

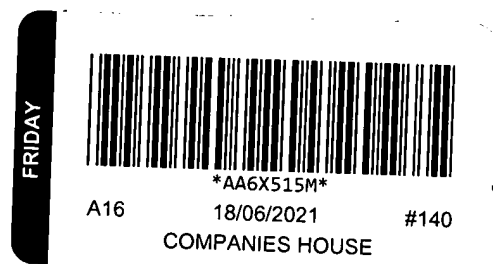
## **Milton Webber Ltd**

Annual Report and Financial Statements

Year Ended

31 October 2020

Company Number 12577710



# Milton Webber Ltd

## Company Information

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<b>Director</b>	S M Webber
<b>Registered number</b>	12577710
<b>Registered office</b>	Pasta Foods Limited Forest Way New Costessey Norwich Norfolk NR5 0JH
<b>Independent auditor</b>	BDO LLP 16 The Havens Ransomes Europark Ipswich Suffolk IP3 9SJ

# Milton Webber Ltd

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# **Milton Webber Ltd**

## **Group strategic report For the year ended 31 October 2020**

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The director presents the strategic report for the year ended 31 October 2020, it refers to the performance, operations and trading of the operating companies Pasta Foods Limited and Snack Creations Ltd.

### **Business review**

#### **Pasta Foods Limited and Snack Creations Ltd**

It has been a remarkable year for the businesses of Pasta Foods and Snack Creations. Like all businesses we have had to deal with the challenges of the pandemic. Our approach from the start was to protect our employees, their families and the wider communities in which we operate not only against Coronavirus but also the mental health repercussions of the pandemic. Our employees in turn, have worked incredibly hard to satisfy our customers' needs and keep people fed. I am really grateful for their unfailing efforts and good sense throughout. I am also pleased to say we have supported a significant number of charities and food banks with donations of pasta during the period. This amounts to enough pasta for 247,250 meals.

The financial results for the Group are benefitting from the investments made in recent years with sales reaching £27.2m (2019 - £13.6m) and operating profit of £2.6m (2019 - £1.5m) (the basis of consolidation has been set out in note 2.2 to the financial statements).

#### **Pasta Foods Limited**

The below information refers to the results of Pasta Foods Limited for the full year ended 31 October 2020, as the financial results for the Group only include Pasta Foods Limited from the date of acquisition on 18 May 2020. The review below therefore provides a like for like comparison to the prior year for Pasta Foods Limited.

Last year I highlighted that the financial results did not yet reflect the advances made in that year throughout the business. The financial performance this year is beginning to show the benefits of this hard work with underlying sales growth of 24% to £16.35m and an EBITDA of £1.8m.

The business was severely impacted by the lockdown beginning in March 2020 as the food to go sector we supply came to a halt. Management reacted quickly and demonstrated how agile the business has become as we redirected our efforts in difficult markets and delivered improved financial results. The business was able to switch some supply into retail pasta at short notice and kept our customers fully supplied which allowed them to keep their retail customers' shelves fully stocked throughout.

The main benefit to the company came from the investment in new capacity last year. The new production capacity allowed the company to grow the business around recipe dishes, canned goods and quick cook categories. We have once again won more business from existing customers and new business from new customers.

In a difficult retail environment, our customers, who supply the retailers have grown to value the excellent service levels and supply chain controls which go hand in hand with product quality and new product development. In this most difficult of years our customers have appreciated that more than ever as other suppliers in other countries focused on keeping their home customers fully supplied. Without exception we met all of our customers' needs 100% of the time, even if they increased their requirements at short notice and by very large amounts, all being serviced from our excellent facilities operating to the highest UK certification standards.

Our quality of product allied with the development of products that work perfectly for our customers' end uses and unfailing service levels mean that we have had significant success in exporting pasta and have won several new customers as well as growing with others. During the year our export sales have grown by over 30%.

Raw material prices were consistently high through the first few months of the year, but rose significantly as the pandemic began to impact agricultural commodities. Those higher prices persisted through to the year end and are still at higher than average levels.

# Milton Webber Ltd

## Group strategic report (continued) For the year ended 31 October 2020

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As previously highlighted the food sector is disproportionately affected by Living Wage increases, Nest pension costs and non-commodity energy charges: we continue to work to mitigate these cost pressures as far as possible.

Capex in the period was less than £100,000 following the large investment in the year before.

### Snack Creations Ltd

We have built successfully on the previous period's performance and as prefaced in last period's accounts the benefits of the efficiency improvements, new investment and new business wins are coming through. Sales growth has accelerated and on an underlying (like for like) basis increased by 13.4% year on year. Operating profit has again improved to £2.19m.

These results are beginning to reflect the hardwork of the last few years in developing new products, winning new customers, improving efficiencies, increasing capacity and driving forward our sustainable agenda. We are still at the beginning of an exciting period of growth.

The global pandemic has impacted our business as many of our customers have seen their businesses affected. We have seen some new product development with our customers put on hold, but this has not prevented us from delivering many new product launches through the year. Our efforts to attend more trade shows and meet more export customers face to face started the year well, but came to a grinding halt in March. We look forward to returning to meet our export customers when we can.

Our commitment to delivering world class service has paid dividends as we have won new business from new customers who have been let down by some of our competitors.

The year under review, as highlighted in last period's report, has seen higher raw material prices. These remain at those higher levels, in the most part, in the current year.

Brexit has had little impact on the business.

Capex in the period reached £787,213.

### Future developments

The businesses have committed to a further increase in capacity which will become productive at the end of 2021. This is to support the increasing demand from both our current and new customers, and provide even more opportunity for consumers to buy from British manufacturers.

