

COMPASS GROUP FINANCE NETHERLANDS B.V.

Registered office: Haaksbergweg 70, 1101 BZ Amsterdam

Registration number: 71916970

ANNUAL REPORT 2022

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DIRECTORS' REPORT

The Board of Directors of Compass Group Finance Netherlands B.V. (the "Company") hereby presents its financial statements for the year ended 30 September 2022 (the "financial year").

GENERAL INFORMATION

The Company's business objectives are providing financial support to other companies within a group of companies referred to as the "Compass Group" or the "Group". Compass Group PLC, a company incorporated in England and Wales and listed on the London Stock Exchange, is the ultimate parent company of the Compass Group. When making decisions, management of the Company takes into account the outcome of the decision for the Company as well as the outcome for Compass Group as a whole. The Company is a wholly owned direct subsidiary of Compass Group International B.V., a company incorporated in the Netherlands.

FINANCIAL INFORMATION

In the financial year ended 30 September 2022 the Company continued to be an issuer under the GBP 6 billion Euro Medium Term Note programme (the "Programme") maintained by Compass Group PLC and the Company. The most recent annual update of the Programme was completed on 15 July 2022.

The Company has previously issued notes under the Programme as further described in note 1 to the financial statements below. Any proceeds received by the Company from noteholders under the Programme have been lent to Compass Group PLC under inter-company loans with the intention that any interest received from such loans is used by the Company to fund interest payments due to noteholders.

The Compass Group is fully committed to a sustainable future. In the financial year ended 30 September 2022, Compass Group PLC launched a Sustainable Financing Framework (the "Framework") to enable the Compass Group to issue green, social and sustainability bonds, as well as other types of financing in support of its environmental, social and governance ("ESG") objectives, including its global climate net zero commitment. The Framework identified a number of eligible sustainable projects for which the sustainable financing may be used, as well as the governance around selecting and managing projects.

Following the launch of this Framework, on 8 September 2022, the Company successfully issued €500 million 3.0% sustainable guaranteed notes due 2030 ("2030 Notes") under the Programme. As has been the case with prior issuances, the proceeds received by the Company in respect of the 2030 Notes were lent to Compass Group PLC under an inter-company loan with the intention that any interest received from such loan is used by the Company to fund payments due to noteholders. Under the terms of the Programme, Compass Group PLC unconditionally and irrevocably guarantees any amounts due by the Company in respect of notes issued by it under the Programme. In accordance with the final terms of the 2030 Notes, the proceeds of the 2030 Notes are to be used by Compass Group PLC to finance and/or refinance sustainable projects. The Company intends to work with the management of Compass Group PLC to approve, review and report on the use of the proceeds of the 2030 Notes.

As an issuer of debt securities admitted to the Official List of the UK Financial Conduct Authority and to trading on the (non-EU) regulated market of the London Stock Exchange, the Company is required to comply with, among others, certain obligations included in the UK Listing Rules and Disclosure Guidance and Transparency Rules made under section 73A of the UK Financial Services and Markets Act 2000 to the extent applicable to the issuers of debt securities.

Income statement review

For the financial year ended 30 September 2022, net finance income was €1,240 thousand (2021: €1,219 thousand). The Company's net finance income is primarily derived from the positive difference between interest income on its inter-company loans to Compass Group PLC in an amount of €16,029 thousand (2021: €15,032 thousand) and the interest expense to the noteholders and banks in the amount of €14,789 thousand (2021: €13,813 thousand).

Profit before tax was €1,024 thousand (2021: €1,000 thousand), which is in line with the prior financial year.

Balance sheet review

As described under the section titled "Financial Information" above, on 8 September 2022, the Company issued the 2030 Notes and lent the proceeds to Compass Group PLC. The total assets and total liabilities of the Company increased accordingly.

Cash flow review

During the financial year ended 30 September 2022, the Company paid interest on the notes issued under the Programme in cash in a net amount of €12,188 thousand (2021: €12,188 thousand) and received interest from Compass Group PLC on the inter-company loan receivables in the amount of €13,438 thousand (2021: €13,438 thousand).

DIRECTORS' REPORT CONTINUED

SIGNIFICANT RISKS AND UNCERTAINTIES

The Company has processes and procedures in place which ensure that the significant risks of the Company are mitigated. The Board of Directors manages the Company's risks in line with the policies and procedures of Compass Group PLC, the ultimate parent company of the Company. As the Company is a financing company, the main risks for the Company relate to financial risks through its financial assets and liabilities, as discussed below. In managing these risks, the Company works closely with management of Compass Group PLC.

As part of the annual business cycle, the Board of Directors participates in a biannual formal risk assessment process on key financial controls. As part of this process, the Board of Directors identifies and documents major risks and appropriate mitigating activities and controls, and monitors and reports to Compass Group PLC the effectiveness of these controls. The Directors also sign biannual confirmations of compliance with key procedures and reports any breakdowns in, or exceptions to, these procedures.

The Compass Group also has formal procedures in place, with clearly designated levels of authority, for approving financial investments to which the Company adheres.

The principal risks and uncertainties facing the Company at the date of this Report and the systems and processes the Company has in place to manage and mitigate these risks are as follows:

- **Financial risks:** The Company is subject to a counterparty credit risk because it is reliant on the receipt of payments under inter-company loans to Compass Group PLC in order to satisfy any payment obligations under the Programme notes, as described above. The principal risks that would have the most significant impact on Compass Group's business model, future performance, solvency or liquidity are further outbreaks of COVID-19 or another pandemic and associated containment measures, geopolitical tensions, economic conditions and food and labour cost inflation. Further information on these and the other principal risks facing the business of Compass Group PLC are identified on pages 24 to 28 of the annual report of Compass Group PLC for the year ended 30 September 2022, which can be obtained on www.compass-group.com. Other principal financial risks facing the Company are identified in the section titled "Information Regarding Financial Instruments", as well as note 11 to the financial statements below.
- **Regulatory and political environment:** The Company currently operates in the Netherlands and is subject to UK regulatory obligations applicable to the issuers of debt securities listed on the London Stock Exchange. Together with the management of Compass Group PLC, the Company's management monitors the developments in these countries and consults with Compass Group PLC's management on appropriate actions where possible. These countries are considered to have stable regulatory and political environments. The Board of Directors considers the risk level from the exposure in these countries to be acceptable.
- **Information systems and technology:** The digital world creates increasing risk for global businesses including, but not limited to, technology failures, loss of confidential data and damage to brand reputation. The Company relies on a variety of digital and technology platforms in order to maintain the Company's financial and legal records. Disruption caused by the failure of key software applications, security controls or underlying infrastructure could delay day-to-day operations and management decision making. The Company uses dedicated IT personnel from other Compass Group companies to mitigate the risk of technology failure and data loss. As a result, the Board of Directors considers the Company's exposure to information systems and technology risks to be acceptable.
- **Capital Risk Management:** The Company manages its capital structure to ensure that it will be able to continue as a going concern. The capital structure of the Company consists of debt, which includes the borrowings disclosed in note 10 to the financial statements; and equity attributable to equity shareholders of the Company, comprising issued share capital, share premium and other reserves as disclosed in the statement of changes in equity.
- **Tax risk:** The international corporate tax environment remains complex and the sustained increase in audit activity from tax authorities means that the potential for tax uncertainties and disputes remains high. A degree of uncertainty is inevitable in estimating the Company's tax liabilities. The Company is part of a fiscal unity for corporate income tax purposes in which Compass Group International B.V. acts as the head of the fiscal unity. The Company mitigates its exposure to tax risks through the activities of a dedicated tax team whose responsibilities include monitoring changes and risks to the fiscal unity. The corporate income tax for all entities included in the fiscal unity is accounted for by the head of the fiscal unity and is not charged to the entities included in the fiscal unity. The Company is jointly and severally liable for all income tax debts of the fiscal unity. The risks to the fiscal unity are reported and assessed by the Board of Directors on a timely basis and the Board of Directors considers the Company's exposure to the current identified tax risks to be acceptable.

