

Registered No: 04230980

McCormick Merchandising Services Limited

Report and Financial Statements

30 November 2021

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COMPANIES HOUSE

Corporate Information

Directors

R Charlier

M. Moore

Auditors

Ernst & Young LLP

R+ Building

2 Blagrove Street

Reading

Berkshire RG1 1AZ

Solicitors

Baker & McKenzie

100 New Bridge Street

London EC4V 6JA

Registered office

Haddenham Business Park

Pegasus Way

Haddenham

Aylesbury

Buckinghamshire

United Kingdom

HP17 8LB

Strategic report

The directors present their strategic report for the year ended 30 November 2021.

Review of the business

The principal activity of the company is to provide merchandising services to McCormick (UK) Limited, a group company.

The operating results for the year ended 30 November 2021 were satisfactory. The company's key financial and other performance indicators during the year were as follows:

	2021 £'000	2020 £'000
Turnover	4,984	5,062
Gross profit	453	460
Profit after tax	-	-
Average number of employees	175	176

The company's income is a recharge and mark up to McCormick (UK) Limited for the services of the merchandisers. Fluctuations in headcount will have a direct influence on the level of turnover and staff costs.

Employees – our people

At McCormick Merchandising Services, we believe in the Power of People and their ability to drive high performance business results. High performance starts with a fundamental belief that we should work together while leveraging our shared values, diversity, and proven work systems.

McCormick's High-Performance journey is ongoing and leverages our culture to create the company and human capacity required to execute and achieve our goals and desired outcomes. Built on our core belief in the Power of People and our Shared Values, our High-Performance Organisation Framework outlines the competencies, guiding principles and work systems needed to fully engage all People, to deliver consistent high Performance and personal and business Growth.

Our actions in the face of the pandemic crisis showcased our employees' dedication and creativity and the resiliency of our organization. We quickly adapted our ways of working, including a flawless migration of some employees to remote, virtual working environments and merchandiser employees adapting to increased safety protocols to maintain product supply. The health and safety of our employees has remained a top priority as we launched new initiatives, including those to help maintain mental health during this uncertain period. We are inspired by the way our employees responded during this time.

We are constantly reviewing our pay and benefits to ensure our employees are appropriately rewarded for their performance. We engage with our workforce regularly including quarterly update on business performance and employee matters. The company is committed to providing all its employees with equal opportunities in a workplace free from discrimination.

Environmental

McCormick Merchandising Services is committed to the continuous improvement of our environmental performance in our day to day business activity and to meet or exceed the requirements of all applicable environmental laws and regulations. Through management leadership and employee participation we are committed to reduce the environmental impact of our activities through pollution prevention; promote the sustainability of the natural resources upon which we depend, while providing quality products that meet the needs of our customers; comply with applicable environmental laws and regulations and contribute positively to the communities in which we operate. We expect all McCormick employees to carry out their job responsibilities in accordance with this policy and to report any environmental concerns they have to management

Strategic report (continued)

Principal risks and uncertainties

The principal risks and uncertainties relating to the company are deemed to be the risk and uncertainties of its parent company (due to dependency on its parent company for revenue generation) and are broadly as follows:

Competitive risks

Across Europe and in the UK the company is subject to competition from other major brands and own labelled products and competitive price pressure remains a key risk to the business. The company manages this risk by providing high quality innovative products at a competitive price and by continuing to develop strong long-term relationships with key customers. The company invests in its employees, in its customer relationships and in the brands through robust policies and procedures to ensure high quality products and protect its reputation.

Legislative risks

The company is required to meet high standards concerning health and safety, employment law and strict legislation relating specifically to the food industry. These standards are subject to continuous revision which management must adhere to in order to ensure compliance with legislation.

Management addresses these risks by continually educating and training those who are responsible for these tasks and by carrying out risk-based audits to assess the effectiveness of the standards in place to comply with the legislation.

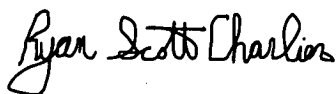
Exposure to credit risks

Credit risk is the risk that one party to the financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The company policies are aimed at minimising such losses and require that credit terms are only granted to customers who satisfy the company's credit worthiness procedures. Credit customers are subject to periodic review to ensure adherence to the company policies.