### Principal risks and uncertainties

The principal risks faced by the Group are focused on raw material price movements and exchange rate fluctuations.

The business seeks to pass on underlying raw material price increases to customers as appropriate.

The business protects itself with long term agreements, insurance policies and forward contracts where possible.

# Milton Webber Ltd

Group strategic report (continued)  
For the year ended 31 October 2020

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## Analysis of key performance indicators

The business operates using a range of KPIs which are cascaded through the business.

The business reviews health and safety metrics at Board level and acts accordingly upon that information.

H.R metrics regarding employee performance and wellbeing are measured and reviewed.

The business focuses on various financial KPIs culminating in the operating profit KPI which showed a healthy underlying result of £2.6m (period ended 2019 - £1.5m). Over the same period underlying EBITDA, which is the KPI used as an approximation of gross cash profits was £3.38m (period ended 2019 - £1.5m).

Cash at year end improved to £3.03m (2019 - £1.26m).

The non-financial KPIs that are reviewed involve production volumes, waste volumes and manufacturing metrics.

Sales volumes are measured against manufacturing volumes. In turn, KPIs regarding customer service levels and efficiency are monitored very closely.

This report was approved by the board on 1 June 2021

and signed on its behalf.



S M Webber  
Director

# Milton Webber Ltd

## Director's report For the year ended 31 October 2020

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The director presents his report and the financial statements for the year ended 31 October 2020.

The company was incorporated on 29 April 2020 and acquired the shares of Snack Creations Ltd on 14 May 2020 and the shares of Pasta Foods Investments Limited on 18 May 2020 (see note 24). As the acquisition of Snack Creations Ltd has been accounted for under merger accounting the consolidated statement of comprehensive income for the prior year covers the period from 12 December 2018 to 31 October 2019 and the current year is the year to 31 October 2020.

### Principal activity

The principal activities of the group are wheat milling, the production of dry pasta and the production of snack pellets typically made from potato, lentil, chickpea and yellow pea.

### Results and dividends

The profit for the year, after taxation and minority interests, amounted to £2,020,197 (Period ended 31 October 2019 - £1,186,589).

During the year no dividend was recommended or paid (Period ended 31 October 2019 - £Nil).

### Director

The director who served during the year was:

S M Webber (appointed 29 April 2020)

### Financial instruments

The group's financial risk management objective is broadly to seek to make neither profit nor loss from exposure to currency or interest rate risks. Its policy is to finance working capital through retained earnings and where necessary through borrowings with third party banks.

The group's exposure to the price risk of financial instruments is therefore minimal. As the counter party to all financial instruments is its bankers, it is also exposed to minimal credit and liquidity risks in respect of these instruments. Its cash flow risk in respect of forward currency purchases is also minimal as it aims to pay suppliers in accordance with their stated terms, matching the maturity of the currency purchases.

The director does not consider any other risks attaching to the use of financial instruments to be material to an assessment of its financial position or profit.

### Research and development activities

The development and technical function is focused not only on improving efficiency and quality by use of technology, but also by further development of pasta and snack products offering a point of difference or meeting changed market needs. Resource is allocated to achieve this aim.

### Matters covered in the strategic report

Details of future developments can be found in the strategic report and form part of this report by cross reference in accordance with Section 414(c)(ii) of the Companies Act 2006.

# Milton Webber Ltd

## Director's report (continued) For the year ended 31 October 2020

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### Disclosure of information to auditor

The director at the time when this Director's report is approved has confirmed that:

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

### Auditor

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

This report was approved by the board on 1 June 2021 and signed on its behalf.



S M Webber  
Director



# **Milton Webber Ltd**

## **Director's responsibilities statement For the year ended 31 October 2020**

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The director is responsible for preparing the strategic report, the director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group for that period.

In preparing these financial statements, the director is required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

# **Milton Webber Ltd**

## **Independent auditor's report to the members of Milton Webber Ltd**

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### **Opinion**

We have audited the financial statements of Milton Webber Ltd ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 October 2020 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the company statement of financial position, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated statement of cash flows and notes to the financial statements, and the notes to the financial statements, 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 Financial Reporting Standard 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 state of the Group's and of the Parent Company's affairs as at 31 October 2020 and of the Group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements 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 Group and the Parent 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group or Parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

# **Milton Webber Ltd**

## **Independent auditor's report to the members of Milton Webber Ltd (continued)**

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### **Other information**

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and 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 Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and 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 by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company 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.

# Milton Webber Ltd

## Independent auditor's report to the members of Milton Webber Ltd (continued)

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### Responsibilities of directors

As explained more fully in the Director's Responsibilities Statement, 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 Group's and the Parent 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 Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

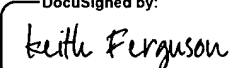
### Auditor's responsibilities for the audit of the financial statements

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.

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.

### Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:  
  
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**Keith Ferguson** (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Ipswich  
United Kingdom

7 June 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# Milton Webber Ltd

## Consolidated statement of comprehensive income For the year ended 31 October 2020

	Note	Year ended 31 October 2020 £	Period ended 31 October 2019 £
Turnover	4	27,199,322	13,630,957
Cost of sales		(20,770,039)	(10,302,150)
<b>Gross profit</b>		<b>6,429,283</b>	<b>3,328,807</b>
Distribution costs		(1,794,254)	(1,175,810)
Administrative expenses		(2,124,103)	(785,966)
Exceptional administrative expenses		(4,835)	(88,638)
Other operating income		-	238,379
Fair value movements		103,237	-
<b>Operating profit</b>	5	<b>2,609,328</b>	<b>1,516,772</b>
Interest receivable and similar income		645	12
Interest payable and similar charges	9	(268,793)	(100,429)
<b>Profit before taxation</b>		<b>2,341,180</b>	<b>1,416,355</b>
Tax on profit	10	(296,428)	(229,766)
<b>Profit for the financial year</b>		<b>2,044,752</b>	<b>1,186,589</b>
<b>Total comprehensive income for the year</b>		<b>2,044,752</b>	<b>1,186,589</b>
<b>Profit for the year attributable to:</b>			
Non-controlling interests		24,555	-
Owners of the parent Company		2,020,197	1,186,589
		<b>2,044,752</b>	<b>1,186,589</b>
<b>Total comprehensive income for the year attributable to:</b>			
Non-controlling interest		24,555	-
Owners of the parent Company		2,020,197	1,186,589
		<b>2,044,752</b>	<b>1,186,589</b>

The notes on pages 18 to 41 form part of these financial statements.

