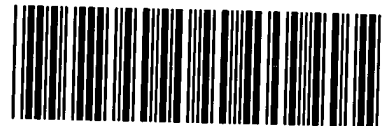


Registered number: 03893038

THE GOOD EATING COMPANY LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

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THE GOOD EATING COMPANY LIMITED

COMPANY INFORMATION

Directors

D I Bailey
J M Renton
Julie Ennis (appointed 21 March 2023)

Company secretary

Sodexo Corporate Services (No.2) Limited

Registered number

03893038

Registered office

One, Southampton Row
London
England
WC1B 5HA

Independent auditors

Mazars LLP
Chartered Accountants and Statutory Auditor
30 Old Bailey
London
EC4M 7AU

THE GOOD EATING COMPANY LIMITED

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THE GOOD EATING COMPANY LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2022

Introduction

The directors present their annual report and audited financial statements for the year ended 31 August 2022.

The principal activity of the Company during the year was the provision of catering in the corporate sector in the UK and Ireland.

Business review

The loss for the year, after taxation, amounted to £168,000 (2021 - loss £1,188,000).

The balance sheet shows the company has net liabilities of £1,404,000 at 31 August 2022 (2021 - £1,236,000).

Given the position of the Company within its wider Group, the directors are satisfied with the results for the year.

Financial key performance indicators

The directors monitor the performance of the Company with reference to internal budgets and industry averages. These are considered sufficient to provide an overview of business performance relative to expectations and market trends. The following key performance indicators are to be considered of paramount importance.

Revenue growth

Revenue has increased year on year by £6,561,000 (175.8% increase). Growth in revenue has been driven by the return of client employee population back to office workspace post Covid-19.

Operating profit margin

Operating profit margin has increased from -39.2% to -3.2% in the year. Improved profit performance reflects the phased return of business volumes post Covid-19.

Principal risks and uncertainties

Financial risks and their management

As part of its ordinary activities the Company is exposed to a number of financial risks including liquidity risk, credit risk and interest rate risk. The Company proactively monitors these risks to ensure that they are managed appropriately.

Liquidity risks

The Company manages its cash to ensure that there are sufficient liquid resources to meet the operational needs of its business activities.

Credit risk

Receivable balances are monitored on an ongoing basis to ensure that the credit lines offered are appropriate and provision is made for doubtful debts where considered necessary, although the majority of the Company's clients are of large company status and of long-standing repute.

Interest rate risk

Interest rate risk is not considered to represent a significant risk at this time. The interest bearing liabilities are insignificant in total and, as such, enable management to plan and structure the business accordingly to reflect any interest costs that may arise efficiently.

THE GOOD EATING COMPANY LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

Commercial relationships

The Company's business activity is centered on a core base of close commercial relationships built over a long period of time. Any risk to the loss of these contracts is managed through regular reviews and contact with the relationship manager to ensure that the Company responds to their needs and delivers the service levels that they expect.

Regulatory compliance

The company's main risk in this regard is considered to be that in relation to health and safety compliance and this particular issue is regularly reviewed and monitored by management and external experts in order to ensure that the highest standard possible is achieved.

Personnel

The Company's personnel risk focuses on the ability to attract and retain skilled individuals to deliver its growth plans. The employment policies, remuneration and benefits packages are regularly reviewed to ensure that they remain competitive in the sector. The Company also monitors employees to identify high performing individuals and ensure that they are developed and progressed within the company as seamlessly as possible.

Covid-19

The Covid-19 pandemic affected the Company's operations in UK&I from March 2020 through to the end of FY22. The overall business, while heavily impacted, was resilient during this time. Labour supply was protected through accessing the Coronavirus Job Retention Scheme during the peak of the pandemic for areas affected. Going forward, Covid-19 or another pandemic, continues to represent a significant risk to the operations, with impacts closely monitored and steps continue that build operational and commercial resilience.

Economic and political risks: inflation and Ukraine situation

The Good Eating Company is exposed to fluctuations in cost and supply of food, labour and other goods. Many of The Good Eating Company contracts include certain clauses allowing for increases in prices or menu changes. During inflationary periods such as now, the established upfront planning of inflation recovery with clients, tariff management, cost optimisation, and steps to secure supply at competitive prices are more critical to protect margins.

