments Limited, ABM Catering Solutions Limited and Honest Catering Limited at 31 July 2020 were £10,000 (2019: £10,000), £1 (2019: £1), £1 (2019: £1), £1 (2019: £1) and £1 (2019: £1) respectively.

The registered address for all of the companies listed above is Eagle Court, 63-67 Saltisford, Warwick, Warwickshire, CV34 4AF.

### 14 STOCKS

	Group		Company	
	31 July 2020	26 July 2019	31 July 2020	26 July 2019
	£	£	£	£
Raw materials and consumables	372,724	547,535	-	-

# ABM Catering (Holdings) Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 31 July 2020

### 15 DEBTORS

	Group		Company	
	31 July 2020	26 July 2019	31 July 2020	26 July 2019
	£	£	£	£
<i>Amounts falling due within one year:</i>				
Trade debtors	2,048,573	3,117,465	-	-
Prepayments and accrued income	150,488	1,087,919	-	-
Amounts owed by group undertakings	-	-	137,889	85,114
Other debtors	489,351	-	-	-
	<u>2,688,412</u>	<u>4,205,384</u>	<u>137,889</u>	<u>85,114</u>

### 16 CREDITORS: Amounts falling due within one year

	Group		Company	
	31 July 2020	26 July 2019	31 July 2020	26 July 2019
	£	£	£	£
Obligations under finance leases	134,384	118,614	-	-
Payments received on account	105,973	111,901	-	-
Trade creditors	280,956	1,959,602	-	-
Corporation tax	39,603	94,901	11,378	11,446
Other taxation and social security costs	998,041	676,410	-	-
Other creditors	1,391,309	1,253,558	-	-
Accruals and deferred income	547,745	431,022	5,750	2,750
	<u>3,498,011</u>	<u>4,646,008</u>	<u>17,128</u>	<u>14,196</u>

The Group has a bank overdraft facility with Lloyds Bank which is secured by an unlimited debenture dated 18 June 2013 with A.B.M. Catering Limited. There was no commitment at the period end under this guarantee (2019: £nil).

# ABM Catering (Holdings) Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 31 July 2020

### 17 CREDITORS: Amounts falling due after more than one year

	Group		Company	
	31 July 2020	26 July 2019	31 July 2020	26 July 2019
	£	£	£	£
Obligations under finance leases	<b>29,230</b>	79,009	-	-

#### *Finance leases*

Obligations under finance leases are secured by related assets and bear finance charges ranging from 1.0% to 1.4% per annum (2019: 1.4% to 5.0% per annum).

	Group		Company	
	31 July 2020	26 July 2019	31 July 2020	26 July 2019
	£	£	£	£
The total future minimum lease payments are payable:				
Less than one year	<b>134,384</b>	118,614	-	-
Between one and five years	<b>29,230</b>	79,009	-	-
	<b>163,614</b>	197,623	-	-

Finance lease payments represent rentals payable by the Group for certain items of motor vehicles. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 1 year. All leases are on a fixed repayment basis.

### 18 PENSION COMMITMENTS

The Group operates a number of defined contribution pension schemes whose assets are held separately from those of the Group in an independently administered fund. The pension cost charge for these schemes represents contributions payable by the Group and amounted to £169,736 (2019: £135,318).

Certain staff of the Group are members of defined benefit schemes operated by certain councils. As the Group is one of a number of participating employers in these schemes, it is not possible to allocate any actuarial surplus or deficit on a meaningful basis and consequently contributions are expensed to the profit and loss account as they become payable. The assets of the scheme are held separately from those of the Group. On this basis the scheme is treated as a defined benefit multi-employer scheme. The pension cost charge for these schemes represents contributions payable by the Group and amounted to £365,602 (2019: £293,025).

There were £370,609 (2019: £235,543) outstanding contributions at the end of the financial period.

The Company had no pension commitments in the period ending 31 July 2020.

# ABM Catering (Holdings) Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 31 July 2020

### 19 PROVISIONS FOR LIABILITIES

GROUP	Deferred taxation £
At beginning of period	57,143
Charge for the period	66,924
At end of period	<b>124,067</b>

The elements of the deferred tax liability, which is carried within provisions are as follows:

	31 July 2020		26 July 2019	
	Provided £	Unprovided £	Provided £	Unprovided £
Difference between accumulated depreciation and capital allowances	175,727	26,402	77,656	22,240
Other timing differences	(70,415)	-	(40,042)	-
Assets measured at valuation	9,996	-	10,309	-
Intangible assets acquired in business combinations	8,759	-	9,220	-
	<b>124,067</b>	<b>26,402</b>	<b>57,143</b>	<b>22,240</b>