**Milton Webber Ltd**  
Registered number:12577710

**Consolidated statement of financial position**  
**As at 31 October 2020**

	Note	2020 £	2020 £	2019 £	2019 £
<b>Fixed assets</b>					
Intangible assets	11		2,092,706	-	
Tangible assets	12		9,732,774	1,346,118	
			<u>11,825,480</u>	<u>1,346,118</u>	
<b>Current assets</b>					
Stocks	14	5,721,549		2,299,201	
Debtors	15	8,119,660		3,117,002	
Cash at bank and in hand	16	3,032,553		1,263,649	
		<u>16,873,762</u>		<u>6,679,852</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	17	(19,317,679)		(6,230,646)	
<b>Net current (liabilities)/assets</b>			<u>(2,443,917)</u>	<u>449,206</u>	
<b>Total assets less current liabilities</b>			<u>9,381,563</u>	<u>1,795,324</u>	
Creditors: amounts falling due after more than one year	18		(6,940,216)	(475,587)	
<b>Provisions for liabilities</b>					
Deferred taxation	21	(287,153)		(123,148)	
			<u>(287,153)</u>	<u>(123,148)</u>	
<b>Net assets</b>			<u><u>2,154,194</u></u>	<u><u>1,196,589</u></u>	
<b>Capital and reserves</b>					
Called up share capital	22		1,000	1,000	
Merger reserve	23		9,000	9,000	
Profit and loss account	23		2,144,194	1,186,589	
<b>Equity attributable to owners of the parent Company</b>			<u><u>2,154,194</u></u>	<u><u>1,196,589</u></u>	

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 1 June 2021



**S M Webber**  
Director

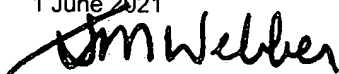
The notes on pages 18 to 41 form part of these financial statements.

**Milton Webber Ltd**  
Registered number:12577710

**Company statement of financial position**  
**As at 31 October 2020**

	Note	2020 £	2020 £	2019 £	2019 £
<b>Fixed assets</b>					
Investments	13		3,769,750		1,000
			<u>3,769,750</u>		<u>1,000</u>
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	17	(2,542,199)		-	
<b>Net current (liabilities)/assets</b>			<u>(2,542,199)</u>		<u>-</u>
<b>Total assets less current liabilities</b>			<u>1,227,551</u>		<u>1,000</u>
Creditors: amounts falling due after more than one year	18		(1,250,000)		-
<b>Net (liabilities)/assets</b>			<u><u>(22,449)</u></u>		<u><u>1,000</u></u>
<b>Capital and reserves</b>					
Called up share capital	22		1,000		1,000
(Loss)/profit for the year		(23,449)		-	
Profit and loss account carried forward			<u>(23,449)</u>		<u>-</u>
			<u><u>(22,449)</u></u>		<u><u>1,000</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 1 June 2021



**S M Webber**  
Director

The notes on pages 18 to 41 form part of these financial statements.

# Milton Webber Ltd

## Consolidated statement of changes in equity For the year ended 31 October 2020

	Called up share capital £	Merger reserve £	Profit acc
At 1 November 2019	1,000	9,000	1,186
<b>Comprehensive income for the year</b>			
Profit for the year	-	-	2,020
<b>Total comprehensive income for the year</b>	-	-	2,020
<b>Contributions by and distributions to owners</b>			
Non-controlling interest in initial acquisition	-	-	
Final acquisition of subsidiary	-	-	(1,062)
<b>Total transactions with owners</b>	-	-	(1,062)
<b>At 31 October 2020</b>	<b>1,000</b>	<b>9,000</b>	<b>2,144</b>



# Milton Webber Ltd

## Consolidated statement of changes in equity For the year ended 31 October 2019

	Called up share capital £	Me res
At 12 December 2018	-	
<b>Comprehensive income for the period</b>		
Profit for the period	-	
<b>Total comprehensive income for the period</b>	-	
Shares issued during the period	1,000	
Share premium acquired on acquisition of subsidiary	-	9
<b>Total transactions with owners</b>	1,000	9
<b>At 31 October 2019</b>	1,000	9

The notes on pages 18 to 41 form part of these financial statements.

# Milton Webber Ltd

## Company statement of changes in equity For the year ended 31 October 2020

	Called up share capital £	Profit and loss account £	Total equity £
At 1 November 2019	1,000	-	1,000
<b>Comprehensive income for the year</b>			
Loss for the year	-	(23,449)	(23,449)
	-	(23,449)	(23,449)
<b>Total comprehensive income for the year</b>			
	1,000	(23,449)	(22,449)
<b>At 31 October 2020</b>			

## Company statement of changes in equity For the year ended 31 October 2019

	Called up share capital £	Total equity £
At 12 December 2018	-	-
<b>Comprehensive income for the period</b>		
Profit for the period	-	-
	-	-
<b>Total comprehensive income for the period</b>		
	-	-
<b>Contributions by and distributions to owners</b>		
Shares issued during the period	1,000	1,000
<b>Total transactions with owners</b>	1,000	1,000
<b>At 31 October 2019</b>	1,000	1,000

The notes on pages 18 to 41 form part of these financial statements.

