

Registered number: 03310603

BY WORD OF MOUTH LIMITED

UNAUDITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE 12 MONTHS ENDED 1 JANUARY 2023

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BY WORD OF MOUTH LIMITED

COMPANY INFORMATION

Directors	Sir F H Mackay B H C Watson R C L Perry C Johnson (appointed 12 January 2023) H L Milligan-Smith (appointed 12 January 2023)
Company secretary	S Miah
Registered number	03310603
Registered office	Ascent 4, Farnborough Aerospace Centre Farnborough GU14 6XN
Accountants	Price Bailey LLP Chartered Accountants & Statutory Auditors Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT

BY WORD OF MOUTH LIMITED

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BY WORD OF MOUTH LIMITED

STRATEGIC REPORT FOR THE 12 MONTHS ENDED 1 JANUARY 2023

Business review

Led by Rick Perry, By Word of Mouth continues to be one of the UK's most admired party design and event catering companies and has been a leader in its industry for over 30 years.

It provides exceptional quality and operates in a wide variety of stunning, high profile and historic venues with both corporate entities and private individuals as its clients.

The strong results for the period reflect the strength of the company's proposition, its reputation for quality and its long-established presence in this market. The directors are confident that the company will continue to deliver significant levels of profitability in the future consistent with those seen in years prior to the pandemic.

Principal risks and uncertainties

Whilst the Company is fortunate enough to be listed at a significant number of high profile venues in and around London, ultimately there are no contracts that grant absolute exclusivity to catering and events in a particular location. As such the Company attains its business through a combination of its client relationships and its long standing reputation in the market, driven by its long established ability to deliver high quality and bespoke service, with its corporate clients operating across a wide variety of sectors. As such sales levels are not certain but the long trading history, client diversity and the ability demonstrated over recent years to grow significantly during periods of economic uncertainty and the strength of the recovery of the business since the coronavirus pandemic mitigates the risk.

Financial key performance indicators

The directors consider the key performance indicators of the business aside from turnover and profit to be the percentages of gross profit and profit before tax against turnover. These can be affected by the sales mix and the impact of fixed costs.

The turnover for the 12 month period is £8,057,404 (2022: £2,570,855, 6 months). Profit is discussed in the Business Review.

Gross profit margins in the year have decreased slightly from 57% to 55% due to increased volumes and a change in sales mix compared to the previous period.

After administrative expenses and management fees (see Note 5) the Company has recorded an Operating Profit for the 12 month period of £1,552,136 (2022: Profit £481,030; 6 months).

Based on the above, the directors are pleased with the performance of the company overall.

BY WORD OF MOUTH LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE 12 MONTHS ENDED 1 JANUARY 2023

Going concern

The financial statements show the company with positive net current assets and net assets. The financial statements have been prepared on a going concern basis, which assumes that the company has sufficient resources to enable it to continue operating and to meet its liabilities as they fall due. The directors believe the going concern assumption to be appropriate for the reasons set out below.

As part of the Graysons Hospitality Limited group of companies the parent undertaking, Graysons Hospitality Limited, has pledged, in the ordinary course of business, to continue to offer financial support for the foreseeable future and confirmed this in writing in a letter of support.

The group directors have prepared cash flow forecasts for 16 months from the date of signing these financial statements. The directors believe the forecasts to be prudent and have undertaken sensitivity analysis to take account of potential risks. Given the contractual and diverse nature of the group's business, however, there is a significant ability to mitigate future uncertainties

The group also enjoys the support of its new major shareholder Aramark, a publicly listed entity incorporated in the United States which has recently provided working capital for the group's development and in a letter to the directors has committed to providing financial support to the group to ensure its future development and expansion.

Further to this the group continues to be very active in tendering for new contracts and has been successful in securing 5 new contracts in the last 8 months with annual Turnover of approximately £9m and with a significant further value of new contracts currently being tendered and due to be tendered within the next 12 months. As a result of this continued activity the directors reasonably expect to gain further new business following the recent contract additions given the group's established reputation and the continued consolidation of competitors in the marketplace in recent years.

