

Registered number: SC368377

BAXTERSTOREY SCOTLAND LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 29 DECEMBER 2021

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BAXTERSTOREY SCOTLAND LIMITED

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BAXTERSTOREY SCOTLAND LIMITED

STRATEGIC REPORT FOR THE PERIOD ENDED 29 DECEMBER 2021

Introduction

The directors present their Strategic Report for the period ended 29 December 2021.

In common with much of the hospitality sector, BaxterStorey Scotland Limited ('BaxterStorey Scotland') operates to a weekly reporting cycle rather than calendar month end basis. Accordingly, these financial statements are for the 52 week period ended 29 December 2021, with comparative values for the 52 week and 5 day period ended 30 December 2020. Note that in 2020 we adjusted our statutory accounts reporting cycle, electing to close the accounts on the nearest Wednesday to 31 December in order that the statutory accounts mirror the reporting cycle of our individual trading locations.

Principal activities

BaxterStorey Scotland offers a wide range of food and hospitality services across business, industry and higher education sectors. We strive to be the food service provider of choice for clients in Scotland who understand the benefits of local sourcing and demand the highest quality fresh food. We tailor our services to each client's individual needs and we ensure we provide the right people with the right skills to deliver exceptional services.

Business and financial review including future developments

During 2021, as a direct consequence of the Covid-19 global pandemic and government response measures, we continued to see many of our locations unable to trade or found trade materially impacted by public health restrictions. The restrictions were at their most severe at the start of 2021 with the introduction of a UK nationwide lockdown with the closure of higher education, albeit disruption to some degree continued throughout the year with "Plan B" restrictions impacting the latter stages of 2021.

For the periods where they were available, and in consultation with clients, we continued to make use of the various UK job support schemes to preserve as many jobs as possible. Claims of £1.5m were passed on to our employees (2020: £3.1m). The company maintained its 2020 policy of utilising third party assistance in managing the claims on behalf of our clients and employees. A total of £1.6m of external advisory fees has been incurred by our parent organisation, the WSH group, to ensure full compliance with scheme rules over the course of 2020 and 2021. As at the 2021 year end the UK government's furlough claims have been fully reconciled and all necessary "true up" reconciliations settled.

Despite the significant challenges the company faced, trading performance over the balance of the year was good and showed encouraging recovery from 2020. We successfully adapted our offerings and demonstrated both the underlying resilience of the business and an ability to drive revenues. We are incredibly proud of our teams and their ongoing commitment to keeping our environments safe for our customers.

During 2020, the business took advantage of HMRC's offer of VAT and PAYE deferrals. Due to our strong financial recovery the total deferral plus interest was fully repaid prior to 2021 year end and thus in advance of the repayment plan agreed with HMRC.

Our KPI's when measuring the company's performance broadly fall into two categories: financial and non-financial. Our financial KPI's are Turnover, Gross profit, Operating profit, Cash and cash equivalents and Net assets.

Key trading results for the period:

- Turnover of £10.8m (2020: £10.3m)
- Gross profit of £1.8m (2020: £1.0m)
- Operating profit of £1.0m (2020: £0.1m)
- Cash and cash equivalents of £3.1m (2020: £2.3m)
- Net assets of £6.8m (2020: £6.0m)

Despite the challenging and uncertain trading environment experienced in 2021, the directors believe the strong trading performance in the last quarter of 2021 and continued recovery through the first months of 2022, in spite of Plan B restrictions are positive indicators that the business' growth trajectory will see a further improved trading performance in 2022.

**STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 29 DECEMBER 2021**

Business and financial review including future developments (continued)

Our non-financial KPI's relate to what we perceive as the principal risk of the company, Health & Safety. Health & Safety is the priority focus for senior management. As discussed below we hold and seek external Health & Safety accreditations and continuously assess how our accident incident rate compares to the sector. Senior management are held to account for Health & Safety, reporting on independently audited Health & Safety site performance in monthly reviews with the WSH Chairman and CFO.

Principal risks and uncertainties

The directors recognise that the degree of exposure to certain risks and the ability of the business to manage those risks effectively will influence the success of the business. Corporate governance, risk management and control systems have been continually developed by our parent ("WSH") over many years. The directors are confident that the health and safety, strategic and financial risks faced by the company are identified and managed appropriately either at a company or a wider WSH level.

Health and safety

A risk management committee headed by the WSH Chairman along with one of our senior WSH non-executive directors and Director of HSE ensures our health, safety and hygiene systems comply fully with legislative requirements. We recognise that in most of our client premises, it is the catering facilities which present the greatest number of hazards and risks within the building. Many of these hazards e.g. slips and trips, machinery and manual handling, cannot be practicably avoided due to the nature of the work activity and must therefore be controlled by safe systems of work. To achieve this, we operate across all our businesses, comprehensive and fully documented health and safety management systems that exceed current legislative requirements. We also insist our catering operations are independently audited a minimum of annually by The European Safety Bureau and that all new sites are audited shortly after mobilisation, in order to give our clients an open and transparent view of our operations.

To provide our clients and customers with further confidence in our safety management systems, we are independently accredited to the SAFE Contractor Scheme and to the British Standards Institute (BSi) to OHSAS 18001:2007, ISO 14001 & ISO 50001, which recognise the highest standards of safety, health and environmental performance in business.

Throughout the Covid-19 pandemic we have continued to implement dynamic Covid secure guidance, policies and procedures to keep our teams and customers safe, including but not limited to, enhanced personal and environmental sanitation, social distancing controls, the issue of PPE, lateral flow test guidance, Covid training, safe reopening procedures and government guidance. WSH have taken a leading role with UK Hospitality in establishing best practice in this area.

Strategic

The WSH Chairman and Chief Financial Officer conduct formal monthly monitoring of performance with the key executives where actual performance is compared to budget and forecast. The business has designated levels of authority for all capital investments. Cash flows are monitored on a daily basis with active cash and debt management ensuring borrowing levels and interest rate charges are minimised.