To date the main impacts of the war in Ukraine on The Good Eating Company operations, are inflation and supply of some specific goods, with our directors and teams vigilant and having established means to secure alternative supplies as required. The Company and the ultimate parent, Sodexo S.A., do not operate in Russia or Ukraine.

This report was approved by the board on 8 June 2023 and signed on its behalf.



J M Renton
Director

THE GOOD EATING COMPANY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2022

The directors present their report and the financial statements for the year ended 31 August 2022.

Results and dividends

The loss for the year, after taxation, amounted to £168,000 (2021 - loss £1,188,000).

The directors do not recommend the payment of a final dividend (2021 - £Nil).

Directors

The directors who served during the year were:

D I Bailey
J M Renton

Overseas branches

The Company operates a branch in the Republic of Ireland.

Going concern

The directors continue to adopt the going concern basis in the preparation of the financial statements.

The Company forms part of the Sodexo UK and Ireland group of companies, together the "UK&I Group", which is part of the wider Sodexo Group headed by Sodexo S.A. The principal activity of the UK&I Group is to provide facilities management and catering services across the UK and Ireland, operating across various segments such as education, sports and leisure, corporate services, government and healthcare.

The company meets its day to day working capital requirements from operational cash flows, cash pooling and intercompany loan arrangements within the UK&I Group.

The UK&I Group has remained resilient throughout the adverse changes in the economic environment as a result of tight management of cash and balance sheet, and strong retention of existing contracts, alongside the spread of business across food and facilities management services, and across public and private sector clients as well as the strong inflation management processes in place. In addition, the UK&I Group continues to see opportunities for organic growth with new contracts in the pipeline. However, we remain prepared for further macro-economic impacts with agility, good commercial management, and careful cost control continuing to be critical.

To inform the basis of preparation of these accounts, the directors have considered cash and profit forecasts for forward trade over the next 12 months of the UK&I Group, based on the facts we have now. These forecasts include a severe but plausible downside scenario which models a deterioration in gross margin as a result of operational performance, a downturn in revenues due to contracts of key clients not being renewed and the under recovery of inflation. The forecasts indicate that the UK&I Group will continue to be resilient in the current macro-economic environment. Routine peaks in cash requirements during the trading cycle will be funded from an overdraft facility with the parent company, Sodexo S.A., if necessary. In a worst-case scenario, the Company could draw upon additional funding from its ultimate parent company to enable it to meet its liabilities as they fall due during the 12 month period from the signing of these accounts.

Sodexo S.A., which currently has a strong credit rating of Baa1 from Moody's Investors Service, has indicated its intention, by a letter of support, to continue to make available such funds as are needed by the company during the going concern assessment period. 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.

THE GOOD EATING COMPANY LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

Going concern (continued)

Based on these analyses and facts, the directors believe that the Company will be able to continue to meet its liabilities as they fall due for at least the next 12 months and therefore have prepared the financial statements on a going concern basis.

Engagement with employees

Employment

The Company operates an equal opportunities employment policy and is opposed to all forms of discrimination. Our selection processes are non-discriminatory and always seek to give full and fair consideration to those with disabilities for all vacancies, taking into account their aptitudes and skills. In the event of employees becoming disabled, every effort is made to ensure their employment with the Company continues and appropriate training arranged. So far as possible the Company ensures that the training, career development and promotion of any disabled person is identical to that of a colleague who does not suffer from such a disability.

Employee engagement and recognition

It is important to us that our employees are fully engaged with the business strategy and objectives. We achieve this objective through a regular programme of briefings and updates via local managers.

Learning and development

We continue to grow talent by providing necessary training through our development programmes which are tailored to meet the needs and demands of the individual, teams and unit managers.

Social interaction

We promote an inclusive working environment providing our people with opportunities to excel whilst having fun. We encourage our people to get involved in social activities organised by us and also charity work supporting fantastic causes.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditors

The auditors, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 8 June 2023 and signed on its behalf.