Given all of these factors and the fact that the forecasts demonstrate the ability of the group to operate well within its existing cash resources the Board has a reasonable expectation that the group has adequate resources to continue its operations for the foreseeable future.

For the reasons laid out above the Board continues to adopt the going concern basis in preparing these financial statements.

This report was approved by the board on 22 Sep 2023

and signed on its behalf.

Francis Mackay
Sir F H Mackay
Director
22 Sep 2023

BY WORD OF MOUTH LIMITED

DIRECTORS' REPORT FOR THE 12 MONTHS ENDED 1 JANUARY 2023

The directors present their report and the financial statements for the 12 months ended 1 January 2023.

The previous period was shortened to bring the year end in line with the ultimate parent company. Amounts reflected in the financial statements may not be entirely comparable due to reporting for the prior period being 6 months.

Directors

The directors who served during the 12 Months were:

Sir F H Mackay
B H C Watson
R C L Perry
C Johnson (appointed 12 January 2023)
H L Milligan-Smith (appointed 12 January 2023)

Results and dividends

The profit for the 12 months, after taxation, amounted to £1,366,510 (6 months ended 2 January 2022 - £386,514).

The Directors did not recommend the payment of any dividends in the 12 months ended 1 January 2023 (6 months ended 2 January 2022: £Nil)

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

BY WORD OF MOUTH LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE 12 MONTHS ENDED 1 JANUARY 2023

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 22 Sep 2023

and signed on its behalf.

Francis Mackay

Sir Francis Mackay (Sep 22, 2023,
8:00 am)
Sir F H Mackay
Director

BY WORD OF MOUTH LIMITED

**CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF
THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF BY WORD OF MOUTH LIMITED
FOR THE 12 MONTHS ENDED 1 JANUARY 2023**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of By Word of Mouth Limited for the 12 Months ended 1 January 2023 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes from the Company's accounting records and from information and explanations you have given to us.

As a member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at [icaew.com/regulation](https://www.icaew.com/regulation).

This report is made solely to the Board of Directors of By Word of Mouth Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the financial statements of By Word of Mouth Limited and state those matters that we have agreed to state to them in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than By Word of Mouth Limited and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that By Word of Mouth Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the Company's assets, liabilities, financial position and profit. You consider that By Word of Mouth Limited is exempt from the statutory audit requirement for the 12 Months.

We have not been instructed to carry out an audit or review of the financial statements of By Word of Mouth Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Price Bailey LLP

Chartered Accountants & Statutory Auditors

Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT

Date: 22 September 2023

BY WORD OF MOUTH LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE 12 MONTHS ENDED 1 JANUARY 2023

	Note	12 Months Ended 1 January 2023 £	6 Months Ended 2 January 2022 £
Turnover	4	8,057,404	2,570,855
Cost of sales		(3,617,533)	(1,106,652)
Gross profit		<u>4,439,871</u>	<u>1,464,203</u>
Administrative expenses		(2,887,735)	(982,373)
Operating profit	5	<u>1,552,136</u>	<u>481,830</u>
Interest payable and similar expenses		(1,497)	(749)
Profit before tax		<u>1,550,639</u>	<u>481,081</u>
Tax on profit	9	(184,129)	(94,567)
Profit for the financial 12 Months		<u><u>1,366,510</u></u>	<u><u>386,514</u></u>

There were no recognised gains and losses for 12 months ended 1 January 2023 or 6 months ended 2 January 2022 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 12 months ended 1 January 2023 (6 months ended 2 January 2022:£NIL).

The notes on pages 10 to 23 form part of these financial statements.