# Milton Webber Ltd

## Consolidated statement of cash flows For the year ended 31 October 2020

	2020 £	2019 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	2,044,752	1,186,589
<b>Adjustments for:</b>		
Amortisation of intangible assets	100,339	(238,379)
Depreciation of tangible assets	674,831	130,953
Interest paid	268,793	100,429
Interest received	(645)	(12)
Taxation charge	296,428	229,766
(Increase) in stocks	(1,352,612)	(492,738)
Decrease/(increase) in debtors	1,044,989	(779,020)
Increase in creditors	2,037,000	2,041,216
Net fair value (gains)/losses recognised in P&L	(103,237)	-
Corporation tax (paid)/received	(16,747)	-
<b>Net cash generated from operating activities</b>	<b>4,993,891</b>	<b>2,178,804</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(834,815)	(815,737)
Purchase of fixed asset investments	(2,085,939)	-
Purchase of the trade	-	(1)
<b>Net cash from investing activities</b>	<b>(2,920,754)</b>	<b>(815,738)</b>

# Milton Webber Ltd

## Consolidated statement of cash flows (continued) For the year ended 31 October 2020

	2020 £	2019 £
<b>Cash flows from financing activities</b>		
Issue of ordinary shares	-	1,000
New secured loans	550,000	-
Repayment of loans	(40,000)	-
Repayment of/new finance leases	(546,085)	-
Interest paid	(268,793)	(100,429)
Interest received	645	12
<b>Net cash used in financing activities</b>	<b>(304,233)</b>	<b>(99,417)</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,768,904</b>	<b>1,263,649</b>
Cash and cash equivalents at beginning of year	1,263,649	-
<b>Cash and cash equivalents at the end of year</b>	<b>3,032,553</b>	<b>1,263,649</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	3,032,553	1,263,649

The notes on pages 18 to 41 form part of these financial statements.

# Milton Webber Ltd

## Notes to the financial statements For the year ended 31 October 2020

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### 1. General information

Milton Webber Ltd is a private company limited by shares and incorporated in England and Wales under the Companies Act. The address of the registered office is given on the Company information page and the nature of the Group's operations and its principal activities are set out in the director's report.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

#### Parent Company disclosure exemptions

In preparing the separate financial statements of the Parent Company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the Group and the Parent Company would be identical;
- No cash flow statement has been presented for the Parent Company;
- No disclosure has been given for the aggregate remuneration of the key management personnel of the Parent Company as their remuneration is included in the totals for the Group as a whole.

The Group's presentational currency is GBP.

The following principal accounting policies have been applied:

#### 2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method (see note 24). In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

The consolidated financial statements also incorporate the results of business combinations using merger accounting.

# **Milton Webber Ltd**

## **Notes to the financial statements For the year ended 31 October 2020**

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### **2. Accounting policies (continued)**

#### **2.2 Basis of consolidation (continued)**

On 14 May 2020 the company acquired the entire issued share capital of Snack Creations Ltd. The acquisition was made via a share for share exchange, with no changes in the rights or ownership percentages of the equity holders of Snack Creations Ltd. Consequently, the previously recognised book values of assets and liabilities of Snack Creations Ltd have been retained and consolidated financial information for prior periods have been presented as if Milton Webber Ltd had always been the parent of the Group.

In accordance with Financial Reporting Standard 102, Section 18 (Business combinations and Goodwill) the assets and liabilities of the acquired group are retained at book value, not fair value, with adjustments made to achieve uniform accounting policies if required. Intangible assets are recognised only to the extent they were recognised by the acquired group, no goodwill is recognised on the acquisition of Snack Creations Ltd.

The result is that the merged group is treated as if they had been combined during the current and comparative periods.

#### **2.3 Going concern**

The group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report, together with details of the principal risks and uncertainties.

At the time of writing, there is still a level of uncertainty about the impact of the Coronavirus pandemic on the UK and world economy. This has clearly impacted the majority of businesses in the UK and has had a significant impact on the UK economy.

Whilst the current economic conditions related to the impact of the Coronavirus pandemic create general business uncertainty, in the post balance sheet period between 1 November 2020 up to the date of approval of these financial statements, the group has not encountered any significant adverse impacts as a result of the pandemic and has continued to trade profitably during that period with no loss of manufacturing capacity.

In assessing the appropriateness of the going concern assumption, the director has produced sensitised profit and cash flow forecasts, considering reasonably foreseeable potential scenarios and uncertainties - including various potential direct and indirect impacts that could result from the current pandemic and related economic pressures.

Based on these forecasts, the director has concluded that it is appropriate for the financial statements to be prepared on the going concern basis. Therefore, these financial statements do not include any adjustments that would result if the going concern basis of preparation was inappropriate.

# Milton Webber Ltd

## Notes to the financial statements For the year ended 31 October 2020

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### 2. Accounting policies (continued)

#### 2.4 Revenue

Turnover comprises sales recognised by the Group in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Sales invoices are raised and turnover is recognised at the time the goods are dispatched. Sale of by-products and related receipts are included within the cost of sales in accordance with normal industry practice.

The Group acts as an agent for Marshalls Foods Limited by purchasing stock which is then sold to Marshalls Foods Limited. Any revenue generated from these sales is netted off within cost of sales on the date of despatch.

#### 2.5 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the consolidated 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.

#### 2.6 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

#### 2.7 Borrowing costs

All borrowing costs are recognised in the consolidated statement of comprehensive Income in the year in which they are incurred.