UK membership of the European Union

The Transition Period governing the UK's relationship with EU ended on 31 December 2020. The EU- UK Trade and Cooperation Agreement was signed on 24 December 2020 and came into operation on 01 January 2021. The Agreement substantially reduced, but did not fully eliminate import duties on all raw materials and finished goods purchased from suppliers located in the EU. The Agreement has also significantly increased the number of non-fiscal regulations and administration procedures required to move goods between the UK and the EU. The complexities associated with additional EU paperwork requirements, together with extended delays at EU ports whilst goods await customs clearance, has made some delivery times less predictable and reduced the number of hauliers prepared to transport goods from the UK into the EU. The company continues to work with our logistics partners, suppliers and customers to adapt to these new requirements and mitigate the ongoing impacts. Finally, the rights of EU and UK nationals to move freely across borders have been significantly altered, meaning that the available pool of talent from which the UK business is able to recruit new talent into the company is more restricted. Existing UK employees' ability to live and work in the EU are now also subject to increased restrictions. The company continues to work to mitigate all of the above risks insofar as it is able to do so.

On behalf of the Board



R Charlier
Director

Date: 30 August 2022

Directors' report

The Directors present their report for the year ended 30 November 2021.

Directors of the company

The current directors are shown on page 1.

M. Moore was appointed as a director on 17 March 2022.

C. Jinks was a director until 17 March 2022 when he resigned.

Results and dividends

The directors do not recommend the payment of any dividend in the year (2020: £nil).

Research and development

McCormick Merchandising Services Limited does not directly carry on any research and development activities.

Future developments

The directors are not expecting significant variation in the company's future operations or profitability.

Covid-19

The ongoing situation arising from the global Covid-19 coronavirus epidemic has had no significant impact on the company. Our employees (merchandisers) have continued to service our customers. We have followed UK Government guidance regarding Personal Protective Equipment and social distancing. Although this epidemic is still evolving the company believes its financial resources are robust and that there will be no significant long-term financial impact on the company.

Disabled employees

The company is committed to a policy of equality of opportunity in all its employment practices and to promoting a positive working environment, with dignity for all. It will make reasonable adjustments to accommodate new and existing employees with disabilities.

The company gives full and fair consideration to applications from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion.

Where existing employees become disabled it is the company's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

Employee involvement

The company has continued its policy of providing employees with information on matters of concern to them as employees and has consulted them or their representatives on a regular basis. This has been carried out by management at the company's various locations and by way of information bulletins, surveys and conferences. All employees' training and development is supported by continuing in-service education.

McCormick & Company, Incorporated, and its subsidiaries (the "group"), of which McCormick Merchandising Services Limited is a subsidiary, publishes an annual corporate social responsibility report where detailed company wide employee commitments, initiatives and key performance indicators can be found.

Bullying and harassment are not tolerated at McCormick and the company actively promotes the diversity of its workforce, contractors and suppliers.

Directors' report (continued)

Going concern

The company's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives, details of its financial instruments and derivative activities, and its exposures to price, credit, liquidity and cash flow risk are described in the strategic report on page 2.

The company is expected to generate positive cash flows for the foreseeable future. The company participates in the group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries.

The directors, having assessed the responses of the directors of the company's ultimate parent McCormick & Company, Incorporated to their enquiries, have no reason to believe that a material uncertainty exists that may cast doubt about the ability of the company to continue as a going concern or its ability to continue with the current banking arrangements. McCormick & Company, Incorporated continue to provide parental support to the company. In reaching this conclusion the directors have considered the arrangements that have been put in place to maintain its liquidity position in response to Covid-19 and that the company will have continued access to the cash pooling arrangement within the group.

On this basis, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence until at least 30 November 2023. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Directors' liabilities

During the year, and up to the date of approval of the financial statements, the company had in place third party indemnity provision for the benefit of all the directors of the company, subject to the conditions set out in section 234 of the Companies Act 2006.

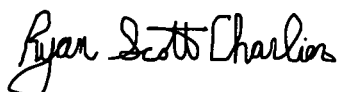
Directors' statement as to disclosure of information to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the group's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Re-appointment of auditors

In accordance with s.485 of the Companies Act 2006, a resolution is to be proposed as the Annual General Meeting for reappointment of Ernst & Young LLP as auditor of the Company.

On behalf of the Board



R. Charlier
Director

Date: 30 August 2022

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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.

Independent auditor's report to the members of McCormick Merchandising Services Limited

Opinion

We have audited the financial statements of McCormick Merchandising Services Limited for the year ended 30 November 2021 which comprise the Income Statement, the Statement of Financial Position, the Statement of comprehensive income, the Statement of changes in equity and the related notes¹ to 9 including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 30 November 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period until 30 November 2023.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

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

Independent auditor's report to the members of McCormick Merchandising Services Limited (continued)

Other information (continued)