DIRECTORS' REPORT CONTINUED

SIGNIFICANT RISKS AND UNCERTAINTIES (CONTINUED)

- **Fraud risk assessment:** The Company works together with the management of Compass Group PLC on identifying and reducing fraud risk. The Compass Group's zero tolerance-based Code of Business Conduct and Code of Ethics continue to govern all aspects of its relationships with key stakeholders. Compass Group embraces a continuous improvement process as part of the Group's Ethics and Integrity programme to strengthen its culture of integrity, sharing insights and emerging trends between regional and country management teams. The Compass Group undertakes a robust risk management assessment that helps properly identify major risks and ensures the internal control framework remains effective through regular monitoring, testing and review. Regulatory and compliance risks are included in this process to enable visibility and planning to address them. A strong culture of integrity is promoted through Compass Group's Ethics and Integrity programme and its independently operated Speak Up, We're Listening helpline and web platform. All alleged breaches of the Codes, including any allegations of fraud, bribery and corruption, anti-competitive behaviour and other serious misconduct, are followed up, investigated and dealt with appropriately. Regulation and compliance risk is also considered as part of the annual business planning process. The Compass Group Ethics and Integrity eLearning platform provides increased engagement on key regulatory and ethics and integrity topics for Group employees and clear communication of standards and expectations. The Board of Directors considers the Company's exposure to fraud risk to be acceptable.

Additional risks and uncertainties not presently known to the management of the Company, or deemed to be less material at the date of this Report, may also have an adverse effect on the Company.

CORPORATE RESPONSIBILITY

As the Company is a financing company, the effect of any actions of the Company with regards to corporate responsibility is limited.

PERSONNEL-RELATED INFORMATION

The Board of Directors consists of one male and one female director, which results in a male/female ratio above 30%. Both directors reside in the Netherlands. The Company had no employees during the financial year ended 30 September 2022 (2021: None). The activities of the Company are performed by employees based in the Netherlands and employed by the direct parent company of the Company. The Company is being recharged for these services.

RESEARCH AND DEVELOPMENT

As the Company is a financing company, there were no research and development activities by the Company during the financial year (2021: None).

INFORMATION REGARDING FINANCIAL INSTRUMENTS

The Company continues to manage its interest rate and foreign currency exposure in accordance with the policies set out below. The Company's financial instruments comprise cash, borrowings from external counterparties and Compass Group undertakings, receivables and payables that are used to finance the Company's operations. The Company does not hold or trade in derivative instruments.

Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its financial obligations as they fall due.

The Company finances its operations through borrowings from a number of sources including the public markets and share capital and share premium from its parent company. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company aims to maintain the level of cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities over the immediately following 60 days except for the interest payments for which the cash outflow is matched by a cash inflow on the same day.

The Company has the option to match the maturity of its financial assets to the maturity of its financial liabilities.

Foreign currency risk

The Company's policy is to match as far as possible its principal projected cash flows by currency to actual or effective borrowings in the same currency. Currently the Company only has assets and liabilities denominated in euros. Therefore, the Company is not subject to any currency risk. Notes 5 and 11 of the financial statements disclose information on the currencies of receivables and borrowings.

Interest rate risk

The Company's policy is to ensure that, in the short term, it is not materially exposed to fluctuations in interest rates in its principal currencies. The Company implements this policy by matching interest rates on borrowings to the interest rate on receivables where possible, allowing for a net positive margin, and by borrowing at a fixed rate where it is beneficial to do so. Currently the Company has no variable rate instruments.

The Company does not enter into derivative and/or hedge contracts and does not apply hedge accounting.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. In the case of the Company, this risk arises principally from the Company's receivables from Compass Group PLC. The principal risks and uncertainties facing the business of Compass Group PLC are identified on pages 24 to 28 of the annual report of Compass Group PLC for the year ended 30 September 2022, which can be obtained on www.compass-group.com.

Further information on the financial risks faced by the Company is included in note 11 of the financial statements.

DIRECTORS' REPORT CONTINUED

CONTROL FRAMEWORK FOR FINANCIAL REPORTING

The Company uses standard financial reporting software for preparing its financial statements. All fair value valuations in the financial reports are prepared by the Compass Group valuation team and reviewed by the Company's management.

INFORMATION REGARDING SOCIAL ASPECTS OF OPERATING THE BUSINESS

As the Company is a financing company, the Company has only limited impact on social aspects.

REMUNERATION OF MANAGING AND SUPERVISORY DIRECTORS

The members of the Board of Directors receive no remuneration from the Company (2021: Nil).

INFORMATION CONCERNING APPLICATION OF CODE OF CONDUCT

The Company is committed to the highest standards of ethics and integrity and expects all of its board members to act accordingly. The Compass Group's zero tolerance-based Code of Business Conduct and Code of Ethics continue to govern all aspects of its relationships with key stakeholders. Compass Group embraces a continuous improvement process as part of its Ethics and Integrity programme to strengthen its culture of integrity, sharing insights and emerging trends between regional and country management teams. A strong culture of integrity is promoted through Compass Group's Ethics and Integrity programme and its independently operated Speak Up, We're Listening helpline and web platform. All alleged breaches of the Codes, including any allegations of fraud, bribery and corruption, anti-competitive behaviour and other serious misconduct, are followed up, investigated and dealt with appropriately. This process is managed at Group level by the Compass Group Ethics & Integrity team. The Compass Group Executive Committee maintains overall oversight of the Ethics & Integrity programme activities and strategy developed and managed by the Group Head of Ethics and Integrity and dedicated team of specialist resources. The Compass Group PLC Audit Committee and Corporate Responsibility Committee oversee programme implementation and continued improvement, business integrity risk management and the system of internal controls in accordance with their respective terms of reference. No breaches of the Codes or other incidents have been reported to the Company's management team.

MANAGEMENT STATEMENT

The financial statements for the financial year ended 30 September 2022, which have been prepared in accordance with the International Financial Reporting Standards ("IFRS"), as adopted by the European Union and the Dutch Civil Code, give a true and fair view of the assets, liabilities, the financial position and the profit or loss of the Company. The Directors' Report includes a fair review of the development and performance of the Company together with a description of the principal risks and uncertainties faced by the Company, as required pursuant to section 5:25d(8)/(9) of the Dutch Financial Markets Supervision Act ("Wet op het financieel toezicht").

FUTURE DEVELOPMENTS

The Board of Directors of the Company does not expect any changes in the Board's members.

As the Company is a financing company within the Compass Group, the Company's assets consist principally of the Company's loans to related parties. The ability to satisfy any liabilities is dependent upon the Company's receipt of interest payments from those related parties. Following the review of the annual report of Compass Group PLC for the year ended 30 September 2022, as the main debtor of the Company, and the possible impact which the risks and uncertainties described in this report for Compass Group PLC could have on the financial results of the Company, the Board of Directors concluded that there is currently no reason to believe that Compass Group PLC will not be able to comply with all its obligations to the Company and therefore the Company will continue to be able to comply with all its obligations to the holders of notes issued by it under the Programme. Furthermore, the Company's obligations under the Programme have been guaranteed by Compass Group PLC, as noted in the section titled "Financial Information" above. The Board of Directors believes that the Company has adequate resources to continue in operational existence for the foreseeable future and therefore continues to adopt the going concern basis in preparing its financial statements.

There are at present no plans to change the current financing structure.

OTHER INFORMATION

We confirm that the Board of Directors have permitted the auditor to undertake whatever inspections it considers to be appropriate for the purpose of enabling the auditor to give its audit opinion.