BY WORD OF MOUTH LIMITED
REGISTERED NUMBER: 03310603

STATEMENT OF FINANCIAL POSITION
AS AT 1 JANUARY 2023

	Note	12 Months Ended 1 January 2023 £	6 Months Ended 2 January 2022 £
Fixed assets			
Tangible assets	10	147,327	46,425
		<u>147,327</u>	<u>46,425</u>
Current assets			
Stocks	11	84,400	46,448
Debtors: amounts falling due within one year	12	6,971,418	4,738,994
Cash at bank and in hand	13	314,237	373,060
		<u>7,370,055</u>	<u>5,158,502</u>
Creditors: amounts falling due within one year	14	(3,267,197)	(2,376,285)
Net current assets		<u>4,102,858</u>	<u>2,782,217</u>
Total assets less current liabilities		<u>4,250,185</u>	<u>2,828,642</u>
Creditors: amounts falling due after more than one year	15	(33,646)	(1,325)
Provisions for liabilities			
Deferred tax		(22,712)	-
		<u>(22,712)</u>	<u>-</u>
Net assets		<u>4,193,827</u>	<u>2,827,317</u>
Capital and reserves			
Called up share capital		18,401	18,401
Profit and loss account		4,175,426	2,808,916
		<u>4,193,827</u>	<u>2,827,317</u>

BY WORD OF MOUTH LIMITED
REGISTERED NUMBER: 03310603

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 1 JANUARY 2023

The members have not required the Company to obtain an audit for the period in question in accordance with section 476 of the Companies Act 2006. The directors consider that the Company is entitled to exemption from audit under section 479A of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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

22 Sep 2023

Francis Mackay

Sir Francis Mackay (Sep 22, 2023,
8:33am)
Director

The notes on pages 10 to 23 form part of these financial statements.

BY WORD OF MOUTH LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE 12 MONTHS ENDED 1 JANUARY 2023**

	Called up share capital £	Profit and loss account £	Total equity £
At 2 January 2022	18,401	2,808,916	2,827,317
Comprehensive income for the 12 Months			
Profit for the 12 Months	-	1,366,510	1,366,510
	<hr/>	<hr/>	<hr/>
At 1 January 2023	<hr/>	<hr/>	<hr/>
	18,401	4,175,426	4,193,827
	<hr/>	<hr/>	<hr/>

The notes on pages 10 to 23 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE 6 MONTHS ENDED 2 JANUARY 2022**

	Called up share capital £	Profit and loss account £	Total equity £
At 28 June 2021	18,401	2,422,402	2,440,803
Comprehensive income for the period			
Profit for the period	-	386,514	386,514
	<hr/>	<hr/>	<hr/>
At 2 January 2022	<hr/>	<hr/>	<hr/>
	18,401	2,808,916	2,827,317
	<hr/>	<hr/>	<hr/>

The notes on pages 10 to 23 form part of these financial statements.

BY WORD OF MOUTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 12 MONTHS ENDED 1 JANUARY 2023

1. General information

By Word of Mouth Limited is a private company limited by shares and incorporated in England and Wales. Registered number 03310603. Its registered head office is located at Ascent 4, Farnborough Aerospace Centre, Farnborough, Kent, England, GU14 6XN.

The principal activity was the provision of catering services.

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are prepared in British Pounds Sterling (GBP) and have been rounded to the nearest pound.

The company's parent undertaking, Graysons Hospitality Limited, has provided a guarantee over the liabilities of the company under section 479C of the Companies Act 2006 such that the company can claim exemption from audit under section 479A.

The following principal accounting policies have been applied:

BY WORD OF MOUTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 12 MONTHS ENDED 1 JANUARY 2023

2. Accounting policies (continued)

2.2 Going concern

The financial statements show the company with positive net current assets and net assets. The financial statements have been prepared on a going concern basis, which assumes that the company has sufficient resources to enable it to continue operating and to meet its liabilities as they fall due. The directors believe the going concern assumption to be appropriate for the reasons set out below.

As part of the Graysons Hospitality Limited group of companies the parent undertaking, Graysons Hospitality Limited, has pledged, in the ordinary course of business, to continue to offer financial support for the foreseeable future and confirmed this in writing in a letter of support.