The WSH Audit Committee, which includes a non-executive director, considers the adequacy and effectiveness of the risk management and control systems of the group and reports the results back to the Board. It reviews the scope and results of the external audit, its cost effectiveness and the objectivity of the auditors. The Audit Committee considers the non-audit work performed by the external auditors to help ensure that the independence is maintained.

The WSH Environmental, Social and Governance (ESG) Committee, which includes a non-executive director, considers legal and ethical risks facing the business in addition to other factors key to understanding the impact of the business and relative risks and opportunities. The committee ensures that the business operates ethically with integrity and follows a best practice approach to any legal and/or ethical risks which arise.

BAXTERSTOREY SCOTLAND LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 29 DECEMBER 2021

Principal risks and uncertainties (continued)

Political and economic environment

We operate in a changing political and economic environment. We recognise the impact that this can have on our business and we are constantly reviewing our business in light of legislative changes.

Recognising these challenges and their potential impact, our earnings base is varied and covers both public and private sectors thus giving us greater ability to withstand adverse economic movements. Our contracts enable us to review pricing to reflect inflationary and legislative changes whilst we seek to ensure that the costs of our products, services and labour represent best value whilst retaining client choice and exceeding our service levels. We believe in providing our clients with exceptional food and personal service, whilst respecting their individuality and investing time and energy in getting to know them and understanding their needs.

Financial

We summarise the principal financial risks that the company faces, and how we address these below:

Liquidity Risk - the group actively manages its liquidity position and risk by ensuring it has adequate bank facilities and unrestricted cash to ensure planned activities and requirements are met. Utilisation levels against available facilities are monitored daily.

Supplier Risk - risk of supplier failure and/or product shortages in the supply chain are mitigated by the group by having an extensive supply chain with an overarching philosophy of multiple lines of supply with no one supplier dominance.

Going concern

The company's business activities, together with factors likely to affect its future development, its financial positions and risk management objectives are set out in the Strategic Report. Unquestionably as a hospitality business focused on serving customers the various Government imposed restrictions and lockdowns that were introduced throughout the Covid-19 pandemic had a negative effect on the company (as they had on hospitality businesses globally). However, through the actions taken and with the support of clients, customers and stakeholders the business has weathered the 'storm' and is firmly on a growth trajectory. In assessing whether appropriate to apply the going concern basis for accounting, the directors have taken into consideration the operational, financial and commercial resilience of the WSH group.

During 2020 and 2021 the WSH group and its employees benefitted from various UK government Covid support and job retention schemes, including securing £50m of 3 year liquidity under the Government's Coronavirus Large Business Interruption Loan Scheme ("CLBILS") in July 2020. CLBILS funding was made available only for those private companies deemed financially stable pre crisis who could evidence that the pandemic and related restrictions had had a material impact on revenues. The CLBILS funding whilst drawn by WSH was not utilised, merely adding to available liquidity. Indeed, testament to the resilience of the business, the hard work of our employees and the support of our valued clients, despite the material reduction in revenue caused by the pandemic the WSH group generated positive operating cash flows in both 2020 and 2021. The 2021 WSH group balance sheet closed with cash at bank of £132m, and a further £30m of liquidity was undrawn (and readily available) under the group's revolving credit facility. There is no imminent funding pressure on the business, the WSH group's borrowing arrangements are spread over the longer term, with the CLBILS repayable at expiry in July 2023 and the remainder of the WSH group's facilities not due for repayment (or expiring) until March 2025 to March 2027.

In assessing the company's ability to continue as a going concern, the directors have considered the performance of the business through both 2020 and 2021 together with the performance in the current year. With the lifting of all remaining restrictions in 2022, the resilience of the WSH group throughout the pandemic and the WSH group's available liquidity, the directors are confident that the company, with the support of the group, can meet all its obligations as they fall due through to at least the end of 2023. Accordingly, the directors have formed a judgement that it is appropriate to prepare the financial statements on a going concern basis.

BAXTERSTOREY SCOTLAND LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 29 DECEMBER 2021

Statement by the directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006

Board Statement

The Board is in place to ensure the company's good governance and prosperity by overseeing the company's affairs, while acting in the best interests of its shareholders and relevant stakeholders. In line with their responsibilities under the UK Companies Act 2006, the directors of the Board consistently operate in their capacity in a way that they consider, in good faith, would be most likely to promote the long-term success of the company for the benefit of the members as a collective body.

It is recognised that sound governance is built on a foundation of mutual trust, respect and understanding of the needs and expectations of all critical stakeholders. Having been fully apprised of their duties under the Act, the Board is appropriately informed of matters of strategic importance to the business and acts through both subjective and objective care, skill and diligence, and with a high degree of engagement and collaboration across the organisation and amongst stakeholders.

Stakeholder Engagement

Accountability to and transparency with our stakeholders has been key to the long-term success of our business. We consider our key stakeholders to be our people, our clients and customers, our suppliers, our community and environment and our shareholders.

All company directors have a duty to act in the way they consider, in good faith, would be most likely to promote the success of the business for the benefit of its members as a whole. They have regard for:

- the likely consequences of any decision in the long term;
- the interests of employees;
- the need to foster business relationships with suppliers, customers and others;
- the impact of operations on the community and the environment;
- the desirability of the business to maintain a reputation for high standards of business conduct; and
- the need to act fairly between members of the company.

The directors of BaxterStorey Scotland are committed to on-going engagement with all our stakeholders. This has been critical throughout the Covid-19 pandemic and the impact this has had on all our stakeholders. In addition to the methods described below, the interests of our stakeholder groups are considered by the directors through a combination of:

- monthly board meetings covering health and safety, operational matters, people issues, financial and commercial aspects, supply chain and new business opportunities; and
- the work of the WSH Audit, Remuneration and ESG Committees.