Amsterdam, 11 January 2023

The Board of Directors:

P.N. Frans

H.A.M. Troost-Bosboom

FINANCIAL STATEMENTS**STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022***(BEFORE PROFIT APPROPRIATION)*

COMPASS GROUP FINANCE NETHERLANDS B.V.	NOTES	2022 €'000	2021 €'000
NON-CURRENT ASSETS			
Receivables from Group undertakings	5	1,739,771	1,243,609
Non-current assets		1,739,771	1,243,609
CURRENT ASSETS			
Receivables from Group undertakings	5	2,850	1,911
Other receivables		103	93
Cash and cash equivalents	7	6,128	5,073
Current assets		9,081	7,077
Total assets		1,748,852	1,250,686
CURRENT LIABILITIES			
Bond note interest payable		(2,635)	(1,690)
Trade and other payables		(141)	(106)
Current liabilities		(2,776)	(1,796)
NON-CURRENT LIABILITIES			
Long term borrowings	10	(1,739,780)	(1,243,618)
Non-current liabilities		(1,739,780)	(1,243,618)
Total liabilities		(1,742,556)	(1,245,414)
Net assets		6,296	5,272
EQUITY			
Share capital	8	2,000	2,000
Share premium account		117	117
Other reserves		3,155	2,155
Unappropriated result		1,024	1,000
Total equity		6,296	5,272

STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2022

COMPASS GROUP FINANCE NETHERLANDS B.V.	NOTES	TOTAL 2022 €'000	TOTAL 2021 €'000
Finance income	5	16,029	15,032
Finance costs	6	(14,789)	(13,813)
Net finance income		1,240	1,219
Operating costs	4	(216)	(219)
Operating result		1,024	1,000
Other costs		-	-
Profit before tax		1,024	1,000
Income tax expense	3	-	-
Profit for the year		1,024	1,000
Other comprehensive income		-	-
Total comprehensive income for the year		1,024	1,000
ATTRIBUTABLE TO			
Equity shareholders of the Company		1,024	1,000

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30
SEPTEMBER 2022**

**ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE
COMPANY**

NOTES	SHARE CAPITAL €'000	SHARE PREMIUM ACCOUNT €'000	OTHER RESERVES €'000	UNAPPROPRIATED RESULT €'000	TOTAL €'000
At 1 October 2021	2,000	117	2,155	1,000	5,272
Allocation of unappropriated result to other reserves	-	-	1,000	(1,000)	-
Profit for the year	-	-	-	1,024	1,024
Total comprehensive income for the year	-	-	-	1,024	1,024
At 30 September 2022	2,000	117	3,155	1,024	6,296

**ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE
COMPANY**

NOTES	SHARE CAPITAL €'000	SHARE PREMIUM ACCOUNT €'000	OTHER RESERVES €'000	UNAPPROPRIATED RESULT €'000	TOTAL €'000
At 1 October 2020	2,000	117	1,204	951	4,272
Allocation of unappropriated result to other reserves	-	-	951	(951)	-
Profit for the year	-	-	-	1,000	1,000
Total comprehensive income for the year	-	-	-	1,000	1,000
At 30 September 2021	2,000	117	2,155	1,000	5,272

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 SEPTEMBER 2022

COMPASS GROUP FINANCE NETHERLANDS B.V.	NOTES	2022 €'000	2021 €'000
CASH FLOW FROM OPERATING ACTIVITIES			
Net profit		1,024	1,000
Adjustment for:			
Finance income		(16,029)	(15,032)
Finance costs		14,789	13,813
Interest received		13,438	13,438
Interest paid to bond note holders		(12,188)	(12,188)
Bank interest paid		(5)	(4)
Change in trade and other payables/receivables		26	55
Net cash from operating activities		1,055	1,082
CASH FLOW FROM INVESTING ACTIVITIES			
Increase in receivables – related parties	5	(494,510)	-
Net cash used in investing activities		(494,510)	-
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from the Programme	10	494,510	-
Net cash used in financing activities		494,510	-
CASH AND CASH EQUIVALENTS			
Net increase in cash and cash equivalents		1,055	1,082
Cash and cash equivalents at beginning of the year		5,073	3,991
Cash and cash equivalents at end of the year	7	6,128	5,073

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

INTRODUCTION

Compass Group Finance Netherlands B.V. (the “Company”) is a company domiciled in the Netherlands. The address of the Company’s registered office is Haaksbergweg 70, 1101 BZ Amsterdam. The Company is registered at the Chamber of Commerce in Amsterdam under registration number 71916970. The main activities of the Company are those of a financing company involved in providing financing to members of the Compass Group (“Group undertakings”).

The Company is an issuer of debt securities admitted to trading on the (non-EU) regulated market of the London Stock Exchange's main market and admitted to the official list of the United Kingdom Listing Authority. In relation to such debt securities, the Company is required to comply with, among others, certain obligations imposed by the UK Listing Rules and Disclosure Guidance and Transparency Rules made under section 73A of the UK Financial Services and Markets Act 2000 to the extent applicable to the issuers of debt securities.

These financial statements cover the year from 1 October 2021 up to and including 30 September 2022.

The most significant accounting policies adopted in the preparation of the separate financial statements of the Company are set out below:

A ACCOUNTING CONVENTION AND BASIS OF PREPARATION

The separate financial statements (hereafter “financial statements”) have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU-IFRS) and in accordance with Article 362 sub 9 of Part 9 of Book 2 of the Dutch Civil Code. The financial statements were authorised by the Board of Directors on 11 January 2023 for issue.

The financial statements have been prepared on a going concern basis.

B CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates, judgements and assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

RELATED PARTY BALANCES

An impairment loss is recognised when the carrying amount of an asset or group of assets relating to the same debtor exceeds its recoverable amount.

The Company recognises loss allowances for expected credit losses (“ECLs”) on related party balances measured at amortised cost. The Company measures loss allowances at an amount equal to ECLs occurring in the next twelve months, except where the credit risk of a related party balance has increased significantly since initial recognition. In this event, the Company will measure the loss allowance as an amount equal to the lifetime ECLs for the related parties’ balances.

C FOREIGN CURRENCY

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

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items in a foreign currency that are measured based on historical cost are not translated.

D INCOME TAX

The Company is a member of a fiscal unity for corporate income tax purposes. Its direct parent company, Compass Group International B.V. is the head of the fiscal unity. The corporate income tax for all entities included in the fiscal unity is accounted for by the head of the fiscal unity and is not charged to the entities included in the fiscal unity. The Company is jointly and severally liable for all income tax debts of the fiscal unity.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022 CONTINUED

E FINANCIAL INSTRUMENTS

Financial assets and liabilities are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities denominated in foreign currency are translated into euro at financial year end exchange rates. Exchange gains and losses are dealt with through the statement of profit or loss.

On initial recognition, financial assets and liabilities are classified in accordance with IFRS 9. Financial assets and liabilities are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets and liabilities, in which case all affected financial assets and liabilities are reclassified on the first day of the first reporting year following the change in the business model.

The Company initially recognises loans and receivables issued on the date that they are originated. All other financial assets and liabilities are recognised initially on the trade date. A financial asset or liability (unless a trade receivable or payable without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue.

Currently, all financial assets and liabilities are measured at amortised cost. Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method, reduced by impairment losses. Financial liabilities at amortised cost are subsequently measured at amortised cost using the effective interest method.

Interest income and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

The Company recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost. The Company measures loss allowances at an amount equal to ECLs occurring in the next twelve months, except where the credit risk of a financial asset has increased significantly since initial recognition. In this event, the Company will measure the loss allowance as an amount equal to the lifetime ECL for the financial asset.

MEASUREMENT OF FAIR VALUES

A number of the Company's disclosures require the measurement of fair values for financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

The Board of Directors reviews on a regular basis a fair value analysis which is supported by the Compass Group's valuation team based upon significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the Compass Group valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of EU-IFRS, including the level in the fair value hierarchy in which such valuations should be classified. This additional information from the Compass Group valuation team is reviewed by the Board of Directors on a regular basis.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting year during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in note 11.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022 CONTINUED

F FINANCE INCOME AND FINANCE COSTS

The Company's finance income and finance costs include:

- interest income;
- interest expense.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the amortised cost of the financial asset (when the asset is not credit-impaired); or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the amortised cost of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability, both including related issuance and transaction costs. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset, reduced by impairment losses. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the amortised cost basis without impairment losses.

G ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS TO EXISTING STANDARDS

There were no new accounting standards or amendments to existing standards effective in the year ended 30 September 2022 that had a significant impact on the Company's financial statements. There are also a number of changes to accounting standards, effective in future years, which are not expected to significantly impact the Company's financial statements.

H SHARE CAPITAL

Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022 CONTINUED

1 EMTN PROGRAMME

In the financial year ended 30 September 2022 the Company continued to be an issuer under the GBP 6 billion Euro Medium Term Note programme (the “Programme”) maintained by Compass Group PLC and the Company. The most recent annual update of the Programme was completed on 15 July 2022. On 5 September 2018 the Company issued €500 million 1.5% guaranteed notes due 2028 (“2028 Notes”) under the Programme. The proceeds received by the Company in respect of the 2028 Notes were lent to Compass Group PLC under an inter-company loan.

On 6 September 2018, the Company assumed the obligations of Compass Group International B.V. as the issuer of the €750 million 0.625% guaranteed notes due 2024 (“2024 Notes”) under the Programme. In connection with this substitution, Compass Group International B.V. also assigned to the Company the inter-company loan to Compass Group PLC which was made with proceeds of the 2024 Notes.

In the financial year ended 30 September 2022, Compass Group PLC launched a Sustainable Financing Framework (the “Framework”) to enable the Compass Group to issue green, social and sustainability bonds, as well as other types of financing in support of its environmental, social and governance (“ESG”) objectives, including its global climate net zero commitment. Following the launch of this Framework, on 8 September 2022, the Company issued €500 million 3.0% sustainable guaranteed notes due 2030 (“2030 Notes” and together with the 2028 Notes and the 2024 Notes, comprise the “Notes”) under the Programme. The proceeds received by the Company in respect of the 2030 Notes were lent to Compass Group PLC under an inter-company loan. In accordance with the final terms of the 2030 Notes, the proceeds of the 2030 Notes are to be used by Compass Group PLC to finance and/or refinance sustainable projects. The Company intends to work with the management of Compass Group PLC to approve, review and report on the use of the proceeds of the 2030 Notes.

It is the Company’s intention that any interest received from these inter-company loans be used by the Company to fund payments due to the holders of Notes. Under the terms of the Programme, Compass Group PLC unconditionally and irrevocably guarantees any amounts due by the Company in respect of Notes.

2 SEGMENTAL REPORTING

The Company’s chief operating decision maker (“CODM”) is its Board of Directors. The Board of Directors is the group of individuals that is responsible for the allocation of resources, assessing the performance of the entity and deciding on the allocation of resources and funding to maximise dividend and interest income.

The CODM does not review financial information on an operational country specific or business sector specific basis. The Compass Group financial information overall is taken into account and this information is used to make decisions about resources to be allocated and how the Company’s operations should be conducted.

It is therefore management’s judgement that the Company comprises a single operating and reportable segment engaged in investing and financing activities.

This is consistent with how the financial information is viewed for the purposes of evaluating performance, allocating resources, and planning and forecasting future years and how the operations are managed by the CODM, being the Board of Directors.

3 INCOME TAXES

The Company is a member of a fiscal unity for corporate income tax purposes. Its direct parent company, Compass Group International B.V., is the head of the fiscal unity. The corporate income tax for all entities included in the fiscal unity is accounted for by the head of the fiscal unity and is not charged to the entities included in the fiscal unity. The Company is jointly and severally liable for all income tax debts of the fiscal unity.

4 OPERATING EXPENSES

	2022 €'000	2021 €'000
Recharges from other group companies under the services agreement	100	100
Other operating expenses	116	119
Total	216	219

Services agreement

Effective 19 June 2018, the Company entered into a services agreement with Compass Group International B.V. This agreement provides that, in return for the payment of an annual service fee by the Company, Compass Group International B.V. employees provide services including:

- management support services
- bookkeeping
- preparation of the annual report
- group reporting
- reporting to the Dutch Central Bank and Central Bureau of Statistics
- treasury and financing activities
- provision of office space
- secretarial services

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022 CONTINUED

5 RELATED PARTY BALANCES AND TRANSACTIONS

30 SEPTEMBER 2022	RECEIVABLES		
	CURRENT	NON-CURRENT	TOTAL
	€'000	€'000	€'000
GROUP UNDERTAKINGS			
Loans	-	1,739,771	1,739,771
Accrued interest	2,850	-	2,850
	2,850	1,739,771	1,742,621

30 SEPTEMBER 2021	RECEIVABLES		
	CURRENT	NON-CURRENT	TOTAL
	€'000	€'000	€'000
GROUP UNDERTAKINGS			
Loans	-	1,243,609	1,243,609
Accrued interest	1,911	-	1,911
	1,911	1,243,609	1,245,520

RECEIVABLES FROM GROUP UNDERTAKINGS ANALYSED BY CURRENCY (EXCLUDING ACCRUED INTEREST)	REDEEMABLE	INTEREST	2022	2021
			CARRYING VALUE	CARRYING VALUE
			€'000	€'000
FIXED RATES OF INTEREST				
Euro	2030-2048	0.725%-3.1%	1,739,771	1,243,609
			1,739,771	1,243,609
FLOATING RATES OF INTEREST				
Euro			-	-
			-	-
TOTAL BY CURRENCY				
Euro			1,739,771	1,243,609
			1,739,771	1,243,609

The euro inter-company receivables have maturity dates between 2030-2048. The inter-company loan in respect of the 2030 Notes matures on the repayment date of the 2030 Notes, although, if the Company elects to redeem (in full or in part) the 2030 Notes before the repayment date, the Company (as lender) may elect to demand early repayment of all or part of the intercompany loan. The other inter-company loans can also be repaid earlier than their maturity dates in line with the repayment date of the related Notes. The Company (as lender) may elect to demand repayment from Compass Group PLC (as borrower) of the €750 million loan in respect of the 2024 Notes (in full or in part) on 3 July 2024 and thereafter every seven years on the anniversary of this date and to demand repayment of the €500 million loan in respect of the 2028 Notes (in full or in part) on 5 September 2028 and thereafter every ten years on the anniversary of this date. The Company currently intends to receive or request, as applicable, the repayment of loans receivable from Compass Group PLC on maturity of the respective Notes.

The Company received financial income from a Group company which can be allocated as follows:

	2022	2021
	€'000	€'000
Interest income from Group undertakings	14,377	13,438
Amortisation of transaction costs	1,652	1,594
	16,029	15,032

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022 CONTINUED

6 FINANCE COST

The Company expensed finance costs which can be allocated as follows:

	2022 €'000	2021 €'000
Interest paid to bond holders	(13,132)	(12,188)
Amortisation of transaction costs	(1,652)	(1,621)
Interest paid to bank	(5)	(4)
	(14,789)	(13,813)

7 CASH AND CASH EQUIVALENTS

	30 SEPTEMBER 2022 €'000	30 SEPTEMBER 2021 €'000
Cash at bank	6,128	5,073
Cash and cash equivalents	6,128	5,073

All cash and cash equivalents are freely available to the Company, subject to the following. The Company is part of a Group cash pool in which the Company holds bank accounts in its own name. Its ultimate parent company, Compass Group PLC, has issued a guarantee to Bank Mendes Gans N.V. which is managing the Group cash pool under which Compass Group PLC guarantees any overdraft positions of the Company. Through this guarantee, the bank first has recourse to Compass Group PLC for settlement of any liabilities incurred by any other Group companies which are in the Group cash pool. The Company's cash pool credit balances would only be debited for any liabilities that remain outstanding thereafter.