J M Renton
Director

THE GOOD EATING COMPANY LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

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

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

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

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

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

THE GOOD EATING COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE GOOD EATING COMPANY LIMITED

Opinion

We have audited the financial statements of The Good Eating Company Limited ("the Company") for the year ended 31 August 2022 which comprise the Statement of Total Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statement, 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 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 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 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

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our audit procedures to evaluate the Directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included but were not limited to:

- Undertaking an initial assessment at the planning stage of the audit to identify events or conditions that may cast significant doubt on the company's ability to continue as a going concern;
- Obtaining an understanding of the relevant controls relating to the Directors' going concern assessment;
- Evaluating the Directors' method to assess the company's ability to continue as a going concern;
- Reviewing the Directors' going concern assessment, which incorporated severe but plausible scenarios;
- Evaluating the key assumptions used and judgements applied by the Directors in forming their conclusions on going concern; and
- Reviewing the appropriateness of the Directors' disclosures in the financial statements.

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

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

THE GOOD EATING COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE GOOD EATING COMPANY LIMITED (CONTINUED)

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 contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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 Directors' report for the financial year 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.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and the Directors' report.

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

- adequate accounting records have not been kept, 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.

THE GOOD EATING COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE GOOD EATING COMPANY LIMITED (CONTINUED)

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 5, 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 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 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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the Company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation, non-compliance with implementation of government support schemes relating to COVID-19.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the Company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation and the Companies Act 2006.

In addition, we evaluated the Directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to revenue recognition and significant one-off or unusual transactions.

THE GOOD EATING COMPANY LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE GOOD EATING COMPANY LIMITED
(CONTINUED)**

Our audit procedures in relation to fraud included but were not limited to:

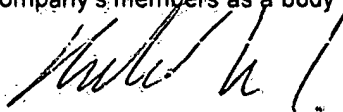
- Making enquiries of the Directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Use of the audit 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.



Richard Karmel (Senior Statutory Auditor)

for and on behalf of

Mazars LLP

Chartered Accountants and Statutory Auditor

30 Old Bailey
London
EC4M 7AU

8 June 2023

THE GOOD EATING COMPANY LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	2022 £000	2021 £000
Turnover	4	10,293	3,732
Cost of sales		<u>(9,423)</u>	<u>(4,561)</u>
Gross profit/(loss)		870	(829)
Administrative expenses		<u>(1,699)</u>	<u>(1,938)</u>
Other operating income	5	<u>500</u>	<u>1,303</u>
Operating loss	6	(329)	(1,464)
Interest payable and similar expenses	9	<u>(30)</u>	<u>(19)</u>
Loss before tax		(359)	(1,483)
Tax on loss	10	<u>191</u>	<u>295</u>
Loss for the financial year		<u>(168)</u>	<u>(1,188)</u>

There was no other comprehensive income for 2022 (2021:£NIL).

The notes on pages 13 to 28 form part of these financial statements.

All activities of the company are considered as continuing.

THE GOOD EATING COMPANY LIMITED
REGISTERED NUMBER: 03893038

STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2022

	Note	2022 £000	2021 £000
Non current assets			
Tangible fixed assets	11	255	1,057
		<u>255</u>	<u>1,057</u>
Current assets			
Stocks	12	90	104
Debtors	13	2,356	1,399
Cash at bank and in hand		144	807
		<u>2,590</u>	<u>2,310</u>
Creditors: amounts falling due within one year	14	(4,249)	(3,904)
Net current liabilities		<u>(1,659)</u>	<u>(1,594)</u>
Total assets less current liabilities		<u>(1,404)</u>	<u>(537)</u>
Creditors: amounts falling due after more than one year	15	-	(521)
Provisions for liabilities			
Other provisions	17	-	(178)
		<u>-</u>	<u>(178)</u>
Net liabilities		<u>(1,404)</u>	<u>(1,236)</u>
Capital and reserves			
Called up share capital	19	200	200
Profit and loss account		(1,604)	(1,436)
		<u>(1,404)</u>	<u>(1,236)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 8 June 2023.



J M Renton
Director

The notes on pages 13 to 28 form part of these financial statements.

THE GOOD EATING COMPANY LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2022**

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 September 2020	200	(248)	(48)
Loss for the year		(1,188)	(1,188)
At 1 September 2021	200	(1,436)	(1,236)
Loss for the year		(168)	(168)
At 31 August 2022	200	(1,604)	(1,404)

The notes on pages 13 to 28 form part of these financial statements.