#### 2.8 Pensions

##### Defined contribution pension plan

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

The contributions are recognised as an expense in the consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the consolidated statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

# Milton Webber Ltd

## Notes to the financial statements For the year ended 31 October 2020

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### 2. Accounting policies (continued)

#### 2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the consolidated 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 reporting date in the countries where the Company and the Group operate and generate income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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

#### 2.10 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

#### 2.11 Intangible 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 the Group's share 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 Consolidated statement of comprehensive income over its useful economic life.

##### Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.



# Milton Webber Ltd

## Notes to the financial statements For the year ended 31 October 2020

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### 2. Accounting policies (continued)

#### 2.12 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

Freehold property	- 2% straight line
Plant and machinery	- 10-20% straight line

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated statement of comprehensive income.

#### 2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

#### 2.14 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost is determined on a first in first out basis, and includes all direct costs incurred and attributable production overheads. Net realisable value is based on estimated selling price allowing for all further costs of completion and disposals. Work in progress is stated on the basis of direct costs plus attributable overheads based on a normal level of activity. Provision is made for any foreseeable losses where appropriate.

The Group's regrind stocks (product which has been ground to powder for future use in selected lines) is carried at the equivalent cost of virgin raw materials and excludes factory overheads, which are written off to the consolidated statement of comprehensive income at the point at which the stock is classified as regrind stock.

#### 2.15 Debtors

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

# Milton Webber Ltd

## Notes to the financial statements For the year ended 31 October 2020

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### 2. Accounting policies (continued)

#### 2.16 Cash and cash equivalents

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

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

#### 2.17 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.

#### 2.18 Financial instruments

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

# Milton Webber Ltd

## Notes to the financial statements For the year ended 31 October 2020

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### 2. Accounting policies (continued)

#### 2.18 Financial instruments (continued)

Financial assets and liabilities are offset and the net amount reported in the consolidated Statement of financial position 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.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

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

In preparing these financial statements, the director has made the following judgements:

- Determine whether leases entered into by the Group either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the Group's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty:

- Tangible fixed assets (see note 12)

Tangible fixed assets, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- Stocks (see note 14)

Stocks are valued at the lower of cost and net realisable value, after making due allowance for the stock provision. Provision is made for slow moving or obsolete stock that is written down to its original cost without absorbed overheads.

# Milton Webber Ltd

## Notes to the financial statements For the year ended 31 October 2020

### 4. Turnover

	Year ended 31 October 2020 £	Period ended 31 October 2019 £
Processed goods	26,543,809	13,630,957
Milled goods	655,513	-
	<u>27,199,322</u>	<u>13,630,957</u>

Analysis of turnover by country of destination:

	Year ended 31 October 2020 £	Period ended 31 October 2019 £
United Kingdom	19,086,704	7,519,200
Rest of Europe	4,077,665	3,238,542
Rest of the World	4,034,953	2,873,215
	<u>27,199,322</u>	<u>13,630,957</u>

### 5. Operating profit

The operating profit is stated after charging:

	Year ended 31 October 2020 £	Period ended 31 October 2019 £
Research & development charged as an expense	52,413	18,648
Depreciation of owned tangible fixed assets	242,472	130,953
Depreciation of financed tangible fixed assets	432,359	-
Amortisation of intangible assets	100,339	(238,379)
Defined contribution pension cost	150,592	80,313
Exceptional items	4,836	88,638
Exchange differences	29,844	-
Other operating lease rentals	319,972	-

Exceptional items includes refinancing costs and exit costs along with legal fees in connection with the incorporation of Snack Creations Ltd in the prior period.

# Milton Webber Ltd

## Notes to the financial statements For the year ended 31 October 2020

### 6. Auditor's remuneration

	Year ended 31 October 2020 £	Period ended 31 October 2019 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<b>34,800</b>	10,725
<b>Fees payable to the Group's auditor and its associates in respect of:</b>		
All other services	<b>26,634</b>	1,275
	<b>26,634</b>	1,275

### 7. Employees

Staff costs, including director's remuneration, were as follows:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Wages and salaries	<b>4,909,362</b>	3,134,320	-	-
Social security costs	<b>474,508</b>	298,885	-	-
Cost of defined contribution scheme	<b>150,592</b>	80,313	-	-
	<b>5,534,462</b>	3,513,518	-	-

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

	Year ended 31 October 2020 No.	Period ended 31 October 2019 No.
Production	<b>123</b>	70
Selling and distribution	<b>21</b>	6
Administration	<b>18</b>	2
	<b>162</b>	78

The Company has no employees other than the director, who did not receive any remuneration (2019 - £Nil).

# Milton Webber Ltd

## Notes to the financial statements For the year ended 31 October 2020

### 8. Director's remuneration

	Year ended 31 October 2020 £	Period ended 31 October 2019 £
Director's emoluments	150,497	83,826

Director's emoluments represents remuneration paid to the director from the group.

The director is not a member of the group pension scheme.