8 CAPITAL AND RETAINED EARNINGS

Share capital

Ordinary shares

The Company's authorised ordinary share capital consists of ordinary shares with a nominal value each of €1 (one euro). As at 30 September 2022, 2,000,000 ordinary shares were issued and fully paid up. All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

Share premium

On 6 September 2018, the Company assumed the obligations of Compass Group International B.V. as the issuer of the 2024 Notes under the Programme, which were originally issued by Compass Group International B.V. on 3 July 2017. In connection with this substitution, Compass Group International B.V. also assigned to the Company the inter-company loan to Compass Group PLC which was made with proceeds of the 2024 Notes. The assignment of this inter-company loan and the assumption of Compass Group International B.V.'s obligations under the 2024 Notes were done with reference to their fair value amount (including accrued interest) of approximately €744,079 thousand and €743,962 thousand respectively. Both amounts were offset against each other and a contribution in kind of non-stipulated share premium without the issue of new Company shares to Compass Group International B.V. was agreed for the net difference of €117 thousand.

Appropriation of profit of FY 2021

At the shareholder's meeting of 24 January 2022, the General Meeting adopted the financial statements for the financial year ended 30 September 2021. During the same meeting, the General Meeting adopted the appropriation of the profit after tax for the financial year ended 30 September 2021 as proposed by the Board of Directors.

Proposal for FY 2022 profit appropriation

The General Meeting of Shareholders will be asked to approve the following appropriation of the profit after tax for the year ended 30 September 2022: an amount of €1,024 thousand to be added to other reserves.

9 CAPITAL MANAGEMENT

The Board of Directors' policy is to match the maturity of its financial assets to the maturity of its financial liabilities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022 CONTINUED

10 LOANS AND BORROWINGS

NON-CURRENT LIABILITIES

	30 SEPTEMBER 2022 €'000	30 SEPTEMBER 2021 €'000
Programme notes	1,739,780	1,243,618
Total	1,739,780	1,243,618

TERMS AND REPAYMENT SCHEDULE	REDEEMABLE	INTEREST	30 SEPTEMBER	30 SEPTEMBER	30 SEPTEMBER	30 SEPTEMBER
			2022 CARRYING VALUE €'000	2022 FAIR VALUE €'000	2021 CARRYING VALUE €'000	2021 FAIR VALUE €'000
2024 Notes	Jul 2024	0.625%	747,898	717,226	746,712	762,930
2028 Notes	Sep 2028	1.50%	497,332	439,505	496,906	540,877
2030 Notes	March 2030	3.00%	494,550	469,454	-	-
			1,739,780	1,626,185	1,243,618	1,303,807

See note 1 above for details in respect of the Notes.

11 FINANCIAL INSTRUMENTS

Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities. Their levels in the fair value hierarchy are included in the note below the table. It does not include fair value information for financial assets and financial liabilities not measured at fair value when the carrying amount is a reasonable approximation of fair value.

30 SEPTEMBER 2022	CARRYING VALUE			FAIR VALUE	
	LOANS AND RECEIVABLES	OTHER FINANCIAL LIABILITIES	TOTAL	FAIR VALUE	TOTAL
	€'000	€'000	€'000	€'000	€'000
FINANCIAL ASSETS NOT MEASURED AT FAIR VALUE					
Receivables from Group undertakings at fixed rates	1,739,771	-	1,739,771	1,633,219	1,633,219
Receivables from Group undertakings	2,850	-	2,850	2,850	2,850
Other receivables	103	-	103	103	103
Cash and cash equivalents	6,128	-	6,128	6,128	6,128
	1,748,852	-	1,748,852	1,642,300	1,642,300
FINANCIAL LIABILITIES NOT MEASURED AT FAIR VALUE					
Programme notes at fixed rate	-	(1,739,780)	(1,739,780)	(1,626,185)	(1,626,185)
Programme notes interest payable	-	(2,635)	(2,635)	(2,635)	(2,635)
Other payables	-	(141)	(141)	(141)	(141)
	-	(1,742,556)	(1,742,556)	(1,628,961)	(1,628,961)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022 CONTINUED

11 FINANCIAL INSTRUMENTS (CONTINUED)

30 SEPTEMBER 2021	CARRYING VALUE			FAIR VALUE	
	LOANS AND RECEIVABLES	OTHER FINANCIAL LIABILITIES	TOTAL	FAIR VALUE	TOTAL
	€'000	€'000	€'000	€'000	€'000
FINANCIAL ASSETS NOT MEASURED AT FAIR VALUE					
Receivables from Group undertakings at fixed rates	1,243,609	-	1,243,609	1,309,299	1,309,299
Receivables from Group undertakings	1,911	-	1,911	1,911	1,911
Other receivables	93	-	93	93	93
Cash and cash equivalents	5,073	-	5,073	5,073	5,073
	1,250,686	-	1,250,686	1,316,376	1,316,376
FINANCIAL LIABILITIES NOT MEASURED AT FAIR VALUE					
Programme notes at fixed rate	-	(1,243,618)	(1,243,618)	(1,303,807)	(1,303,807)
Programme notes interest payable	-	(1,690)	(1,690)	(1,690)	(1,690)
Other payables	-	(106)	(106)	(106)	(106)
	-	(1,245,414)	(1,245,414)	(1,305,603)	(1,305,603)

As at 30 September 2021 and 30 September 2022, all fair value calculations are determined by Level 2 inputs as defined by the fair value hierarchy of IFRS 13 Fair Value measurement.

CAPITAL RISK MANAGEMENT

The Company manages its capital structure to ensure that it will be able to continue as a going concern. The capital structure of the Company consists of cash and cash equivalents as disclosed in note 7; debt, which includes the borrowings disclosed in note 10; and equity attributable to the equity shareholder of the Company, comprising issued share capital, share premium and other reserves as disclosed in the statement of changes in equity.

FINANCIAL MANAGEMENT

The Company continues to manage its interest rate and foreign currency exposure in accordance with the policies set out below in this note 11. The Company's financial instruments comprise cash, borrowings from external counterparties, receivables and payables that are used to finance the Company's operations.

LIQUIDITY RISK

Liquidity risk is the risk that the Company may not be able to meet its financial obligations as they fall due.

The Company finances its operations through borrowings from a number of sources including the public markets and share capital and share premium from its parent company.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company aims to maintain the level of cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities over the immediately following 60 days except for the interest payments for which the cash outflow is matched by a cash inflow on the same day.

The Company has the option to match the maturity of its financial assets to the maturity of its financial liabilities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022 CONTINUED

11 FINANCIAL INSTRUMENTS CONTINUED

Exposure to liquidity risk

The following are the remaining expected maturities of financial assets and liabilities at the reporting date. The amounts are gross and undiscounted, include estimated interest payments and exclude the impact of netting agreements, no expected credit losses were recognised:

FINANCIAL ASSETS	30 SEPTEMBER 2022						TOTAL €'000
	LESS THAN 1 YEAR €'000	BETWEEN 1 AND 2 YEARS €'000	BETWEEN 2 AND 3 YEARS €'000	BETWEEN 3 AND 4 YEARS €'000	BETWEEN 4 AND 5 YEARS €'000	OVER 5 YEARS €'000	
	FIXED INTEREST						
Receivables from Group undertakings	-	747,894	-	-	-	991,877	1,739,771
Fixed interest asset	-	747,894	-	-	-	991,877	1,739,771
FLOATING INTEREST							
Cash and cash equivalents	6,128	-	-	-	-	-	6,128
Floating interest asset	6,128	-	-	-	-	-	6,128
OTHER							
Receivables from Group undertakings	2,850	-	-	-	-	-	2,850
Other receivables	103	-	-	-	-	-	103
Other assets	2,953	-	-	-	-	-	2,953
Total financial assets	9,081	747,894	-	-	-	991,877	1,748,852