THE GOOD EATING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

1. General information

The Good Eating Company Limited is a private company limited by shares incorporated, domiciled and registered in England and Wales. The registered number is 03893038 and the registered office is One, Southampton Row, London, England, WC1B 5HA.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The presentational currency of the financial statements is pound sterling (£). All amounts are rounded to the nearest £1,000.

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

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 101 - reduced disclosure exemptions

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

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

This information is included in the consolidated financial statements of Sodexo S.A. as at 31 August 2022 and these financial statements may be obtained from The Secretary, Sodexo S.A., 225 Quai de la Bataille de Stalingrad, 92866 Issy-Les-Moulineaux, France.

2.3 Going concern

The directors continue to adopt the going concern basis in the preparation of the financial statements.

The Company forms part of the Sodexo UK and Ireland group of companies, together the "UK&I Group", which is part of the wider Sodexo Group headed by Sodexo S.A. The principal activity of the UK&I Group is to provide facilities management and catering services across the UK and Ireland, operating across various segments such as education, sports and leisure, corporate services, government and healthcare.

The company meets its day to day working capital requirements from operational cash flows, cash pooling and intercompany loan arrangements within the UK&I Group.

The UK&I Group has remained resilient throughout the adverse changes in the economic environment as a result of tight management of cash and balance sheet, and strong retention of existing contracts, alongside the spread of business across food and facilities management

THE GOOD EATING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

2. Accounting policies (continued)

2.3 Going concern (continued)

services; and across public and private sector clients as well as the strong inflation management processes in place. In addition, the UK&I Group continues to see opportunities for organic growth with new contracts in the pipeline. However, we remain prepared for further macro-economic impacts with agility, good commercial management, and careful cost control continuing to be critical.

To inform the basis of preparation of these accounts, the directors have considered cash and profit forecasts for forward trade over the next 12 months of the UK&I Group, based on the facts we have now. These forecasts include a severe but plausible downside scenario which models a deterioration in gross margin as a result of operational performance, a downturn in revenues due to contracts of key clients not being renewed and the under recovery of inflation. The forecasts indicate that the UK&I Group will continue to be resilient in the current macro-economic environment. Routine peaks in cash requirements during the trading cycle will be funded from an overdraft facility with the parent company, Sodexo S.A., if necessary. In a worst-case scenario, the Company could draw upon additional funding from its ultimate parent company to enable it to meet its liabilities as they fall due during the 12 month period from the signing of these accounts.

Sodexo S.A., which currently has a strong credit rating of Baa1 from Moody's Investors Service, has indicated its intention, by a letter of support, to continue to make available such funds as are needed by the company during the going concern assessment period. 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.

Based on these analyses and facts, the directors believe that the Company will be able to continue to meet its liabilities as they fall due for at least the next 12 months and therefore have prepared the financial statements on a going concern basis.

2.4 Leases

The Company as a lessee

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the

THE GOOD EATING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

2. Accounting policies (continued)

2.4 Leases (continued)

options; and

- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is included in 'Creditors' on the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Company has elected not to assess whether rent concessions occurring as a direct consequence of the covid-19 pandemic are lease modifications.

The Company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in note 2.13.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient.

THE GOOD EATING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

2. Accounting policies (continued)

2.5 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is Pounds Sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.6 Revenue

Revenue is recognised in the period in which services are provided in accordance with the terms of the contractual relationships with third parties. Revenue represents the fair value of the consideration received or receivable for goods and services provided in the normal course of business, excluding value added tax and similar sales taxes.

Sale of goods

Revenue is recognised at the point of sale for food, beverages and similar eatable items.

Management fee contracts

Revenue from management fee contracts comprises the total of sales made to consumers, the subsidy charged to clients, together with the management fee charged to clients.

Fixed price contracts

Revenue from fixed price contracts is recognised in proportion to the volume of services that the Company is contracted to supply in each period.

2.7 Government grants

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

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

2.8 Interest income

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

2.9 Finance costs

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

THE GOOD EATING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

2. Accounting policies (continued)

2.10 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.11 Current and deferred taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or 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 balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are nontaxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

2.12 Tangible fixed assets

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

THE GOOD EATING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

2. Accounting policies (continued)

2.12 Tangible fixed assets (continued)

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

Depreciation is provided on the following basis:

Plant and machinery	- 2 - 5 years
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

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

2.13 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.14 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

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

2.15 Debtors

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

2.16 Cash and cash equivalents

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

THE GOOD EATING COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

2. Accounting policies (continued)

2.17 Creditors

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

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

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.19 Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instruments.