The group directors have prepared cash flow forecasts for 16 months from the date of signing these financial statements. The directors believe the forecasts to be prudent and have undertaken sensitivity analysis to take account of potential risks. Given the contractual and diverse nature of the group's business, however, there is a significant ability to mitigate future uncertainties.

The group also enjoys the support of its new major shareholder Aramark, a publicly listed entity incorporated in the United States which has recently provided working capital for the group's development and in a letter to the directors has committed to providing financial support to the group to ensure its future development and expansion.

Further to this the group continues to be very active in tendering for new contracts and has been successful in securing 5 new contracts in the last 8 months with annual Turnover of approximately £9m and with a significant further value of new contracts currently being tendered and due to be tendered within the next 12 months. As a result of this continued activity the directors reasonably expect to gain further new business following the recent contract additions given the group's established reputation and the continued consolidation of competitors in the marketplace in recent years.

Given all of these factors and the fact that the forecasts demonstrate the ability of the group to operate well within its existing cash resources the Board has a reasonable expectation that the group has adequate resources to continue its operations for the foreseeable future.

For the reasons laid out above the Board continues to adopt the going concern basis in preparing these financial statements.

BY WORD OF MOUTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 12 MONTHS ENDED 1 JANUARY 2023

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 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.

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:

Long-term leasehold property	- over the life of the lease
Kitchen Equipment	- 25% straight line
Motor vehicles	- 25% straight line
Fixtures and fittings	- 25% straight line
Office equipment	- 25% straight line

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.

BY WORD OF MOUTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 12 MONTHS ENDED 1 JANUARY 2023

2. Accounting policies (continued)

2.5 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.

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.

2.6 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.

2.7 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.

2.8 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.9 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, and loans to related parties.

2.10 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

2.11 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.

BY WORD OF MOUTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 12 MONTHS ENDED 1 JANUARY 2023

2. Accounting policies (continued)

2.12 Operating leases

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.13 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.

2.14 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies.

Due to the nature of the company's activities, management consider that there are no significant judgements or key sources of estimation uncertainty.

BY WORD OF MOUTH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 12 MONTHS ENDED 1 JANUARY 2023**

4. Turnover

All turnover arose within the United Kingdom and related to the principal activity of the business.

5. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	12 Months Ended 1 January 2023 £	6 Months Ended 2 January 2022 £
Depreciation of tangible fixed assets	32,335	15,674
Other operating lease rentals	25,907	12,805
Defined contribution pension cost	33,799	7,982
Management fees	253,425	100,000
	<u>253,425</u>	<u>100,000</u>

6. Employees

	12 Months Ended 1 January 2023 £	6 Months Ended 2 January 2022 £
Wages and salaries	1,798,151	543,248
Social security costs	174,908	64,002
Cost of defined contribution scheme	33,799	7,982
	<u>2,006,858</u>	<u>615,232</u>

The average monthly number of employees, including the directors, during the 12 Months was as follows:

	12 Months Ended 1 January 2023 No.	6 Months Ended 1 January 2022 No.
Administrative and management staff	16	10
Catering staff	26	17
	<u>42</u>	<u>27</u>

BY WORD OF MOUTH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 12 MONTHS ENDED 1 JANUARY 2023**

7. Directors' remuneration

	12 Months Ended 1 January 2023 £	6 Months Ended 2 January 2022 £
Directors' emoluments	212,556	105,787
	<u>212,556</u>	<u>105,787</u>

During the 12 months retirement benefits were accruing to 1 directors (6 months ended 2 January 2022: 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £212,556 (6 months ended 2 January 2022: £105,787).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £8,100 (6 months ended 2 January 2022: £2,400).