FINANCIAL ASSETS	30 SEPTEMBER 2021						TOTAL €'000
	LESS THAN 1 YEAR €'000	BETWEEN 1 AND 2 YEARS €'000	BETWEEN 2 AND 3 YEARS €'000	BETWEEN 3 AND 4 YEARS €'000	BETWEEN 4 AND 5 YEARS €'000	OVER 5 YEARS €'000	
	FIXED INTEREST						
Receivables from Group undertakings	-	-	746,707	-	-	496,902	1,243,609
Fixed interest asset	-	-	746,707	-	-	496,902	1,243,609
FLOATING INTEREST							
Cash and cash equivalents	5,073	-	-	-	-	-	5,073
Floating interest asset	5,073	-	-	-	-	-	5,073
OTHER							
Receivables from Group undertakings	1,911	-	-	-	-	-	1,911
Other receivables	93	-	-	-	-	-	93
Other assets	2,004	-	-	-	-	-	2,004
Total financial assets	7,077	-	746,707	-	-	496,902	1,250,686

PRINCIPAL AND INTEREST MATURITY	30 SEPTEMBER 2022						TOTAL €'000
	LESS THAN 1 YEAR €'000	BETWEEN 1 AND 2 YEARS €'000	BETWEEN 2 AND 3 YEARS €'000	BETWEEN 3 AND 4 YEARS €'000	BETWEEN 4 AND 5 YEARS €'000	OVER 5 YEARS €'000	
	Total financial assets						
	9,081	747,894	-	-	-	991,877	1,748,852
Add: fees and premium capitalised on issuance	-	2,106	-	-	-	8,123	10,229
Less: cash and cash equivalents and other assets	(9,081)	-	-	-	-	-	(9,081)
Repayment of principal	-	750,000	-	-	-	1,000,000	1,750,000
Interest cash flows on receivables	13,438	35,355	23,500	23,500	23,500	53,104	172,397
Repayment of principal and interest	13,438	785,355	23,500	23,500	23,500	1,053,104	1,922,397

PRINCIPAL AND INTEREST MATURITY	30 SEPTEMBER 2021						TOTAL €'000
	LESS THAN 1 YEAR €'000	BETWEEN 1 AND 2 YEARS €'000	BETWEEN 2 AND 3 YEARS €'000	BETWEEN 3 AND 4 YEARS €'000	BETWEEN 4 AND 5 YEARS €'000	OVER 5 YEARS €'000	
	Total financial assets						
	7,077	-	746,707	-	-	496,902	1,250,686
Add: fees and premium capitalised on issuance	-	-	3,293	-	-	3,098	6,391
Less: cash and cash equivalents and other assets	(7,077)	-	-	-	-	-	(7,077)
Repayment of principal	-	-	750,000	-	-	500,000	1,250,000
Interest cash flows on receivables	13,438	13,438	12,127	8,000	8,000	15,496	70,499
Repayment of principal and interest	13,438	13,438	762,127	8,000	8,000	515,496	1,320,499

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30
SEPTEMBER 2022 CONTINUED**
11 FINANCIAL INSTRUMENTS CONTINUED

FINANCIAL LIABILITIES	30 SEPTEMBER 2022						TOTAL €'000
	LESS THAN 1 YEAR €'000	BETWEEN 1 AND 2 YEARS €'000	BETWEEN 2 AND 3 YEARS €'000	BETWEEN 3 AND 4 YEARS €'000	BETWEEN 4 AND 5 YEARS €'000	OVER 5 YEARS €'000	
FIXED INTEREST							
2024 Notes	-	(747,898)	-	-	-	-	(747,898)
2028 Notes						(497,332)	(497,332)
2030 Notes	-	-	-	-	-	(494,550)	(494,550)
Fixed interest liability	-	(747,898)	-	-	-	(991,882)	(1,739,780)
FLOATING INTEREST							
Payables to Group undertakings	-	-	-	-	-	-	-
Floating interest liability	-	-	-	-	-	-	-
OTHER							
Programme notes interest payable	(2,635)	-	-	-	-	-	(2,635)
Short term liabilities	(141)	-	-	-	-	-	(141)
Other liability	(2,776)	-	-	-	-	-	(2,776)
Total financial liabilities	(2,776)	(747,898)	-	-	-	(991,882)	(1,742,556)

FINANCIAL LIABILITIES	30 SEPTEMBER 2021						TOTAL €'000
	LESS THAN 1 YEAR €'000	BETWEEN 1 AND 2 YEARS €'000	BETWEEN 2 AND 3 YEARS €'000	BETWEEN 3 AND 4 YEARS €'000	BETWEEN 4 AND 5 YEARS €'000	OVER 5 YEARS €'000	
FIXED INTEREST							
2024 Notes	-	-	(746,712)	-	-	-	(746,712)
2028 Notes	-	-	-	-	-	(496,906)	(496,906)
Fixed interest liability	-	-	(746,712)	-	-	(496,906)	(1,243,618)
FLOATING INTEREST							
Payables to Group undertakings	-	-	-	-	-	-	-
Floating interest liability	-	-	-	-	-	-	-
OTHER							
Programme notes interest payable	(1,690)	-	-	-	-	-	(1,690)
Short term liabilities	(106)	-	-	-	-	-	(106)
Other liability	(1,796)	-	-	-	-	-	(1,796)
Total financial liabilities	(1,796)	-	(746,712)	-	-	(496,906)	(1,245,414)

PRINCIPAL AND INTEREST MATURITY	30 SEPTEMBER 2022						TOTAL €'000
	LESS THAN 1 YEAR €'000	BETWEEN 1 AND 2 YEARS €'000	BETWEEN 2 AND 3 YEARS €'000	BETWEEN 3 AND 4 YEARS €'000	BETWEEN 4 AND 5 YEARS €'000	OVER 5 YEARS €'000	
Total financial liabilities	(2,776)	(747,898)	-	-	-	(991,882)	(1,742,556)
Add: fees and premium capitalised on issuance	-	(2,102)	-	-	-	(8,118)	(10,220)
Less: Overdrafts and other liabilities	2,776	-	-	-	-	-	2,776
Repayment of principal	-	(750,000)	-	-	-	(1,000,000)	(1,750,000)
Interest cash flows on debt	(12,188)	(33,496)	(22,500)	(22,500)	(22,500)	(58,767)	(171,951)
Repayment of principal and interest	(12,188)	(783,496)	(22,500)	(22,500)	(22,500)	(1,058,767)	(1,921,951)

PRINCIPAL AND INTEREST MATURITY	30 SEPTEMBER 2021						TOTAL €'000
	LESS THAN 1 YEAR €'000	BETWEEN 1 AND 2 YEARS €'000	BETWEEN 2 AND 3 YEARS €'000	BETWEEN 3 AND 4 YEARS €'000	BETWEEN 4 AND 5 YEARS €'000	OVER 5 YEARS €'000	
Total financial liabilities	(1,796)	-	(746,712)	-	-	(496,906)	(1,245,414)
Add: fees and premium capitalised on issuance	-	-	(3,288)	-	-	(3,094)	(6,382)
Less: Overdrafts and other liabilities	1,796	-	-	-	-	-	1,796
Repayment of principal	-	-	(750,000)	-	-	(500,000)	(1,250,000)
Interest cash flows on debt	(12,188)	(12,188)	(11,057)	(7,500)	(7,500)	(14,527)	(64,960)
Repayment of principal and interest	(12,188)	(12,188)	(761,057)	(7,500)	(7,500)	(514,527)	(1,314,960)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022 CONTINUED

11 FINANCIAL INSTRUMENTS CONTINUED

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows taking into account that the Company currently intends to request the repayment of loans receivable from Compass Group PLC in line with the callable option on maturity of the respective Notes as indicated in Note 5. It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

FOREIGN CURRENCY RISK

The Company's policy is to match as far as possible its principal projected cash flows by currency to actual or effective borrowings in the same currency. As currency cash flows are generated, they are used to service and repay debt in the same currency.

Exposure to currency risk

Currently, the Company only has assets and liabilities denominated in euros. Therefore, the Company is not subject to any currency risk.