BAXTERSTOREY SCOTLAND LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 29 DECEMBER 2021

Statement by the directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006 (continued)

Our People

As a hospitality business, our people are key to our commercial and strategic success. Our operating teams are charged with the most vital role, ensuring our customers' enjoyment of our services.

We aim to recruit the best people and have a key focus on training and development to enable all employees to acquire new skills so they can develop their careers and realise their potential. We have an ethos of valuing and recognising all team members for their contribution and encouraging them to be part of our long-term success.

Our commitment to ensuring we have well trained employees is a point of difference for us in our sector. Through various training programmes and academies, we offer learning opportunities in every part of our business. We participate in the Government Apprenticeship Scheme across various disciplines.

We have a number of established methods of communicating, consulting and engaging with our employees. These include employee forums, union representation (where applicable) and, where appropriate, ad hoc forums to ensure employees are consulted appropriately and are able to participate. Information on matters of concern to employees is given through information bulletins, reports and face-to-face briefings. We seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance. This has been particularly important given the impact of the Covid-19 pandemic and the decisions taken by the directors in response to this, not only from an economic position (such as employee consultations), but also from a safety, wellbeing and operational perspective.

Widespread equity participation has been a key pillar in the historic success of our business. We firmly believe that an equity ownership structure incentivises our key team members and is a major factor in ensuring behaviours and commercial alignment are focused on the continued development of a long-term sustainable business model. The equity scheme in place allows key team members to have equity participation in our parent company.

The WSH Remuneration Committee, which also includes a non-executive director, determines and agrees the framework and policy for the company, including executive remuneration packages, comprising bonuses, share and incentive awards and pension arrangements. There is clear governance around decision-making and changes to any compensation arrangements.

Our Clients and Customers

We have a diverse base of clients and customers across various industries. Our business is built on obtaining new clients and customers and then going the extra mile to retain and grow with existing clients. A critical objective is that we engage with clients and customers at all levels. We need to ensure that every client and customer is valued, listened to, engaged with, and receives our feedback and support if required. The demands can be many and vary significantly but our customers want quality food, quality service, value for money and to feel appreciated when they deal with us. Our customers rightfully have a voice, and we adapt to meet their ongoing requirements and suggestions where possible.

We maintain regular contact with all our clients. This ranges from staff and site managers meeting the client on a daily basis, to regular monthly catchups between operational leads and frequent director meetings during the year.

We use customer feedback as a valuable tool for driving continued improvements in our food and service offerings. Feedback from customers is captured on an ongoing basis from various sources, including surveys, feedback forms, social media and face to face.

Our Suppliers

Our suppliers have a critical role to play in delivering our strategic aim of delivering high quality fresh food to our customers. We target long-term relationships with suppliers who match our values on ethical and sustainability goals. We believe partnership style arrangements, focused on driving revenues rather than cost, helps promote innovation and mutually rewarding trading. We agree payment terms with all our suppliers and then pay to these agreed terms. We have regular meetings throughout the year with our suppliers. Wherever possible, we source locally and buy the best seasonal produce.

BAXTERSTOREY SCOTLAND LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 29 DECEMBER 2021

Statement by the directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006 (continued)

Our Community and Environment

We operate in multiple locations and seek to act responsibly in the communities and environments in which we trade. We continually develop our offer so we can reduce our carbon footprint, cut down on waste and become more innovative in ensuring we protect the environment.

We take an active role in the communities in which we operate, not only providing great employment and training opportunities, but also giving back to the community through various charitable efforts. Our client teams regularly participate in, and are actively encouraged to do so, charitable activities together with our clients. These are discussed further in the Charitable donations section in the Directors' Report.

Our Shareholders

Open engagement with our shareholders has been a cornerstone of our success. The discipline of delivering to an agreed commercial plan has helped the business to grow and invest for the future. We have regular contact with our investors through monthly meetings and supply of management information packs updating them on strategic, operational and financial matters as well as risks and opportunities facing the business.

Environmental, Social and Governance (ESG)

The global food system and Supply Chain continues to face multiple challenges as a result of climate change, geopolitics and the continued aftershocks of Covid-19 on both our teams, sector and the wider economy. We recognise that these pressures are unlikely to abate, and we need to be agile and adapt in order to ensure a sustainable food future for people and the planet. As one of the largest independent catering and hospitality businesses in the UK we recognise the responsibility of being able to use our scale and size to make a positive difference to people's livelihoods, the communities in which we work and the compelling need to act to address climate change, inclusion and diversity, and supply chain integrity.

We love what we do; serving our customers fresh, seasonal and local food prepared by our exceptional teams every day. Our teams are hungry for change in our industry, and we are uniting to take positive action on sustainability by developing a purpose that both recognises the strong progress made in recent years with a longer-term strategy that ensures we continue to tackle the complex social and environmental issues that we face both today and in the future.

Our ESG Strategy

During 2021, BaxterStorey Scotland as part of the wider WSH family, chose to partner with a specialist ESG Consultancy in order to support the development of our new, long-term ESG strategy. Whilst the pandemic has offered many businesses the opportunity to reflect, we have seen the growing importance of ESG to both our internal stakeholders, shareholders, clients, and our customer base as a critical area to address. Our ESG strategy celebrates and brings together the existing work of the businesses whilst setting a new allied pathway; meeting stakeholder expectations and be forward looking to ensure that across our businesses we are well-positioned to meet existing and future regulations and market trends.

We gained valuable insights from both internal and external stakeholders, completing over 300 surveys and interviews. These insights, along with the associated consequences they pose to the BaxterStorey Scotland business, were captured through a materiality assessment using a best practice methodology comprising risk and impact assessment. This assessment has also included detailed analysis drawn from ESG rating agencies, best practice ESG frameworks, industry bodies, peers, and competitors.