### 9. Interest payable and similar expenses

	Year ended 31 October 2020 £	Period ended 31 October 2019 £
Bank interest payable	223,173	100,429
Other loan interest payable	45,620	-
	<u>268,793</u>	<u>100,429</u>

### 10. Taxation

	Year ended 31 October 2020 £	Period ended 31 October 2019 £
<b>Corporation tax</b>		
Current tax on profits for the year	188,049	106,618
Adjustments in respect of prior periods	(101,770)	-
<b>Total current tax</b>	<u>86,279</u>	<u>106,618</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	185,291	123,148
Adjustments in respect of prior periods	24,858	-
<b>Total deferred tax</b>	<u>210,149</u>	<u>123,148</u>
<b>Taxation on profit on ordinary activities</b>	<u>296,428</u>	<u>229,766</u>

# Milton Webber Ltd

## Notes to the financial statements For the year ended 31 October 2020

### 10. Taxation (continued)

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than (period ended 31 October 2019 - lower than) the standard rate of corporation tax in the UK of 19% (period ended 31 October 2019 - 19%). The differences are explained below:

	Year ended 31 October 2020 £	Period ended 31 October 2019 £
Profit on ordinary activities before tax	<b>2,341,180</b>	1,416,355
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	<b>444,824</b>	269,107
<b>Effects of:</b>		
Expenses not deductible for tax purposes	<b>34,348</b>	20,439
Fixed asset differences	<b>334</b>	-
Additional deduction for R&D expenditure	<b>(87,056)</b>	-
Adjustment for deferred tax charged at a different rate	<b>(21,166)</b>	(14,488)
Adjustment to tax charge in respect of prior periods - corporation tax	<b>(89,749)</b>	-
Adjustment to tax charge in respect of prior periods - deferred tax	<b>14,267</b>	-
Group relief	<b>(8,145)</b>	-
Negative goodwill amortisation	-	(45,292)
Deferred tax not recognised	<b>8,771</b>	-
<b>Total tax charge for the year/period</b>	<b>296,428</b>	229,766

#### Factors that may affect future tax charges

There were no factors that may affect future tax charges.

# Milton Webber Ltd

## Notes to the financial statements For the year ended 31 October 2020

### 11. Intangible assets

#### Group

	Goodwill £	Negative goodwill £	Total £
<b>Cost</b>			
At 1 November 2019	-	(238,379)	(238,379)
On acquisition of subsidiaries	2,193,045	-	2,193,045
At 31 October 2020	2,193,045	(238,379)	1,954,666
<b>Amortisation</b>			
At 1 November 2019	-	(238,379)	(238,379)
Charge for the year	100,339	-	100,339
At 31 October 2020	100,339	(238,379)	(138,040)
<b>Net book value</b>			
At 31 October 2020	2,092,706	-	2,092,706
At 31 October 2019	-	-	-



# Milton Webber Ltd

## Notes to the financial statements For the year ended 31 October 2020

### 12. Tangible fixed assets

#### Group

	Freehold property £	Plant and machinery £	Total £
<b>Cost or valuation</b>			
At 1 November 2019	-	1,477,071	1,477,071
Additions	-	834,815	834,815
Acquisition of subsidiary	1,482,056	6,744,616	8,226,672
At 31 October 2020	<u>1,482,056</u>	<u>9,056,502</u>	<u>10,538,558</u>
<b>Depreciation</b>			
At 1 November 2019	-	130,953	130,953
Charge for the year on owned assets	13,562	228,910	242,472
Charge for the year on financed assets	-	432,359	432,359
At 31 October 2020	<u>13,562</u>	<u>792,222</u>	<u>805,784</u>
<b>Net book value</b>			
At 31 October 2020	<u>1,468,494</u>	<u>8,264,280</u>	<u>9,732,774</u>
At 31 October 2019	<u>-</u>	<u>1,346,118</u>	<u>1,346,118</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2020 £	2019 £
Plant and machinery	<u>5,977,554</u>	<u>-</u>

# Milton Webber Ltd

## Notes to the financial statements For the year ended 31 October 2020

### 13. Fixed asset investments

#### Company

	Investments in subsidiary companies £
<b>Cost</b>	
At 1 November 2019	1,000
Additions	3,768,750
At 31 October 2020	<u>3,769,750</u>

#### Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
Snack Creations Ltd	Production of snack products	Ordinary	100%
Pasta Foods Investments Limited	Investment holding company	Ordinary	100%
Pretty 210 Limited	Investment holding company	Ordinary	100%
Pretty 1050 Limited	Investment holding company	Ordinary	100%
Pasta Foods Limited	Production of dry pasta	Ordinary	100%
Pretty Investments Limited	Property rental company	Ordinary	100%

The registered office of all subsidiaries detailed above is the same as the parent company, C/O Pasta Foods Ltd, Forest Way, New Costessey, Norwich, NR5 0JH.

Pasta Foods Investments Limited - Company number - 09599872, Pretty 210 Limited - Company number 07181848, Pretty 1050 Limited - Company number 04734074 and Pretty Investments Limited - Company number 07181919, all registered in England and Wales, were entitled to, and have opted to take, exemption from the requirement to have an audit of their financial statements for the year ended 31 October 2020 under 479A of the Companies Act 2006 (UK) relating to subsidiary companies.

Pretty Investments Limited - Company number 07181919 is entitled to, and has opted to take, exception from the requirement to have an audit of its financial statements for the year ended 31 October 2020 under 477 of the Companies Act 2006 (UK) relating to small companies.

# Milton Webber Ltd

## Notes to the financial statements For the year ended 31 October 2020

### 14. Stocks

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Raw materials and consumables	3,569,527	1,269,510	-	-
Finished goods and goods for resale	2,152,022	1,029,691	-	-
	<u>5,721,549</u>	<u>2,299,201</u>	<u>-</u>	<u>-</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

### 15. Debtors

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade debtors	7,166,301	3,019,308	-	-
Other debtors	431,479	73,854	-	-
Prepayments and accrued income	365,271	23,840	-	-
Tax recoverable	40,020	-	-	-
Financial instruments	116,589	-	-	-
	<u>8,119,660</u>	<u>3,117,002</u>	<u>-</u>	<u>-</u>

### 16. Cash and cash equivalents

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Bank and cash balances	3,032,553	1,263,649	-	-
	<u>3,032,553</u>	<u>1,263,649</u>	<u>-</u>	<u>-</u>