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Independent auditor's report to the members of McCormick Merchandising Services Limited (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102 and the Companies Act 2006) and the relevant direct and indirect tax compliance regulation in the United Kingdom. In addition, the Company has to comply with laws and regulations relating to its operations, including health and safety, employees and GDPR.
- We understood how McCormick Merchandising Services Limited is complying with those frameworks by holding enquiries with those charged with governance and management and reading of the Board minutes to identify any non-compliance with laws and regulations. We understood the potential incentive and ability to override the controls. We considered management's attitude and tone from the top to embed a culture of honesty and ethical behaviour whereby a strong emphasis is placed on fraud prevention which may reduce opportunities for fraud to take place. We further understood the adoption of accounting standards and considered the compliance with the above laws.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by including how fraud might occur by obtaining and reading internal policies, holding enquiries of management and those charged with governance as to any fraud risk framework within the entity. We considered the controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those controls. Where this risk was higher, which we determined to be within revenue, we performed audit procedures to address the identified fraud risk. We performed analytical procedures around unusual transactions in this period and around year end date. We have recalculated the revenue recharge based on the expected percentage mark up, agree to source documentation and investigated any variance identified. In relation to management override, we tested the journal entries based on specific criteria from the entire population and tested the manual top side journal entries.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved
 - Enquiry of management and those charged with governance as to any fraud risk framework within the entity.
 - Enquiry of management, those charged with governance around actual and potential litigation and claims.
 - Evaluating the business rationale of significant transactions outside the normal course of business, which we did not find any.
 - Challenging judgements made by management. This included corroborating the inputs and considering contradicting evidence.
 - Reading of the financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations

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

Independent auditor's report to the members of McCormick Merchandising Services Limited (continued)

Use of our report

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



Carl Stone (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Reading
Date 30th August 2022

Income Statement

for the year ended 30 November 2021

	Note	2021 £	2020 £
Turnover	2	4,983,838	5,061,877
Cost of sales	4	<u>(4,530,762)</u>	<u>(4,601,706)</u>
Gross profit	3	453,076	460,171
Tax on profit	5	<u>(453,076)</u>	<u>(460,171)</u>
Retained profit & profit on ordinary activities after taxation		<u>-</u>	<u>-</u>

All of the company's turnover and results for the year were generated from continuing activities.

There were no recognised gains and losses other than those included in the retained profit for the year ended 30 November 2021 of £nil (2020: £nil) reported above.

Statement of comprehensive income**for the year ended 30 November 2021**

	<i>2021</i>	<i>2020</i>
	<i>£</i>	<i>£</i>
Profit for the year	-	-
Other comprehensive income	-	-
	<hr/>	<hr/>
Total comprehensive income for the year	-	-
	<hr/> <hr/>	<hr/> <hr/>

Statement of changes in equity

at 30 November 2021

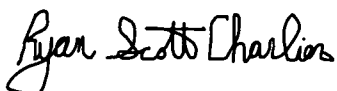
	<i>Called-up share capital</i>	<i>Profit and loss account</i>	<i>Total Equity</i>
	£	£	£
Balance at 1 December 2019	1	-	1
Total comprehensive income for the year	-	-	-
Balance at 30 November 2020	1	-	1
Balances as at 1 December 2020	1	-	1
Total comprehensive income for the year	-	-	-
Balance at 30 November 2021	1	-	1

Statement of financial position

at 30 November 2021

		2021	2020
	Note	£	£
Current assets			
Debtors	6	1	1
		<u>1</u>	<u>1</u>
Net current assets and total net assets		<u>1</u>	<u>1</u>
 Capital and Reserves			
Called up share capital	7	1	1
Profit and loss account		-	-
		<u>1</u>	<u>1</u>
Total equity shareholders' funds		<u>1</u>	<u>1</u>

Approved by the Board:

R Charlier
Director

Date: 30 August 2022

Notes to the financial statements

for the year ended 30 November 2021

1. Accounting policies

Statement of compliance

McCormick Merchandising Services Limited is a limited liability company incorporated in England. The Registered Office is Haddenham Business Park, Pegasus Way, Haddenham, Aylesbury, Buckinghamshire, HP17 8LB.

The individual financial statements of McCormick Merchandising Services Limited have been prepared in compliance United Kingdom Accounting Standards, including Financial Reporting Standard 102. "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" and the Companies Act 2006.

Basis of preparation

The financial statements of McCormick Merchandising Services Limited were authorised for issue by the Board of Directors on 30 August 2022.

The financial statements have been prepared in accordance with applicable accounting standards.

The financial statements are prepared in sterling which is the functional currency of the company.

Going concern

The company is expected to generate positive cash flows for the foreseeable future. The company participates in the group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries.

The directors, having assessed the responses of the directors of the company's ultimate parent McCormick & Company, Incorporated to their enquiries, have no reason to believe that a material uncertainty exists that may cast doubt about the ability of the company to continue as a going concern or its ability to continue with the current banking arrangements. McCormick & Company, Incorporated continue to provide parental support to the company. In reaching this conclusion the directors have considered the arrangements that have been put in place to maintain its liquidity position in response to Covid-19 and that the company will have continued access to the cash pooling arrangement within the group.