INTEREST RATE RISK

As set out above, the Company has effective borrowings where the Company matches the maturity of the receivables to the maturity of the liabilities. The Company's policy is to ensure that, in the short term, it is not materially exposed to fluctuations in interest rates in its principal currencies. The Company implements this policy by matching interest rates on borrowings to the interest rate on receivables where possible, allowing for a net positive margin, and by borrowing fixed rate where it is beneficial to do so. Currently the Company has no variable rate instruments.

The Company does not enter into derivative and/or hedge contracts and does not apply hedge accounting.

The interest rate profile of the Company's interest-bearing financial instruments as reported to management of the Company is as follows:

	30 SEPTEMBER 2022 €'000	30 SEPTEMBER 2021 €'000
FIXED RATE INSTRUMENTS		
Receivables from Group undertakings	1,739,771	1,243,609
Programme notes	(1,739,780)	(1,243,618)
	(9)	(9)

CREDIT RISK

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. In the case of the Company, it arises principally from the Company's receivables from Group undertakings. The Company has recognised the full amount of credit losses that would be expected to be incurred over the full recovery period of the receivables at the date of the initial recognition of the receivables.

The carrying amount of financial assets represents the maximum credit exposure:

	30 SEPTEMBER 2022 €'000	30 SEPTEMBER 2021 €'000
Non-current receivables from Group undertakings	1,739,771	1,243,609
Current receivables from Group undertakings	2,850	1,911
Other receivables	103	93
Cash and cash equivalents	6,128	5,073
Total	1,748,852	1,250,686

Loans and receivables

The carrying value of outstanding loans granted to Group undertakings amounts to €1,739,771 thousand as at 30 September 2022 (2021: €1,243,609 thousand). These Group undertakings are located in the United Kingdom.

To assess the expected credit losses ("ECLs") the Company monitors the financial position and changes in credit rating of Compass Group PLC during the year. Compass Group PLC's credit ratings remain strong investment grade – Standard & Poor's A/A-1 Long-term and Short-term (outlook Stable) and Moody's A3/P-2 Long-term and Short-term (outlook Stable). There are no significant changes in credit risk of Compass Group PLC and the credit risk has not increased since initial recognition. The Company measures loss allowances at an amount equal to ECLs occurring in the next twelve months and concluded that no ECLs should be recognized in the financial year ended 30 September 2022 (30 September 2021: Nil).

Cash and cash equivalents

The Company held cash and cash equivalents of €6,128 thousand at 30 September 2022 (2021: €5,073 thousand). The cash and cash equivalents are held with bank and financial institution counterparties which are rated A- to A+ by Standard & Poor's.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022 CONTINUED

11 FINANCIAL INSTRUMENTS CONTINUED

MARKET RISK

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company implements this policy by borrowing fixed rate where it is beneficial to do so. Currently, all of the Company's borrowings are at fixed rate.

12 RECONCILIATION OF CASH FLOWS ARISING FROM FINANCING ACTIVITIES TO MOVEMENT IN LIABILITIES

The table below is presented as additional information to show movement in liabilities and their related cash flows:

	2022	2021
	€'000	€'000
Total liabilities at 1 October 2021 / 1 October 2020	(1,245,414)	(1,243,765)
Total liabilities at 30 September 2022 / 30 September 2021	(1,742,556)	(1,245,414)
Movement in liabilities	497,142	1,649
NON-CASH MOVEMENTS		
Amortisation of Programme notes	(1,652)	(1,621)
Amortisation of capitalised expenses	(26)	(26)
Increase in interest payable	(945)	-
Other non-cash movements	(9)	(2)
Total non-cash movements	(2,632)	(1,649)
CASH FLOWS ARISING FROM FINANCING ACTIVITIES		
For the year ended 30 September 2022 / 30 September 2021	494,510	-

13 RELATED PARTIES

DIRECT AND ULTIMATE PARENT

The Company's direct parent is Compass Group International B.V., a company incorporated in the Netherlands. The ultimate parent of the Company is Compass Group PLC, a company incorporated in England and Wales and listed on the London Stock Exchange.

TRANSACTIONS

Transactions with related parties occur when a relationship exists between the Company, directors and key management personnel (and their close family members) and the (ultimate) parent company (and entities that they control).

As disclosed in the financial statements, and more specifically in note 1, balances and transactions exist with related parties. Main transactions are disclosed in note 5. In addition, the impact of the Company being part of a fiscal unity is described in notes 3 and 15.

14 POST BALANCE SHEET EVENTS

There are no material post balance sheet events.

15 CONTINGENT LIABILITIES

FISCAL UNITY OBLIGATIONS

The Company is a member of a fiscal unity for corporate income tax purposes. Its direct parent company, Compass Group International B.V., is the head of the fiscal unity. The corporate income tax for all entities included in the fiscal unity is accounted for by the head of the fiscal unity and is not charged to the entities included in the fiscal unity. The Company is jointly and severally liable for all income tax debts of the fiscal unity and, for historical years, for any income tax debts of former members of the fiscal unity. Other group companies in the current fiscal unity are: Compass Group International B.V., Compass Group International Finance C.V., Compass Group International Finance 2 B.V., Compass Group International 3 B.V., Compass Group International 2 B.V., Compass Group International 5 B.V., Compass Group International 9 B.V., Compass Group International 4 B.V., Compass Group Vending Holding B.V. and Compass Group International Finance 1 B.V.

The Company constitutes a tax entity with Compass Group International B.V. and Compass Group Vending Holding B.V. for value added tax purposes; the standard conditions prescribe that all companies of the tax entity are liable for all value added tax payable and, for historical years, for any value added tax payable of former members of the tax entity.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022 CONTINUED

15 CONTINGENT LIABILITIES (CONTINUED)

OTHER OBLIGATIONS

As described in note 7, the Company is part of a Group cash pool in which the Company holds bank accounts in its own name. Its ultimate parent company, Compass Group PLC, has issued a guarantee to Bank Mendes Gans N.V. which is managing the Group cash pool under which Compass Group PLC guarantees any overdraft positions of the Company. Through this guarantee, the bank first has recourse to Compass Group PLC for settlement of any liabilities incurred by any other Group companies which are in the Group cash pool. The Company's cash pool credit balances would only be debited for any liabilities that remain outstanding thereafter.

16 FEES OF THE AUDITOR

The Company paid the following fees for audit and non-audit services provided by KPMG Accountants N.V., as referred to in Section 2:382a(1) and (2) of the Dutch Civil Code:

	2022 €'000	2021 €'000
Audit services	62	53
Non-audit services	-	-
	62	53

The fees mentioned in the table for the audit of the financial statements 2022 (2021) relate to the total fees for the audit of the financial statements 2022 (2021), irrespective of whether the activities have been performed during the financial year 2022 (2021).

KPMG Accountants N.V. have not provided any other services in addition to the statutory audit of the financial statements.

17 EMOLUMENTS OF DIRECTORS

The Board of Directors receives no direct remuneration from the Company. In the service fee of €100 thousand, which is charged to the Company by Compass Group International B.V. under the service agreement described in note 4, the remuneration for the Board of Directors is included. This remuneration represents the emoluments for directors, including pension costs as referred to in Section 2:383(1) of the Dutch Civil Code.

Approved by the Board of Directors on 11 January 2023 and signed on its behalf by

P.N. Frans, Director

H.A.M. Troost-Bosboom, Director

OTHER INFORMATION

PROVISIONS IN THE ARTICLES OF ASSOCIATION GOVERNING THE APPROPRIATION OF PROFIT

In accordance with article 18 of the Company's Articles of Association, the result is at the disposal of the General Meeting of Shareholders.

The Company can only make payments to the shareholders and other parties entitled to the distributable profit in so far as (1) the Company can continue to pay its outstanding debts after the distribution (the so-called distribution test), and (2) the shareholders' equity exceeds the legal reserves and statutory reserves under the articles of association to be maintained (the so-called balance sheet test). If not, the management of the Company shall not approve the distribution.

AUDITOR'S REPORT

The Independent Auditor's Report is presented on page 24 to 30 of the annual report.