# Milton Webber Ltd

## Notes to the financial statements For the year ended 31 October 2020

### 17. Creditors: Amounts falling due within one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Bank loans	2,480,000	-	-	-
Trade creditors	6,089,539	1,985,677	-	-
Deferred consideration	814,668	-	814,668	-
Amounts owed to group undertakings	-	-	1,704,082	-
Amounts owed to other participating interests	-	998,668	-	-
Corporation tax	216,170	106,618	-	-
Other taxation and social security	153,133	94,625	-	-
Obligations under finance lease and hire purchase contracts	1,150,983	-	-	-
Other creditors	7,045,366	2,721,183	23,449	-
Accruals and deferred income	1,367,820	323,875	-	-
	<b>19,317,679</b>	<b>6,230,646</b>	<b>2,542,199</b>	<b>-</b>

Bank loans and overdrafts totalling £3,400,000 (2019 - £Nil) are secured by a fixed and floating charge over the company's assets and by way of a cross-guarantee over the assets of fellow group undertakings, Pretty Investments Limited, Pretty 1050 Limited, Pretty 210 Limited, Pasta Foods Limited, Pasta Foods Investments Limited, Snack Creations Ltd and related company Pretty Properties Limited.

Other creditors includes £6,212,546 (2019 - £2,697,170) secured on the trade debts of the company, and by way of a cross-guarantee over the assets of fellow group undertakings, Pretty Investments Limited, Pretty 1050 Limited, Pretty 210 Limited, Pasta Foods Limited, Pasta Foods Investments Limited, Snack Creations Ltd and related company Pretty Properties Limited.

Obligations under finance lease and hire purchase contracts are secured on the assets to which they relate.

# Milton Webber Ltd

## Notes to the financial statements For the year ended 31 October 2020

### 18. Creditors: Amounts falling due after more than one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Bank loans	920,000	-	-	-
Loan notes	1,250,000	-	1,250,000	-
Net obligations under finance leases and hire purchase contracts	2,693,216	-	-	-
Amounts owed to other participating interests	-	475,587	-	-
Other creditors	2,077,000	-	-	-
	<b>6,940,216</b>	<b>475,587</b>	<b>1,250,000</b>	<b>-</b>

Bank loans and overdrafts totalling £3,400,000 (2019 - £Nil) are secured by a fixed and floating charge over the company's assets and by way of a cross-guarantee over the assets of fellow group undertakings, Pretty Investments Limited, Pretty 1050 Limited, Pretty 210 Limited, Pasta Foods Limited, Pasta Foods Investments Limited, Snack Creations Ltd and related company Pretty Properties Limited.

Obligations under finance lease and hire purchase contracts are secured on the assets to which they relate.

# Milton Webber Ltd

## Notes to the financial statements For the year ended 31 October 2020

### 19. Loans

Loan repayments are due as follows:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
<b>Amounts falling due within one year</b>				
Bank loans	2,480,000	-	-	-
Other creditors	839,342	-	-	-
	<u>3,319,342</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Amounts falling due 1-2 years</b>				
Bank loans	80,000	-	-	-
Other creditors	300,000	-	-	-
	<u>380,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Amounts falling due 2-5 years</b>				
Bank loans	840,000	-	-	-
Other creditors	900,000	-	-	-
	<u>1,740,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Amounts falling due after more than 5 years</b>				
Other creditors	450,000	-	-	-
Loan notes	1,250,000	-	1,250,000	-
	<u>7,139,342</u>	<u>-</u>	<u>1,250,000</u>	<u>-</u>

### 20. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2020 £	Group 2019 £
Within one year	1,150,283	-
Between 1-5 years	1,150,283	-
Over 5 years	1,543,633	-
	<u>3,844,199</u>	<u>-</u>

The company does not have any hire purchase or finance leases.

# Milton Webber Ltd

## Notes to the financial statements For the year ended 31 October 2020

### 21. Deferred taxation

#### Group

	2020 £
At beginning of year	(123,148)
Charged to profit or loss	(210,149)
Arising on business combinations	46,144
<b>At end of year</b>	<b>(287,153)</b>

The provision for deferred taxation is made up as follows:

	Group 2020 £	Group 2019 £
Accelerated capital allowances	(1,132,075)	(124,849)
Short term timing differences	4,543	1,701
Tax losses carried forward	840,379	-
	<b>(287,153)</b>	<b>(123,148)</b>

### 22. Share capital

	2020 £	2019 £
<b>Allotted, called up and fully paid</b>		
10,000 (2019 - 10,000) Ordinary shares of £0.10 each	<b>1,000</b>	1,000

### 23. Reserves

The company's capital and reserves are as follows:

#### Called up share capital

Called up share capital reserve represents the nominal value of shares issued.

#### Merger reserve

Merger reserve represents the share premium acquired on acquisition of subsidiaries.

#### Profit and loss account

Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

# Milton Webber Ltd

## Notes to the financial statements For the year ended 31 October 2020

### 24. Business combinations

On 18 May 2020 the Group acquired 66.66% of Pasta Food Investments Limited, a company based in the UK, for consideration of £2,500,000 and fees of £18,750.

In calculating the goodwill arising on acquisition, the fair value of net assets of the Pasta Food Investments Limited have been assessed and adjustments from book value have been made where necessary.