The resulting priority areas identified will form a core part of our future ESG strategy and are summarised within four key pillars: Diversity by Design, Growing Talent, Progressive Partnerships and Climate Action.

Pillar 1: Diversity by Design

Priority Area: Equality, Diversity and Inclusion

Ensuring individuals or groups of individuals are not treated differently or less favourably on the basis of their specific protected characteristic (i.e., race, gender, disability, religion or belief, sexual orientation and age), and promoting an inclusive culture within BaxterStorey Scotland that recognises, respects and values people's differences so they can contribute and realise their full potential.

Pillar 2: Growing Talent

Priority Area: Training and Development

Providing ongoing educational and development activities to enhance the fulfilment, performance, and careers of our employees as well as improving employee retention and the attraction of talent to further contribute to the long-term success of BaxterStorey Scotland.

Priority Area: Fair and Decent Work

Ensuring fair work and employment practices for both our direct and indirect employees by addressing both the opportunities and challenges associated with flexible working for our teams as well as meeting higher standards of labour, welfare, and remuneration.

Environmental, Social and Governance (ESG) (continued)

Pillar 3: Progressive Partnerships

Priority Area: Responsible Sourcing

Ensuring our products and services are being sourced sustainably with transparency and integrity, improving animal welfare and the levels of ethical trading throughout our Supply Chain.

Priority Area: Sustainable Supply Chain

Managing our suppliers to ensure that they have suitable strategies and measures in place to drive ongoing improvements in their sustainability performance, prompt payment practices, fair terms, human rights, modern slavery, and resilience to climate change.

Pillar 4: Climate Action

Priority Area: Designing out waste

Managing and monitoring waste material from our business operations; specifically, food and packaging, as well as focussing on reducing, reusing, recycling, and avoiding waste wherever possible.

Priority Area: Reducing Carbon emissions

Managing and reducing energy and carbon emissions from direct and indirect operations (Scope 1, 2 & 3) by establishing a long-term plan to enable the WSH businesses to reach Net Zero emissions by 2040.

We will continue to develop KPIs and targets against each of the four pillars and priority areas during 2022, following the completion of on-going cross-functional workshops. Our strategy will then be set and measurable; monitoring will be performed by the WSH Board of Directors whilst the responsibility of delivering sits with the ESG Steering Committee and the company.

STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 29 DECEMBER 2021
Streamlined Energy and Carbon Renewal (SECR) Report

Our net carbon footprint for the 2021 financial period was 35 tonnes of carbon dioxide and equivalent gases (CO₂e) (2020: 52), with an intensity measure of 3.2 tonnes of CO₂e per £million turnover (2020: 5.0). This represents a 35.5% decrease in 2021 on an intensity basis and a decrease of 32.3% absolute. We have reported on all the emission sources which we deem ourselves to be responsible for, as required under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2018.

These sources fall within our operation's control and financial boundaries. We have detailed below our energy use and energy efficiency actions taken during the period.

		Current reporting year 2021*		Comparison reporting year 2020	
		kWh	tCO ₂ e	kWh	tCO ₂ e
Scope 1	Emissions from combustion of gas	-	-	-	-
Scope 1	Emissions from combustion of fuel for transport purposes (white fleet)	98,195	23	140,059	33
Scope 2	Emissions from purchased electricity	-	-	-	-
Scope 3	Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (grey fleet)	63,118	12	98,786	19
*CO ₂ e conversion figures are based on 2021 Defra conversion data.			35		52

Energy Efficiency and Carbon Reduction Action:

Listed below are some of the ways in which our business has, and continues to address the impact we have on the environment:

- Energy efficiency training given to all employees using our 'Green Flash' suite of toolbox training sessions;
- All electricity contracts placed on 100% renewable tariffs;
- Certified Carbon Neutral for fleet and business travel;
- Achieved ISO 50001 certification for Energy Management System;
- Active members of the Hospitality and Carbon Reduction Forum and the recently formed Foodservice Zero Carbon Forum; and
- Installed sensors and timers where possible to ensure lighting is only used when people are in our locations.

BAXTERSTOREY SCOTLAND LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 29 DECEMBER 2021

Tax strategy

The Board recognises that compliance with tax regulations is one of its key responsibilities. In common with all aspects of the operation of its diverse business, the oversight is assigned to one member of the Board, namely the Chief Financial Officer, whose responsibility it is to appraise the Board of key tax events. This allows all Board members to be adequately engaged in the tax affairs of the business and thereby ensure BaxterStorey Scotland is adhering to its responsibilities.

There are five key principles to which BaxterStorey Scotland adheres when considering all aspects of taxation. These principles provide steering to key stakeholders and offer a framework for decision making.

- **Transparency with HMRC** – BaxterStorey Scotland has an open and transparent relationship with HMRC and values the trust which HMRC places in our business to correctly deliver taxes due. In all dealings with HMRC, BaxterStorey Scotland seeks to maintain and further build on this relationship through proactive engagement.
- **External Advisors** – Ensure BaxterStorey Scotland engages with external advisors to provide technical expertise whenever necessary. This engagement will take place at Board level for corporate transactions and to ensure the overall tax strategy is coherent and tax risk is minimised. In addition, engagement will take place within the tax team for operational and compliance matters.
- **Sufficiently resourced tax team** – BaxterStorey Scotland is supported by an appropriately qualified tax team which invests in continued professional development. The Board will continue to review the structure of the tax team at suitable intervals to ensure it remains appropriate to the evolving business environment and external tax environment.
- **Tax Planning** – BaxterStorey Scotland is a client orientated business, and a strong commercial focus has played a key role in the success of the business and will continue to play a key role in the future. As part of its duty to its stakeholders to control unnecessary costs, BaxterStorey Scotland utilises tax reliefs and allowances available in the manner in which intended by the tax authorities and statute. BaxterStorey Scotland does not engage in artificial tax arrangements.
- **Risk Management and Internal Governance** – Due to the size and complexity of BaxterStorey Scotland's business there is an inherent degree of tax risk. The Board recognises this and considers that the tax strategy sits alongside stringent financial controls to reduce this to a minimal level.