### COMPANY

	Deferred taxation £
At beginning of period	18,041
Charge for the period	2,322
At end of period	<b>20,363</b>

The elements of the deferred tax liability, which is carried within provisions, are as follows:

	31 July 2020		26 July 2019	
	Provided £	Unprovided £	Provided £	Unprovided £
Difference between accumulated depreciation and capital allowances	20,363	-	18,041	-

# ABM Catering (Holdings) Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 31 July 2020

### 20 CALLED UP SHARE CAPITAL

	31 July 2020	26 July 2019
	£	£
Allotted, issued and fully paid:		
10,000 ordinary shares of 1p each	100	100
2,900 ordinary "B" shares of 1p each	29	29
1,843 ordinary "C" shares of 1p each	18	18
	<u>147</u>	<u>147</u>

#### *Ordinary share rights*

The Company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the Company.

The "B" ordinary and "C" ordinary shares rank pari passu with the ordinary shares.

### 21 RECONCILIATION OF PROFIT AFTER TAX TO NET CASH GENERATED FROM OPERATIONS

	52 week period ended 31 July 2020	52 week period ended 26 July 2019
	£	£
Profit after tax	221,738	756,150
Depreciation of tangible fixed assets	774,965	252,283
Amortisation, impairment and loss on disposal of intangible fixed assets	34,302	224,797
Profit on sale of tangible fixed assets	(6,600)	(8,600)
Interest receivable	(8,546)	(7,645)
Interest payable	2,757	2,994
Taxation	151,588	145,306
	<u>1,170,204</u>	<u>1,365,285</u>
Operating cash flows before movements in working capital	1,170,204	1,365,285
Decrease/(increase) in stock	174,811	(102,239)
Decrease/(increase) in debtors	1,516,972	(373,287)
(Decrease)/increase in creditors	(1,108,470)	439,172
	<u>1,753,517</u>	<u>1,328,931</u>

The principal non-cash transactions are new finance leases.

# ABM Catering (Holdings) Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 31 July 2020

### 22 CONSOLIDATED ANALYSIS OF CHANGES IN NET DEBT

	26 July 2019 £	Cash flow £	New finance leases £	31 July 2020 £
CASH AT BANK AND IN HAND	4,035,681	(154,210)	-	3,881,471
OBLIGATIONS UNDER FINANCE LEASES	(197,623)	(34,788)	68,797	(163,614)
TOTAL NET DEBT	3,838,058	(188,998)	68,797	3,717,857

### 23 COMMITMENTS UNDER OPERATING LEASES

#### *The Group as a lessee*

The total future minimum lease payments under non-cancellable operating leases are as follows:

	31 July 2020 £	26 July 2019 £
Amounts due within one year	478	1,627
Amounts due between one and five years	1,235	1,712
	<u>1,713</u>	<u>3,339</u>

#### *The Company as a lessee*

At 31 July 2020, the total future minimum lease payments under non-cancellable operating leases were £nil (26 July 2019: £nil).

#### *The Group and the Company as a lessor*

At 31 July 2020, the Group and the Company had contracted with tenants, under non-cancellable operating leases, for future minimum lease payments of £nil (26 July 2019: £nil).

### 24 CAPITAL COMMITMENTS

#### *Group*

There are capital commitments of £nil (2019: £99,393) relating to the purchase of fixed assets and £418,754 (2019: £459,761) relating to catering equipment contract at the end of the financial period.

#### *Company*

There are no capital commitments at the end of the period (2019: £nil).

# ABM Catering (Holdings) Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 31 July 2020

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### 25 CONTINGENT LIABILITIES

#### *Group*

At the period end the Group had guarantees outstanding in respect of Local Government Pension Scheme Bonds as follows:

Bond Value	Expiry Date
a) £94,000	Expired but bond not released
b) £43,000	31 August 2020
c) £48,000	28 February 2021
d) £58,500	31 July 2022

At the period end the Group had an indemnity guarantee of £1 for National Westminster Bank plc.

#### *Company*

The Company and its subsidiary undertaking, A.B.M. Catering Limited, are members of a VAT group. At 31 July 2020 the VAT liability of the VAT group excluding that of the Company was £801,355 (2019: £474,168).

### 26 RELATED PARTY TRANSACTIONS

During the period the following transactions took place with companies that are associated with A.B.M. Catering Limited due to being under common control. A.B.M. Catering Limited made sales of £1,452,318 (2019: £1,618,708) net of commission and the balance due to A.B.M. Catering Limited at 31 July 2020 was £302,854 (2019: £244,662).

### 27 ULTIMATE CONTROLLING PARTY

The ultimate controlling party is P Coates and his family.