On this basis, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence until at least 30 November 2023. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that the actual outcomes could differ from those estimates.

The following are the company's key sources of estimation uncertainty:

Taxation

The company and its parent establish provisions based on reasonable estimates, for the possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Financial reporting standard 102 – reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

- the requirements of Section 7 Statement of Cash Flows and Section 3, paragraph 3.17 (d)
- the requirement of Section 33 Related Party Disclosure paragraph 33.7

Notes to the financial statements (continued)

for the year ended 30 November 2021

1. Accounting policies (Continued)

Significant accounting policies

Revenue recognition

Turnover is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Turnover is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. Turnover is recognised on a cost-plus basis which represents all rechargeable expenses recharged at a fixed percentage mark-up.

Short term debtors

Debtors with no stated interest and receivable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

Current taxation

The tax expense for the period comprises current tax. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income when it is recognised in the statement of comprehensive income.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Employee benefits

The company provides a range of benefits to employees, including annual bonus arrangements, paid holiday and a defined contribution pension plan.

i. Short term benefits

Short term benefits, including holiday pay and other similar benefits are recognised as an expense in the period in which the service is received.

ii. 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 when they become payable. The assets of the plan are held separately from the company in independently administered funds.

2. Turnover

Turnover represents the amounts derived from the provision of services supplied during the year to McCormick (UK) Limited, a group company, net of value added tax. All turnover is derived from within the United Kingdom and from ordinary activities.

3. Gross profit

The auditor's remuneration attributable to the company of £15,000 (2020: £15,000) is borne by another group undertaking, McCormick (UK) Limited. This amount has not been recharged and is not reflected in the results for the company for the year.

Notes to the financial statements (continued)

for the year ended 30 November 2021

4. Staff costs

<i>(a) staff costs</i>	2021 £	2020 £
Wages and salaries	4,014,123	4,046,062
Social security costs	353,520	390,743
Other pension costs	130,377	132,137
Other post-retirement benefit costs	32,742	32,764
	<u>4,530,762</u>	<u>4,601,706</u>

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

	2021 No.	2020 No.
Sales	<u>175</u>	<u>176</u>

(b) Directors' remuneration

Directors' emoluments have been borne by fellow group companies.

The directors of the company are also directors or officers of other companies in the McCormick group. The directors' services to this company do not occupy a significant amount of their time and are considered to be incidental. As such, the directors do not consider that they receive any remuneration for their services to the company for years ended 30 November 2021 and 30 November 2020, which is borne and disclosed by McCormick (UK) Limited.

5. Tax on profit on ordinary activities

<i>(a) Analysis of tax in the year</i>	2021 £	2020 £
<i>Current tax:</i>		
UK corporation tax on profits for the year	<u>453,076</u>	<u>460,171</u>
Tax on profit on ordinary activities (note 5(b))	<u>453,076</u>	<u>460,171</u>

(b) Factors affecting tax charge for the year

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 19% (2020 – 19%). The differences are reconciled below:

	2021 £	2020 £
Profit on ordinary activities before tax	<u>453,076</u>	<u>460,171</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	86,084	87,432
Group relief payment	453,076	460,171
Group relief not paid for	<u>(86,084)</u>	<u>(87,432)</u>
Current tax for year (note 5(a))	<u>453,076</u>	<u>460,171</u>

Notes to the financial statements (continued)

for the year ended 30 November 2021

5. Tax on profit on ordinary activities (continued)

(c) Factors that may affect future tax charges

On 17 March 2020, the corporate tax rate reduction to 17% was cancelled, with the tax rate remaining at 19%.

The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. These changes were enacted through Finance Act 2021 on 10 June 2021.

6. Debtors

	2021	2020
	£	£
Amounts owed by group undertaking	<u>1</u>	<u>1</u>

7. Share capital

	2021		2020	
	No.	£	No.	£
<i>Allotted, called-up, and fully paid:</i>				
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

The company is limited by shares and all the ordinary shares rank pari passu and there are no preferential rights granted.

8. Related parties

The company has taken advantage of the exemption, under the terms of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" not to disclose related party transactions with group undertakings as 100% of the voting rights of the company are held within the group.

9. Parent undertaking and controlling party

The company's immediate parent undertaking is McCormick (UK) Limited, a company incorporated in the United Kingdom. The company's ultimate parent undertaking and controlling party is McCormick & Company, Incorporated, a company incorporated in the USA.

The parent undertaking of the smallest and largest group, of which the company is a member, and for which group financial statements are prepared, is McCormick & Company, Incorporated. Copies of the consolidated financial statements for McCormick & Company, Incorporated are available from its principal place of business at 24 Schillings Road, Suite 1, Hunt Valley, Maryland, MD 21031, USA..