Acquisition of Pasta Food Investments Limited

#### Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £	Fair value adjustment £	Fair value £
<b>Fixed assets</b>			
Tangible	5,484,448	-	5,484,448
Intangible	1,177,289	(1,177,289)	-
	<u>6,661,737</u>	<u>(1,177,289)</u>	<u>5,484,448</u>
<b>Current assets</b>			
Stocks	1,379,825	-	1,379,825
Debtors (including deferred tax assets)	4,717,754	-	4,717,754
Cash at bank and in hand	5,152	-	5,152
	<u>12,764,468</u>	<u>(1,177,289)</u>	<u>11,587,179</u>
<b>Total assets</b>			
<b>Creditors</b>			
Due within one year	(4,540,961)	-	(4,540,961)
Due after one year	(6,500,566)	-	(6,500,566)
Deferred tax provision	(219,947)	-	(219,947)
	<u>1,502,994</u>	<u>(1,177,289)</u>	<u>325,705</u>
<b>Total identifiable net assets</b>			
Goodwill			2,193,045
<b>Total purchase consideration</b>			<u>2,518,750</u>



# Milton Webber Ltd

## Notes to the financial statements For the year ended 31 October 2020

### 24. Business combinations (continued) Consideration

	£
Cash	1,685,332
Deferred consideration	814,668
Directly attributable costs	18,750
<b>Total purchase consideration</b>	<b>2,518,750</b>

### Cash outflow on acquisition

	£
Purchase consideration settled in cash, as above	1,685,332
Directly attributable costs	18,750
	<b>1,704,082</b>
Add: Overdrafts less cash balance acquired	381,858
<b>Net cash outflow on acquisition</b>	<b>2,085,940</b>

The results of Pasta Food Investments Limited since its acquisition are as follows:

	Current period since acquisition £
Turnover	<b>7,647,396</b>
Profit for the year/period	<b>375,665</b>

### 25. Contingent liabilities

The company has guaranteed the bank debts of the group. The debts are secured by a fixed and floating charge by way of a cross-guarantee over the assets of the following companies: Pretty Investments Limited, Pasta Foods Limited, Pretty 1050 Limited, Pretty 210 Limited, Pasta Foods Investments Limited and related company Pretty Properties Limited. The maximum amount payable under this guarantee at 31 October 2020 is £1,000,000 (2019 - £1,080,000).

# Milton Webber Ltd

## Notes to the financial statements For the year ended 31 October 2020

### 26. Pension commitments

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £150,592 (period ended 31 October 2019 - £80,313). Contributions totalling £35,772 (period ended 31 October 2019 - £23,665) were payable to the fund at the reporting date and are included in creditors.

### 27. Commitments under operating leases

At 31 October 2020 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2020 £
<b>Land and buildings</b>	
Not later than 1 year	716,850
Later than 1 year and not later than 5 years	2,867,400
Later than 5 years	3,317,150
	<hr/>
	6,184,550
	<hr/>
	Group 2020 £
<b>Other</b>	
Not later than one year	2,198
Later than 1 year and not later than 5 years	1,089
	<hr/>
	3,287
	<hr/>

The company had no commitments under non-cancellable operating leases at the end of the current or prior reporting period.

The group had no commitments under non-cancellable operating leases at the end of the prior reporting period.

# Milton Webber Ltd

## Notes to the financial statements For the year ended 31 October 2020

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### 28. Related party transactions

#### Milton Webber Ltd

On 9 July 2020 the company issued loan notes totalling £1,250,000 to the director of the company in relation to the acquisition of the final 33.33% of shares in Pasta Foods Investments Limited. At the year end £1,250,000 remained outstanding. Interest is being accrued at 4% above the Bank of England base rate per annum and during the year £23,449 is accrued. The interest remains outstanding at the year end and is included in other creditors.

Key management personnel include the director and a number of senior managers across the company who together have authority and responsibility for planning, directing and controlling the activities of the company. The total compensation paid to key management personnel for services provided to the group was £318,951 (2019 - £151,061).

#### Pretty 210 Limited

There are loan notes in place in favour of the directors of Pretty 210 Limited. The interest accruing on the loan notes is at a rate of 2% above base. At the year end, loan notes totalling £1,950,000 remained in issue. During the period from acquisition, interest accrued on the loan notes totalling £22,171. During the same period, no repayments were made. At the year end, unpaid interest totalling £539,342 was included in other creditors and is repayable on demand.

#### Pretty 1050 Limited

At the year end, the company owed £18,089 to a director.

#### Pasta Foods Limited

During the period since acquisition, Pasta Foods Limited made sales totalling £288,037 to a related company by virtue of the directors' common control at cost.

*Pasta Foods Limited also made recharges of directly attributable costs and overheads amounting to £215,933 during the period since acquisition to this company. At the year end an amount totalling £652,535 was due to this company. Of this, there was £427,000 due after more than one year. There is no interest charged on, or security over, this balance.*

During the period since acquisition, Pasta Foods Limited paid rent for land and buildings to a company under common control of £14,986 (2019 - £33,332), a related company by virtue of the director's common control. At the year end an amount totalling £180,619 (2019 - £132,527) was due to this company.

# Milton Webber Ltd

## Notes to the financial statements For the year ended 31 October 2020

### 29. Analysis of net debt

	At 1 November 2019 £	Cash flows £	Acquisition and disposal of subsidiaries £	New loans £	At 31 October 2020 £
Cash at bank and in hand	1,263,649	1,761,176	7,728	-	3,032,553
Bank overdrafts	-	389,586	(389,586)	-	-
Debt due after 1 year	-	-	(920,000)	-	(920,000)
Debt due within 1 year	-	40,000	(1,970,000)	(550,000)	(2,480,000)
Finance leases	-	546,084	(4,390,283)	-	(3,844,199)
	<u>1,263,649</u>	<u>2,736,846</u>	<u>(7,662,141)</u>	<u>(550,000)</u>	<u>(4,211,646)</u>

### 30. Controlling party

The ultimate controlling party is Simon Webber by way of a majority shareholding.