Basic financial instruments are initially recorded at the transaction price, unless the arrangement constitutes, in effect, a financing transaction, which it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Other financial instruments are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income immediately.

Any reversals of impairment are recognised in the Statement of Comprehensive Income immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

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

There are no critical accounting judgements or estimates which would materially affect the financial statements.

THE GOOD EATING COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

4. Turnover

The whole of the turnover is attributable to the provision of catering in the corporate sector in UK and Ireland.

Analysis of turnover by country of destination:

	2022 £000	2021 £000
United Kingdom	9,696	3,279
Rest of Europe	597	453
	<u>10,293</u>	<u>3,732</u>

5. Other operating income

	2022 £000	2021 £000
Other operating income	500	-
Government grants receivable	-	1,303
	<u>500</u>	<u>1,303</u>

Other operating income includes profit on sale of rights, interest and title to Intellectual Property of The Good Eating Company Limited. During previous year, the Company accessed the UK Government's Coronavirus Job Retention Scheme. Government grants receivable represent the reimbursement of the wages of certain employees who had been furloughed but were kept on the payroll.

6. Operating loss

The operating loss is stated after charging:

	2022 £000	2021 £000
Depreciation of tangible fixed assets	323	359
Impairment of tangible fixed assets	250	-
Defined contribution pension cost	110	114
	<u>683</u>	<u>473</u>

THE GOOD EATING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

7. Auditors' remuneration

During the year, the Company obtained the following services from the Company's auditors and their associates:

	2022 £000	2021 £000
Fees payable to the Company's auditors and their associates for the audit of the Company's financial statements	20	16

8. Employees

Staff costs were as follows:

	2022 £000	2021 £000
Wages and salaries	5,558	3,658
Social security costs	485	396
Cost of defined contribution scheme	110	114
	<u>6,153</u>	<u>4,168</u>

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

	2022 No.	2021 No.
Catering	136	153
Directors	1	1
Management and administration	17	12
	<u>154</u>	<u>166</u>

9. Interest payable and similar expenses

	2022 £000	2021 £000
Other loan interest payable	15	1
Loans from group undertakings	5	3
Finance leases and hire purchase contracts	10	15
	<u>30</u>	<u>19</u>

THE GOOD EATING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

10. Taxation

	2022 £000	2021 £000
Corporation tax		
Current tax on profits for the year	(66)	(388)
Adjustments in respect of previous periods	35	(7)
	<u>(31)</u>	<u>(395)</u>
Foreign tax		
Foreign tax on income for the year	7	14
Foreign tax in respect of prior periods	(1)	(11)
	<u>6</u>	<u>3</u>
Total current tax	<u>(25)</u>	<u>(392)</u>
Deferred tax		
Origination and reversal of timing differences	(102)	83
Impact of rate change	(41)	(8)
Adjustments in respect of previous years	(23)	22
Total deferred tax	<u>(166)</u>	<u>97</u>
Taxation on loss on ordinary activities	<u>(191)</u>	<u>(295)</u>

THE GOOD EATING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

10. Taxation (continued)

Factors affecting tax charge for the year

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.

An increase in the UK corporation tax rate from 19% to 25% (effective from 1 April 2023) was substantively enacted on 24 May 2021. The deferred tax assets have been measured using appropriate rates substantively enacted at the balance sheet date and according to the period in which the deferred tax asset is expected to reverse. The total tax credit (2021 - credit) for the year is higher than (2021 - higher than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £000	2021 £000
Loss on ordinary activities before tax	(359)	(1,483)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(69)	(281)
Effects of:		
Adjustments in respect of previous years	11	4
Expenses not deductible for tax purposes	3	(10)
Income not chargeable to tax	(95)	-
Impact of rate change on deferred tax balances	(41)	(8)
Total tax credit for the year	(191)	(295)