As an employer with a significant number of employees but operating in a relatively low margin sector, corporation tax alone is not a balanced reflection of the total tax contribution made by BaxterStorey Scotland. The estimated taxes borne or collected by BaxterStorey Scotland other than corporation tax in the period were:

	2021	2020
	£000	£000
VAT	1,044	1,046
PAYE	488	485
Employer's National Insurance	399	477
Employee's National Insurance	310	382
	<u>2,241</u>	<u>2,390</u>

This report was approved by the Board and signed on its behalf.



M Bradley
Director
28 April 2022

BAXTERSTOREY SCOTLAND LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 29 DECEMBER 2021

The directors present their report and the audited financial statements for the period ended 29 December 2021.

Results and dividends

The profit for the period amounted to £839,000 (2020: £11,000). The directors do not recommend payment of a dividend by the company (2020: £nil).

Directors

The directors who served during the period and to the date of signing were:

M Bradley
C Mahony
R Pearce
A Storey
G Wood
J Bennett (resigned 31 July 2021)
D Burston (resigned 30 November 2021)
M Sandbach (resigned 31 December 2021)

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have prepared the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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 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 enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

BAXTERSTOREY SCOTLAND LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 29 DECEMBER 2021

Qualifying third party indemnity provisions

During the period, and up to the date of approval of the financial statements, the company had in place qualifying third party indemnity provision for the benefit of all the directors of the company.

Employee involvement

These requirements are covered in the Our People section within the Statement by the directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006 in the Strategic Report.

Disabled employees

Our policy is for full and fair consideration of employment applications from disabled persons for those vacancies that they are able to fulfil with the required workplace adjustments. All necessary assistance with training is given. Arrangements are made, wherever possible, for retraining employees who become disabled, to allow them to perform work which is appropriate to their aptitudes and abilities.

It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

Employment policies

We aim to provide equal opportunities regardless of gender, race, religion or belief, sexual orientation, disability or ethnic origin, recognising that the continued success of the company depends upon its ability to attract, motivate and retain people of the highest calibre.

Social, Community and Human Rights Issues

We actively manage our businesses so as to ensure that Human Rights are not contravened in our operations. We have a clear Anti-Slavery and Human Trafficking Statement, available via our website www.wshlimited.co.uk, where it states our zero-tolerance approach in both our own operations and across our supply chain and further outlines our position regarding working hours, wages and supply chain review/onboarding and auditing.

Statement of engagement with suppliers, customers and others in a business relationship with the company

These requirements are covered in the Statement by the directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006 in the Strategic Report.

Charitable donations

The BaxterStorey Scotland Foundation

In 2012, in order to galvanise our considerable activities, we formed the BaxterStorey Scotland Foundation beneath the umbrella of our parent company's charitable foundation, The WSH Foundation. The WSH Foundation was established as a registered charity in 2008 to channel charitable funds towards local communities and charitable causes that are consistent with the company's core values. Funds raised by the WSH Foundation in 2021 amounted to £993,000 (2020: £1,404,000). Total funds raised to date by the Foundation stand at £4.9m. The trustees of the Foundation include directors of BaxterStorey Scotland Limited.

Donations by the WSH Foundation in 2021 amounted to £1,473,000 (2020: £1,096,000), bringing the total donations by the WSH Foundation to date to £4.7m. Donations in the year were predominantly made to the MealForce project (further details below). Other donations made included charities involved in the hospitality sector and those charities that are important to our employees, customers and clients.

BAXTERSTOREY SCOTLAND LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 29 DECEMBER 2021

Charitable donations (continued)

Feed NHS/MealForce

In March 2020, Feed NHS was launched, a not for profit campaign founded by Damian Lewis, Helen McCrory, Matt Lucas and John Vincent with the sole aim of raising money to feed NHS and key workers. Our parent company BaxterStorey Limited worked in coalition with MealForce and Feed our Frontline, servicing 90 NHS hospitals and delivering free meals to the NHS. BaxterStorey's efforts were fully funded by the WSH Foundation, with WSH funding supplemented by substantial funds from third party donations. Our We Prepare CPU in Slough produced the meals for onward distribution. A similar initiative was created for Scottish hospitals with us working in partnership with a key client utilising the client's facilities in their Edinburgh campus. WSH's contribution to these initiatives during the first lockdown was the provision of over 100,000 free meals to the NHS during the period up to the end of May 2020. Following the success of the Feed NHS project, WSH worked in partnership with MealForce to provide free hot meals to NHS staff in critical care and Covid rehabilitation units. WSH's efforts were fully funded by the WSH Foundation with our We Prepare CPU facility producing the meals for onward distribution to the Trusts.

These efforts continued in 2021 with the third lockdown and were further supplemented by the commencement of support to the mass vaccination centres across London. The WSH Foundation worked in partnership with Chelsea & Westminster NHS Trust's charitable foundation, Epsom St Helier NHS trust and the London Ambulance Service to provide their workers and volunteers with fresh, nutritious snacks and meals throughout their shifts. During the project nearly 1 million meals have been donated across the UK by the WSH Foundation and its funding partners.

The trustees of the WSH Foundation are immensely grateful for the generosity of the those who provided funds to support this initiative, and the teams across BaxterStorey and We Prepare who prepared and delivered the meals to the UK's frontline healthcare workers.

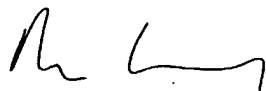
Matters covered in the Strategic Report

In accordance with Section 414C(11) of the Companies Act 2006, the principal risks and uncertainties and future developments of the company are contained within the Strategic Report.

Independent auditors

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

This report was approved by the Board and signed on its behalf.