8. Interest payable and similar expenses

	12 Months Ended 1 January 2023 £	6 Months Ended 2 January 2022 £
Finance leases and hire purchase contracts	1,497	749
	<u>1,497</u>	<u>749</u>

BY WORD OF MOUTH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 12 MONTHS ENDED 1 JANUARY 2023**

9. Taxation

	12 Months Ended 1 January 2023 £	6 Months Ended 2 January 2022 £
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	184,129	175,567
Effect of tax rate change	-	(81,000)
Total deferred tax	184,129	94,567
Tax on profit	184,129	94,567

Factors affecting tax charge for the 12 months/period

The tax assessed for the 12 months ended 1 January 2023 is higher than (6 months ended 2 January 2022 - higher than) the standard rate of corporation tax in the UK of 19% (6 months ended 2 January 2022 - 19%). The differences are explained below:

	12 Months Ended 1 January 2023 £	6 Months Ended 2 January 2022 £
Profit on ordinary activities before tax	1,550,639	481,081
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	294,621	91,405
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,507	-
Capital allowances for 12 Months/period in excess of depreciation	(2,531)	-
Remeasurement of deferred tax for changes in tax rates	59,772	(54,419)
Deferred tax not recognised	(64,920)	57,581
Group relief	(104,320)	-
Total tax charge for the 12 Months/period	184,129	94,567

BY WORD OF MOUTH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 12 MONTHS ENDED 1 JANUARY 2023**

9. Taxation (continued)

Factors that may affect future tax charges

On 3 March 2021, the Chancellor of the Exchequer announced that the main rate of corporation tax in the United Kingdom will rise to 25% with effect from 1 April 2023 for companies earning annual taxable profits in excess of £250,000. Companies earning annual taxable profits of £50,000 or less will continue to pay corporation tax at 19% with a marginal rate adjustment for companies earning annual taxable profits between the two levels. These changes had been substantively enacted at the statement of financial position date and therefore an adjustment has been made to deferred taxation balances to account for this change.

10. Tangible fixed assets

	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Kitchen equipment £	Computer equipment £	Total £
Cost or valuation						
At 3 January 2022	193,226	36,750	36,894	304,002	178,323	749,195
Additions	-	61,633	65,824	-	5,786	133,243
At 1 January 2023	193,226	98,383	102,718	304,002	184,109	882,438
Depreciation						
At 3 January 2022	183,882	32,167	36,168	291,697	158,856	702,770
Charge for the 12 Months on owned assets	4,768	4,681	5,663	6,152	11,077	32,341
At 1 January 2023	188,650	36,848	41,831	297,849	169,933	735,111
Net book value						
At 1 January 2023	4,576	61,535	60,887	6,153	14,176	147,327
At 2 January 2022	9,344	4,583	726	12,305	19,467	46,425

BY WORD OF MOUTH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 12 MONTHS ENDED 1 JANUARY 2023**

11. Stocks

	12 Months Ended 1 January 2023 £	6 Months Ended 2 January 2022 £
Raw materials and consumables	84,400	46,448
	<u>84,400</u>	<u>46,448</u>

12. Debtors

	12 Months Ended 1 January 2023 £	6 Months Ended 2 January 2022 £
Trade debtors	456,686	131,300
Amounts owed by group undertakings	6,338,748	4,392,594
Other debtors	50,000	-
Prepayments and accrued income	125,984	53,683
Deferred taxation	-	161,417
	<u>6,971,418</u>	<u>4,738,994</u>

13. Cash and cash equivalents

	12 Months Ended 1 January 2023 £	6 Months Ended 2 January 2022 £
Cash at bank and in hand	314,237	373,061
	<u>314,237</u>	<u>373,061</u>

BY WORD OF MOUTH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 12 MONTHS ENDED 1 JANUARY 2023**

14. Creditors: Amounts falling due within one year

	12 Months Ended 1 January 2023 £	6 Months Ended 2 January 2022 £
Trade creditors	949,037	432,286
Amounts owed to group undertakings	1,505,364	1,222,243
Other taxation and social security	195,286	300,977
Obligations under finance lease and hire purchase contracts	8,562	7,409
Other creditors	9,267	7,053
Accruals and deferred income	599,681	406,317
	<u>3,267,197</u>	<u>2,376,285</u>