THE GOOD EATING COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

11. Tangible fixed assets

	Leasehold property £000	Plant and machinery £000	Total £000
Cost or valuation			
At 1 September 2021	1,074	626	1,700
Disposals	(363)	-	(363)
At 31 August 2022	<u>711</u>	<u>626</u>	<u>1,337</u>
Depreciation			
At 1 September 2021	360	283	643
Charge for the year on owned assets	-	55	55
Charge for the year on right-of-use assets	268	-	268
Disposals	(134)	-	(134)
Impairment charge	-	250	250
At 31 August 2022	<u>494</u>	<u>588</u>	<u>1,082</u>
Net book value			
At 31 August 2022	<u>217</u>	<u>38</u>	<u>255</u>
At 31 August 2021	<u>714</u>	<u>343</u>	<u>1,057</u>

The net book value of owned and leased assets included as "Tangible fixed assets" in the Statement of Financial Position is as follows:

	2022 £000	2021 £000
Tangible fixed assets owned	38	343
Right-of-use tangible fixed assets	217	714
	<u>255</u>	<u>1,057</u>

THE GOOD EATING COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

11. Tangible fixed assets (continued)

Information about right-of-use assets is summarised below:

Net book value

	2022	2021
	£000	£000
Leasehold property	217	714
	<u>217</u>	<u>714</u>

Depreciation charge for the year ended

	2022	2021
	£000	£000
Other tangible fixed assets	268	289
	<u>268</u>	<u>289</u>

12. Stocks

	2022	2021
	£000	£000
Finished goods and goods for resale	90	104
	<u>90</u>	<u>104</u>

13. Debtors

	2022	2021
	£000	£000
Trade debtors	1,252	457
Amounts owed by group undertakings	582	793
Other debtors	66	5
Prepayments and accrued income	252	106
Deferred taxation	204	38
	<u>2,356</u>	<u>1,399</u>

No interest is receivable on intercompany balances and are receivable on demand.

THE GOOD EATING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

14. Creditors: Amounts falling due within one year

	2022 £000	2021 £000
Trade creditors	740	642
Amounts owed to group undertakings	2,296	1,207
Corporation tax	-	14
Other taxation and social security	472	1,318
Lease liabilities	248	361
Other creditors	233	98
Accruals and deferred income	260	264
	<u>4,249</u>	<u>3,904</u>

No interest is payable on intercompany balances and are repayable on demand.

15. Creditors: Amounts falling due after more than one year

	2022 £000	2021 £000
Lease liabilities	-	521
	<u>-</u>	<u>521</u>

16. Deferred taxation

	2022 £000	2021 £000
At beginning of year	38	135
Charged to profit or loss	166	(97)
At end of year	<u>204</u>	<u>38</u>

THE GOOD EATING COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

16. Deferred taxation (continued)

The deferred tax asset is made up as follows:

	2022 £000	2021 £000
Accelerated capital allowances	130	35
Short-term timing differences	74	3
	204	38

17. Provisions

	Restructuring £000
At 1 September 2021	178
Utilised in year	(178)
At 31 August 2022	-

Provisions were made in the previous year for redundancy costs relating to internal restructuring which were utilised within the current year.

18. Leases

Company as a lessee

Lease liabilities under IFRS 16 are due as follows:

Contractual undiscounted cash flows are due as follows:

	2022 £000	2021 £000
Not later than one year	248	361
Between one year and five years	-	443
Later than five years	-	78
	248	882

THE GOOD EATING COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

18. Leases (continued)

The following amounts in respect of leases, where the Company is a lessee, have been recognised in profit or loss:

	2022	2021
	£000	£000
Expenses relating to leases of low-value assets or short-term leases	144	39
Interest expense on lease liabilities	10	15
	<u>154</u>	<u>54</u>

19. Share capital

	2022	2021
	£000	£000
Allotted, called up and fully paid		
200,100 (2021 - 200,100) Ordinary shares of £1.00 each	200	200
	<u>200</u>	<u>200</u>

20. Pension commitments

The company made contributions in respect of staff totalling £110,000 (2021: £114,000) to pension schemes in the period. There were no outstanding contributions at either balance sheet date.

21. Controlling party

The company is a subsidiary of The Good Eating Holdings Company Limited, a company registered in England and Wales.

The Company's ultimate parent company and controlling party is Sodexo SA, a company incorporated in France. This is the smallest group of undertakings for which consolidated financial statements are prepared. Copies of the consolidated financial statements can be obtained from The Secretary, Sodexo SA, 225 Quai de la Bataille de Stalingrad, 92866 Issy-Les-Moulineaux, France.