M Bradley
Director

28 April 2022

Registered office:
300 Thames Valley Park Drive
Reading
RG6 1PT

Independent auditors' report to the members of BaxterStorey Scotland Limited

Report on the audit of the financial statements

Opinion

In our opinion, BaxterStorey Scotland Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 29 December 2021 and of its profit for the 52 week period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: Balance Sheet as at 29 December 2021; Statement of Comprehensive Income and Statement of Changes in Equity for the period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the period ended 29 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' 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 auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to Companies Act 2006, UK Pensions and Tax Legislation, Health and Safety Executive Legislation and Implementation of Government Support Schemes (Coronavirus Job Retention Scheme), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and potential management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management and the group Audit Committee, including consideration of known or suspected instances of non-compliance with laws and regulation or fraud
- Identifying and testing journal entries based on our risk assessment, in particular any journal entries posted with unusual descriptions, unusual account combinations or posted by senior management and evaluating whether there was evidence of management bias that represents a risk of misstatement due to fraud

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations
- Challenging assumptions and judgements made by management in their significant accounting estimates
- Incorporating elements of unpredictability into the audit procedures performed

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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.

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Nigel Reynolds (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
29 April 2022

BAXTERSTOREY SCOTLAND LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 29 DECEMBER 2021**

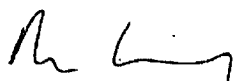
	Note	2021 £000	2020 £000
Turnover	3	10,822	10,317
Cost of sales		(10,466)	(12,213)
Other income	4	1,480	2,934
Gross profit		1,836	1,038
Administrative expenses		(876)	(974)
Administrative expenses - exceptional items	5	-	(119)
Other income	4	52	124
Operating profit	6	1,012	69
Interest payable and similar expenses	9	(5)	(5)
Profit before tax		1,007	64
Tax on profit	10	(168)	(53)
Profit for the financial period		839	11
Total comprehensive income for the period		839	11

The notes on pages 20 to 33 form part of these financial statements.

BAXTERSTOREY SCOTLAND LIMITED**BALANCE SHEET
AS AT 29 DECEMBER 2021**

	Note	2021 £000	2020 £000
Fixed assets			
Intangible assets	11	806	907
Tangible assets	12	62	160
		<u>868</u>	<u>1,067</u>
Current assets			
Stocks	13	361	244
Debtors: amounts falling due within one year	14	16,037	12,521
Cash at bank and in hand		3,125	2,309
		<u>19,523</u>	<u>15,074</u>
Creditors: amounts falling due within one year	15	(13,166)	(9,623)
Net current assets		<u>6,357</u>	<u>5,451</u>
Total assets less current liabilities		<u>7,225</u>	<u>6,518</u>
Creditors: amounts falling due after more than one year		-	1
Provisions for liabilities	17	(385)	(518)
Net assets		<u><u>6,840</u></u>	<u><u>6,001</u></u>
Capital and reserves			
Called up share capital	18	1	1
Profit and loss account		6,839	6,000
Total equity		<u><u>6,840</u></u>	<u><u>6,001</u></u>

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



M Bradley
Director

Date: 28 April 2022

Registered company number SC368377

BAXTERSTOREY SCOTLAND LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 29 DECEMBER 2021**

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 27 December 2019	1	5,989	5,990
Profit for the period	-	11	11
At 30 December 2020	1	6,000	6,001
Profit for the period	-	839	839
At 29 December 2021	1	6,839	6,840

The notes on pages 20 to 33 form part of these financial statements.

BAXTERSTOREY SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 29 DECEMBER 2021

1. General information

BaxterStorey Scotland Limited is a private company limited by shares. It was incorporated and is registered within Scotland.

In common with much of the hospitality sector, BaxterStorey Scotland operates to a weekly reporting cycle rather than calendar month end basis. Accordingly these financial statements are for the 52 week period ended 29 December 2021, with comparative values for the 52 week and 5 day period ended 30 December 2020. Note that in 2020 we adjusted our statutory accounts reporting cycle, electing to close the accounts on the nearest Wednesday to 31 December in order that the statutory accounts mirror the reporting cycle of our individual trading locations.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the recognition of certain financial assets and liabilities measured at fair value and in accordance with 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 have been prepared on a going concern basis. The financial statements are presented in GBP, which is also the company's functional currency.

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with. The company has taken advantage of the following exemptions:

- from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows prepared by a parent company includes the company's cash flows; and
- from the requirement to present certain financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information is provided in the consolidated financial statement disclosures of the parent company.

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to each presented period, unless otherwise stated.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 DECEMBER 2021**

2. Accounting policies (continued)

2.2 Going concern

The company's business activities, together with factors likely to affect its future development, its financial positions and risk management objectives are set out in the Strategic Report. Unquestionably as a hospitality business focused on serving customers the various Government imposed restrictions and lockdowns that were introduced throughout the Covid-19 pandemic had a negative effect on the company (as they had on hospitality businesses globally). However, through the actions taken and with the support of clients, customers and stakeholders the business has weathered the 'storm' and is firmly on a growth trajectory. In assessing whether appropriate to apply the going concern basis for accounting, the directors have taken into consideration the operational, financial and commercial resilience of the WSH group.

During 2020 and 2021 the WSH group and its employees benefitted from various UK government Covid support and job retention schemes, including securing £50m of 3 year liquidity under the Government's Coronavirus Large Business Interruption Loan Scheme ("CLBILS") in July 2020. CLBILS funding was made available only for those private companies deemed financially stable pre crisis who could evidence that the pandemic and related restrictions had had a material impact on revenues. The CLBILS funding whilst drawn by WSH was not utilised, merely adding to available liquidity. Indeed, testament to the resilience of the business, the hard work of our employees and the support of our valued clients, despite the material reduction in revenue caused by the pandemic the WSH group generated positive operating cash flows in both 2020 and 2021. The 2021 WSH group balance sheet closed with cash at bank of £132m, and a further £30m of liquidity was undrawn (and readily available) under the WSH group's revolving credit facility. There is no imminent funding pressure on the business, the WSH group's borrowing arrangements are spread over the longer term, with the CLBILS repayable at expiry in July 2023 and the remainder of the WSH group's facilities not due for repayment (or expiring) until March 2025 to March 2027.