Independent auditor's report

To: the General Meeting of Shareholder of Compass Group Finance Netherlands B.V.

Report on the audit of the financial statements for the year ended 30 September 2022 included in the annual report

Our opinion

In our opinion the accompanying financial statements give a true and fair view of the financial position of Compass Group Finance Netherlands B.V. as at 30 September 2022 and of its result and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the financial statements for the year ended 30 September 2022 of Compass Group Finance Netherlands B.V. (the Company) based in Amsterdam.

The financial statements comprise:

- 1 the statement of financial position as at 30 September 2022;
- 2 the following statements for the year ended 30 September 2022: the statement of profit or loss and comprehensive income, the statement of changes in equity and the statement of cash flows; and
- 3 the notes comprising a summary of the significant accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Compass Group Finance Netherlands B.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).



We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in respect of going concern, fraud and non-compliance with laws and regulations and the key audit matters was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

Summary

Materiality
<ul style="list-style-type: none">• Materiality of EUR 14 million• 0.8% of Total Assets
Fraud / Noclar and Going concern
<ul style="list-style-type: none">• Fraud & Non-compliance with laws and regulations (“Noclar”) related risks: presumed risk of management override of controls identified• Going concern related risks: no significant going concern risks identified
Key audit matters
<i>Recoverability of receivables from group undertakings</i>
Opinion
Unqualified

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at EUR 14 million (2021: EUR 10 million). The materiality is determined with reference to a benchmark of Total Assets (0.8%). We consider Total Assets as the most appropriate benchmark due to the finance nature of the Company’s activities. Materiality significantly changed compared to last year due to the increase in the benchmark of Total Assets as a result of the increase in receivables from group undertakings during the year. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the Board of Directors that misstatements identified during our audit in excess of EUR 0.7 million (2021: EUR 0.5 million) would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.



Audit response to the risk of fraud and non-compliance with laws and regulations

In paragraph “Significant risks and uncertainties” of the Directors’ report, the Board of Directors describes its procedures in respect of the risk of fraud and non-compliance with laws and regulations.

As part of our audit, we gained insight into the Company and its business environment and assessed the design and implementation of the Company’s risk management in relation to fraud and non-compliance. Our procedures included, among other things, assessing the Company’s code of conduct, whistleblowing procedures, and its procedures to investigate indications of possible fraud and non-compliance. Furthermore, we performed relevant inquiries with management and those charged with governance.

In addition, we performed procedures to obtain an understanding of the legal and regulatory frameworks that are applicable to the Company, including the requirements of the London Stock Exchange, where the Company’s notes are traded. We did not identify areas that are likely to have a material effect on the financial statements.

We evaluated the fraud and non-compliance risk factors to consider whether those factors by themselves would cause the existence of a reasonable possibility of a risk of material misstatement in the financial statements.

Further we assessed the presumed fraud risk on revenue recognition as irrelevant, since the Company’s sole significant source of income is finance income. Such finance income is derived from long term loan agreements with the ultimate parent company, including fixed terms and conditions in respect of interest. As a consequence, we did not identify an incentive nor pressure for the members of the Board of Directors to achieve certain results or specific finance income targets and there appears to be limited perceived opportunity to commit a material fraud in this area.

Based on the above and the relevant auditing standards, we identified the following presumed fraud risk in respect of management override of controls that is relevant to our audit and responded as follows:

Management override of controls (a presumed risk)

Risk:

- Management is in a unique position to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

Responses:

- We evaluated the design and the implementation of internal controls that mitigate fraud and non-compliance risks, such as processes related to journal entries.

- We performed a data analysis of journal entries to determine any potential high-risk criteria and performed procedures for any identified risk.
- We incorporated elements of unpredictability in our audit, including reconciliation of all bank transactions to the general ledger entries.

Our procedures to address the identified risk of fraud in respect of management override of controls did not result in a key audit matter.

We communicated our risk assessment, audit responses and results to the Board of Directors.

Our audit procedures did not reveal indications and/or reasonable suspicion of fraud and non-compliance that are considered material for our audit.

Audit response to going concern – no significant going concern risks identified

The Board of Directors performed its going concern assessment, in which amongst others the Company's high dependency on Compass Group PLC's (the ultimate parent company) ability to fulfill its obligations towards the Company was considered. The Board of Directors did not identify any significant going concern risks.

To assess the Board of Directors' assessment, we performed, inter alia, the following procedures:

- we considered whether the Board of Directors' assessment of the going concern risks includes all relevant information of which we are aware as a result of our audit;
- we analysed the Company's financial position as at year-end and cashflow as at year-end and compared it to the previous financial year in terms of indicators that could identify significant going concern risks;
- we considered whether the outcome of our audit procedures, to determine the recoverability of the loans receivable from Compass Group PLC, as described in the key audit matter on recoverability of receivables from group undertakings, could indicate a significant going concern risk;
- we verified that the maturity of the receivables from group undertakings fully matches to the maturity of the bonds issued by the Company to ensure that the Company is in a position to timely repay the bonds and related interest.

The outcome of our risk assessment procedures did not give reason to perform additional audit procedures on the Board of Directors' going concern assessment.



Our key audit matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matter to the Board of Directors.

The key audit matter is not a comprehensive reflection of all matters discussed.

Recoverability of receivables from group undertakings

Description

The carrying amount of the Company's receivables from group undertakings represent 99.6% (2021: 99.6%) of the Company's Total Assets. In the event that the ultimate parent company Compass Group PLC can no longer fulfill their financial obligations towards the Company this would have a significant impact on the Company. The Company's ability to meet its financial obligations depends on the cash flows generated from the repayment of (accrued) interest and principal by Compass Group PLC.

We do not consider the recoverability of receivables from group undertakings to be at a high risk of significant misstatement. However, due to their materiality in the context of the financial statements as a whole, this is considered to be the area which had the higher risk of a material misstatement compared to other areas and therefore the greatest effect on our overall audit strategy and allocation of resources in planning and completing our financial statement audit.

Our response

Test of details: We have evaluated the recoverability of the carrying amount of the Company's receivables from Compass Group PLC based on the audited Annual Report 2022 of Compass Group PLC. We have also evaluated the expected credit losses determined by management, in particular the likely risk of default with reference to the long-term credit ratings and outlook of Compass Group PLC and any recent evidence of incurred credit losses. We assessed the disclosures of Compass Group PLC in the Annual Report 2022, specifically in relation to the evaluation of going concern assumption. As part of our procedures, we also evaluated the appropriateness of the accounting principles applied based on IFRS 9's requirements and the adequacy of the Company's related disclosures as presented in the notes to the financial statements, including the fair value disclosure and compared the fair value with the carrying values of the receivables.

Our observation

We found management's application of IFRS 9, the assessment of the recoverability of receivables from group undertakings and the disclosure relating to credit risk as included in the credit risk paragraph in Note 11 of the financial statements to be acceptable.



Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements; and
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report and other information.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

The Board of Directors is responsible for the preparation of the other information, including the information as required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Engagement

We were engaged by the General Meeting of Shareholder as auditor of Compass Group Finance Netherlands B.V. on 2 November 2018, as of the audit for the year ended 30 September 2018 and have operated as statutory auditor ever since that financial year.

Description of responsibilities regarding the financial statements

Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Board of Directors is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. In that respect, the Board of Directors is responsible for the prevention and detection of fraud and non-compliance with laws and regulations, including determining measures to resolve the consequences of it and to prevent recurrence.

As part of the preparation of the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Board of Directors should prepare the financial statements using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of



Directors should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A further description of our responsibilities for the audit of the financial statements is located at the website of de 'Koninklijke Nederlandse Beroepsorganisatie van Accountants' (NBA, Royal Netherlands Institute of Chartered Accountants) at [eng_beursgenoteerd_01.pdf \(nba.nl\)](#). This description forms part of our auditor's report.

Amstelveen, 11 January 2023

KPMG Accountants N.V.

C.A. Bakker RA