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

	12 Months Ended 1 January 2023 £	6 Months Ended 2 January 2022 £
Obligations under finance leases and hire purchase contracts	33,646	1,325
	<u>33,646</u>	<u>1,325</u>

16. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	12 Months Ended 1 January 2023 £	6 Months Ended 2 January 2022 £
Between 1-5 years	42,208	8,734
	<u>42,208</u>	<u>8,734</u>

17. Deferred taxation

BY WORD OF MOUTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 12 MONTHS ENDED 1 JANUARY 2023

17. Deferred taxation (continued)

	12 Months Ended 1 January 2023 £	6 Months Ended 2 January 2022 £
At 2 January 2022	161,417	94,567
Charged to profit or loss	-	66,850
Utilised in year	(184,129)	-
At end of 12 month/ 6 months	(22,712)	161,417

The deferred taxation balance is made up as follows:

	12 Months Ended 1 January 2023 £	6 Months Ended 2 January 2022 £
Accelerated capital allowances	(22,712)	-
Tax losses carried forward	-	161,417
	(22,712)	161,417

The gross value of tax losses and other deductions carried forward at period end was NIL (6 months ended 2 January 2022: £894,000).

BY WORD OF MOUTH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 12 MONTHS ENDED 1 JANUARY 2023**

18. Share capital

	12 Months Ended 1 January 2023 £	6 Months Ended 2 January 2022 £
Allotted, called up and fully paid		
18,401 (6 months ended 2 January 2022 - 18,401) Ordinary shares of £1 each	18,401	18,401

All ordinary shares carry equal voting and dividend rights.

Share capital represents the nominal amount paid for shares.

19. Reserves

Profit and loss account

Includes all current and prior period retained profits and losses less any dividends paid.

20. Contingent liabilities

The company has entered into a multi-lateral guarantee with other members of the group headed by the company's parent undertaking, Graysons Hospitality Limited. The potential group liability as at 1 January 2023 in respect of this guarantee was £700,910 (6 months ended 2 January 2022: £Nil).

21. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £33,799 (6 months ended 2 January 2022: £7,982). Contributions totalling £9,267 (6 Months ended 2 January 2022: £5,859) were payable to the fund at the statement of financial position date and are included in creditors.

BY WORD OF MOUTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 12 MONTHS ENDED 1 JANUARY 2023

22. Commitments under operating leases

At 1 January 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	12 Months Ended 1 January 2023 £	6 Months Ended 2 January 2022 £
Land and buildings		
Not later than 1 year	240,692	174,096
Later than 1 year and not later than 5 years	782,249	1,055,033
	<u>1,022,941</u>	<u>1,229,129</u>
	12 Months Ended 1 January 2023 £	6 Months Ended 2 January 2022 £
Other leases		
Not later than 1 year	11,845	15,289
Later than 1 year and not later than 5 years	15,651	27,496
	<u>27,496</u>	<u>42,785</u>

23. Related party transactions

The company is a wholly owned subsidiary of Graysons Hospitality Limited, the group accounts of which are publicly available. Accordingly, the company has taken advantage of the exemption in FRS 102 from disclosing transactions with members of the Graysons Hospitality Limited group.

24. Controlling party

The company's immediate parent undertaking is Graysons Hospitality Limited.

The company's ultimate parent undertaking up to and including 11th January 2023 was Graysons Hospitality Limited. From 12th January 2023, Aramark inc, a company incorporated in the United States of America was considered to be the ultimate controlling party.

The parent undertaking of the smallest group for which group financial statements are prepared is Graysons Hospitality Limited. Copies of Graysons Hospitality Limited's financial statements are available from Companies House.

The directors considered Sir Francis Mackay to be the controlling party by way of his shareholding in the ultimate parent company, up to and including 11th January 2023. After this date there was no overall controlling party.