In assessing the company's ability to continue as a going concern, the directors have considered the performance of the business through both 2020 and 2021 together with the performance in the current year. With the lifting of all remaining restrictions in 2022, the resilience of the WSH group throughout the pandemic and the WSH group's available liquidity, the directors are confident that the company, with the support of the WSH group, can meet all its obligations as they fall due through to at least the end of 2023. Accordingly, the directors have formed a judgement that it is appropriate to prepare the financial statements on a going concern basis.

2.3 Turnover

Turnover 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. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

2.4 Government grant income

Government grant income is recognised once the conditions attached to the grant are met and there is reasonable assurance that the grant will be received. Recognition is based on the accrual model and the income is included within other income.

2.5 Exceptional items

Exceptional items are transactions that result from the operating activities of the company but are separately disclosed due to their exceptional, non-recurring nature. Examples include incremental costs explicitly linked to the Covid-19 pandemic.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 DECEMBER 2021**

2. Accounting policies (continued)

2.6 Intangible fixed assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Comprehensive Income over its estimated useful economic life of twenty years.

2.7 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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.

The estimated useful lives range as follows:

Fixtures and fittings - 3 to 7 years

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 the Statement of Comprehensive Income.

2.8 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.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.10 Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 DECEMBER 2021**

2. Accounting policies (continued)

2.11 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, loans to related parties and investments in ordinary shares.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.12 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.

2.13 Finance costs

Finance costs are charged to the Statement of Comprehensive Income 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.

2.14 Operating leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income 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.

2.15 Defined contribution pension plans

The company operates defined contribution plans 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 the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in other creditors as a liability in the Balance Sheet. The assets of the plan are held separately from the company in independently administered funds.

2.16 Provisions for liabilities

Provisions are recognised when the company has a present obligation as a result of a past event and it is probable that the company will be required to settle the obligation. Provisions are measured at the directors' best estimate of the cost of settling these liabilities and are discounted to present value where the effect is material.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 DECEMBER 2021**

2. Accounting policies (continued)

2.17 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income 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 income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet 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 Balance Sheet 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 balance sheet date.

2.18 Key accounting judgements and estimates

The company makes accounting judgements and estimates in order to prepare the financial statements for the period. The most significant is addressed below:

Provisions

Provisions are established for costs that will be incurred based on legislative and contractual requirements. These liabilities require the judgement of management as to the estimated costs, the timing of the cash flows and the discount rates to use to establish the net present value of the obligations. Sensitivities have been considered and it has been concluded that there are no generic assumptions used in the model that could result in a material change in the provision.

3. Turnover

The turnover of the company for the current and prior period has been derived from the sales of goods and services in the UK.

BAXTERSTOREY SCOTLAND LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 DECEMBER 2021****4. Other income**

	2021 £000	2020 £000
Government grant income - gross profit	1,480	2,934
Government grant income - operating profit	52	124
	<u>1,532</u>	<u>3,058</u>

Grant income of £1.5m (2020: £3.1m) was received under the various UK Government Coronavirus job retention schemes. The grant income has been categorised within gross profit or operating income/costs so as to align to the underlying employee costs.

The third party professional fees associated with the management of the job retention schemes were borne by a fellow WSH holding company.

5. Exceptional items

	2021 £000	2020 £000
Covid-19 - restructuring	-	103
Covid 19 - other	-	16
	<u>-</u>	<u>119</u>

During the prior period, the company incurred £119,000 of exceptional costs as a result of the Covid-19 pandemic. Wherever possible the various Government job retention schemes were utilised so as to preserve as many jobs as possible. Nevertheless, disappointingly there was still a need to rapidly right size the business as a direct consequence of the pandemic's impact on revenue, resulting in £103,000 of redundancy costs and the departure of many colleagues. Other Covid-19 specific exceptional costs of £16,000 relate to stock write offs due to sudden closures of sites as a result of Government lockdowns.

6. Operating profit

The operating profit is stated after charging:

	2021 £000	2020 £000
Depreciation of tangible fixed assets	105	303
Profit on disposal of tangible fixed assets	5	64
Amortisation of goodwill	101	103
Audit of the company financial statements	15	14
Operating lease rentals	<u>24</u>	<u>33</u>

BAXTERSTOREY SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 29 DECEMBER 2021

7. Employees

Staff costs were as follows:

	2021 £000	2020 £000
Wages and salaries	6,241	7,565
Social security costs	399	477
Cost of defined contribution pension schemes	158	187
	<u>6,798</u>	<u>8,229</u>

The amounts shown in the table above are shown gross, including furlough payments made to employees. Amounts received from the various Government job retention schemes are shown separately as other income (see note 4).

Included in the prior year figures in the table above are £103,000 of exceptional payroll costs relating to Covid-19 redundancies (see note 5).

The average monthly full time equivalent number of employees, including the directors, during the period was as follows:

	2021 No.	2020 No.
Clerical and management	7	12
Catering and hospitality	277	368
	<u>284</u>	<u>380</u>

BAXTERSTOREY SCOTLAND LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 DECEMBER 2021****8. Directors' remuneration**

Directors' emoluments have been borne by other companies under common group ownership. These directors are also directors or officers of at least one other company within the group.

9. Interest payable and similar expenses

	2021 £000	2020 £000
Other interest payable	5	5
	<u>5</u>	<u>5</u>

10. Tax on profit

	2021 £000	2020 £000
Corporation tax		
Current tax on profits for the period	207	73
Adjustments in respect of prior periods	(43)	16
Total current tax	<u>164</u>	<u>89</u>
Deferred tax		
Origination and reversal of timing differences	5	(34)
Adjustments in respect of prior periods	23	12
Changes to tax rates	(24)	(14)
Total deferred tax charge/(credit)	<u>4</u>	<u>(36)</u>
Tax on profit	<u>168</u>	<u>53</u>

BAXTERSTOREY SCOTLAND LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 DECEMBER 2021****10. Tax on profit (continued)****Factors affecting tax charge for the period**

The tax assessed for the period is lower than (2020: *higher than*) the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%). The differences are explained below:

	2021 £000	2020 £000
Profit before tax	1,007	64
Profit before tax multiplied by standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	191	12
Effects of:		
Expenses not deductible for tax purposes	23	27
Excess capital allowances arising from super deductions at 130%	(2)	-
Adjustments in respect of prior periods	(20)	28
Change to tax rates	(24)	(14)
Total tax charge for the period	168	53

Factors that may affect future tax charges

An increase to the rate of corporation tax to 25% from April 2023 was substantially enacted by the balance sheet date and has been included in the calculation of deferred taxes using a blended rate approach. The increased rate will also affect future current tax charges. In the Spring Budget statement of 2022, the Chancellor announced plans to review the tax treatment of expenditure related to improvements to productivity. The exact measures are not yet known and not substantially enacted. Therefore the effects of any such changes are not included in these financial statements.

BAXTERSTOREY SCOTLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 DECEMBER 2021**

11. Intangible assets

	Goodwill £000
Cost	
At 31 December 2020	2,020
At 29 December 2021	2,020
Amortisation	
At 31 December 2020	1,113
Charge for the period	101
At 29 December 2021	1,214
Net book value	
At 29 December 2021	806
At 30 December 2020	907

BAXTERSTOREY SCOTLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 DECEMBER 2021**

12. Tangible assets

	Fixtures and fittings £000
Cost	
At 31 December 2020	1,226
Additions	2
Disposals	(87)
	<u>1,141</u>
At 29 December 2021	<u>1,141</u>
Depreciation	
At 31 December 2020	1,066
Charge for the period	105
Disposals	(92)
	<u>1,079</u>
At 29 December 2021	<u>1,079</u>
Net book value	
At 29 December 2021	<u>62</u>
At 30 December 2020	<u>160</u>

13. Stocks

	2021 £000	2020 £000
Raw materials and consumables	361	244
	<u>361</u>	<u>244</u>

BAXTERSTOREY SCOTLAND LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 DECEMBER 2021****14. Debtors: amounts falling due within one year**

	2021	2020
	£000	£000
Trade debtors	1,135	799
Amounts owed by group undertakings	14,335	11,267
Other debtors	309	236
Deferred taxation (note 16)	150	154
Prepayments and accrued income	108	65
	16,037	12,521

Amounts owed by group undertakings are unsecured, non-interest bearing and repayable on demand.

15. Creditors: amounts falling due within one year

	2021	2020
	£000	£000
Trade creditors	1,163	476
Amounts owed to group undertakings	9,547	7,142
Corporation tax	264	130
Other taxation and social security	545	608
Other creditors	987	674
Accruals and deferred income	660	593
	13,166	9,623

Amounts owed to group undertakings are unsecured, non-interest bearing and repayable on demand.

16. Deferred taxation

	2021	2020
	£000	£000
At beginning of period	154	118
(Charged)/credited to the profit or loss	(4)	36
At end of period	150	154

BAXTERSTOREY SCOTLAND LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 DECEMBER 2021****16. Deferred taxation (continued)**

The deferred tax asset is made up as follows:

	2021	2020
	£000	£000
Depreciation in excess of capital allowances	121	128
Other short term timing differences	29	26
	150	154

17. Provisions for liabilities

	Total provisions £000
At 31 December 2020	518
Utilised during the period	(133)
At 29 December 2021	385

As disclosed in the accounting policies, management uses judgement in determining the amount and timing of cash outflows, and thus the provision required for such obligations. The provisions represent management's judgement, for potential future liabilities against contracts and are expected to be utilised over the period to December 2026.

18. Called up share capital

	2021	2020
	£000	£000
Allotted, called up and fully paid		
1,000 (2020: 1,000) ordinary shares of £1.00 each	1	1

19. Pension commitments

The company operates defined contribution pension schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the funds and amounted to £158,000 (2020: £187,000). Contributions totalling £147,000 (2020: £139,000) were payable to the fund at the balance sheet date and are shown within other creditors.

BAXTERSTOREY SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 29 DECEMBER 2021

20. Commitments under operating leases

At the period end, the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £000	2020 £000
Not later than 1 year	-	25
	<u>-</u>	<u>25</u>

21. Related party transactions

The company has taken advantage of the exemption contained in Section 33 of FRS 102 which applies to group undertakings and has not disclosed details of transactions with wholly owned group companies.

As noted in the Charitable donations section of the Directors' report, in the prior period the company received funding from the WSH Foundation in order to provide free meals to the NHS and charged £1,000 to the WSH Foundation for these services. In the current period nothing was charged and at the balance sheet date no amounts (2020: £nil) were receivable. Directors J Bennett, M Bradley, C Mahony and A Storey are also Trustees of the WSH Foundation.

22. Controlling party

BaxterStorey Limited, a company incorporated in England and Wales, is the immediate parent company and the smallest group into which the company's results are consolidated.

The directors regard the ultimate parent company to be CD&R and WSH JVco (UK) Limited, a company incorporated in England and Wales. CD&R and WSH JVco (UK) Limited is also the largest group into which the company's results are consolidated.

Copies of the consolidated financial statements for both BaxterStorey Limited and CD&R and WSH JVco (UK) Limited can be obtained from 300 Thames Valley Park Drive, Reading, RG6 1PT.

The ultimate controlling party is CD&R and WSH JVco Limited, a UK tax resident company.