Wilkin & Sons Limited

Annual Report and Financial Statements

Year Ended

31 December 2022

Company Number 00026233

Wilkin & Sons Limited

Company Information

Directors	S P Goodfellow C W Newenham R G Offord W W Scott P J Wilkin
Company secretary	R G Offord
Registered number	00026233
Registered office	Trewlands Farm Tiptree Essex CO5 0RF
Independent auditor	RSM UK Audit LLP Third Floor Priory Place New London Road Chelmsford CM2 0PP

Wilkin & Sons Limited

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Chairman's Statement
For the Year Ended 31 December 2022

The chairman presents his statement for the period.

Remarkably Wilkin & Sons still posted a profit for the financial year, as ever there were swings and roundabouts with the core manufactured Tiptree jam part of the business causing most concern. Details of our performance appear later in this report; the Directors are recommending no change in the dividend thus reflecting the results of the business, we may not be so lucky next year. We feel we have won our battle with Covid-19, and by adopting a positive approach continue to overcome the complexity of Brexit. We now face our toughest challenge yet; the war in Ukraine has arguably caused a bigger threat to our business than the aforementioned two. Power was the word at the tip of our tongues this year, it wasn't the elephant in the room, it was the room. Our projected gas and electricity prices have risen over five fold, which, in the long term is unsustainable. The government intervention although helpful, is only short term, couple this with a shortage of staff, rising raw material costs and it makes a bleak picture. Our fine company has survived two world wars, several economic downturns and periods of very high inflation but, in my opinion, the problems we face now are as large if not larger than any we have faced before.

There are some glimmers of light in the year's performance, Thursday Cottage had an exceptional year, our Farm performed well again and the Tea Rooms, Cole's and the Patisserie were back to their best. Sales on all fronts were buoyant with Tiptree export sales being particularly good. Once again our policy of diversification has stood us in good stead, thus enabling an overall profit.

We have an outstanding group of people working hard to get us through these unprecedented times. Although our control of spending has been tightened due to the economic circumstances we are continuing with some projects that will be beneficial to our organisation. We have applied for planning permission to install solar panels on our farm, thus producing our own electricity to help power the factory. We are continually searching to improve, economise and just get better at everything we do, we have very able people in our organisation striving to drive our business forward. To stand back and look at our achievements is a good discipline, we have this year purchased a second external warehouse, this one in Heybridge, thus accommodating our ever increasing stock of both raw materials and finished goods. Not too long ago all our business was conducted on the Tiptree site, it is now difficult to imagine how this was achieved, just taking a walk around our warehouses, looking at the stock, shows how we have grown over the years.

Our staff remain key to our success, suffice it for me to say that the health and wellbeing of all our staff is of vital importance for the future success of our business. To keep things in perspective business can be repaired, health sometimes cannot.

Whilst on the subject of staff we were sad to see the departure through retirement of Nigel Smith at the end of the year, Nigel came to our Company in the summer of 1973 working temporarily on our farm; now over 49 years later he is retiring. Nigel worked his way to become our Farm manager before a change of direction led him to become the head of our IT function. We thank him for all he has done for our Company and wish him a healthy and happy retirement.

We also said goodbye to Stuart James also having decided to fully retire from the Company following a short spell as a non-executive director. Stuart has been with us for 25 years firstly as Finance Director and Company Secretary and then Joint Managing Director. We thank Stuart for his sage and positive advice over the years, we are certainly a stronger company now than when he started. We wish him a long, healthy and happy retirement along with good luck on his new voluntary venture with Citizens Advice Bureau.

This year saw the passing of Dr Margaret Wilkin, Peter's sister and great granddaughter of our founder A. C. Wilkin. Although not an employee or an executive of the Company she was a passionate supporter of the business, we always looked forward to her insightful contributions to our Annual General Meetings when she would always ask searching questions.

Finally, on a positive note I was delighted to have been invited to Sandringham by the King to attend a drinks reception. I did get to exchange a few words with His Majesty and suffice it to say that he does know who Wilkin & Sons are.

W W Scott
Chairman Date: 11th May, 2023

Wilkin & Sons Limited

Group Strategic Report
For the Year Ended 31 December 2022

Introduction

The Directors present their group strategic report together with the audited financial statements for the year ended 31 December 2022.

As a longstanding Royal Warrant Holder, we were greatly saddened by the death of Her Majesty the Queen in September. We were very proud to have hosted Her on a visit to Tiptree in 2010, an event which will live long in all our memories. We had already planted 70 oak trees and 2km of native hedging to mark her Platinum Jubilee, and subsequently planted a further 500m of hedges and another 96 oak trees to mark her remarkable life.

At the end of the year we said goodbye to two very long standing and valued members of staff who retired. Nigel Smith after just shy of 50 years service and Stuart James who had been both Finance Director and Joint Managing Director. Both made substantial contributions to the business during their time here and will be missed.

Having weathered the consecutive storms of Brexit and Covid, we had hoped that 2022 would provide some welcome respite – how wrong we were.

2022 saw the outbreak of a tragic war in Ukraine and the associated global upheaval that resulted. We have been buffeted by a relentless storm of inflationary pressures across all facets of our business. Margins have been severely challenged and resulted in the aforementioned loss in the core manufactured Tiptree jam business. This has been ameliorated to an extent through successes in other parts of our business, but none the less the general picture remains one of concern. We continue however to be supported by an outstanding team of dedicated, loyal and hardworking staff and for their continuing fortitude we are exceptionally grateful.

The first quarter of the year saw us cautiously emerging from the vagaries of Covid, the farm had concerns around the availability of its seasonal workforce which in the event proved unfounded. Our tearooms began to slowly rebuild and we had began to see the first green shoots of recovery.

Our early optimism however proved short lived. The Ukrainian crisis having an immediate impact on our supply chains. Our procurement team worked hard to source alternative supplies and to manage significant cost inflation, an exercise which continues to this day. As the year progressed sales picked up and we faced ongoing issues meeting demand and with factory staffing. While retail sales declined food service bounced back with a vengeance.

Thursday Cottage, Coles and Tiptree Patisserie all had strong performances, the Patisserie in particular bouncing back from the Covid effected years. The farm too had a successful year albeit with significantly reduced margins. Our tearooms are gradually returning to pre-covid levels though at a slower pace than we have seen elsewhere, the team continue to work hard and look to add appropriate new locations as they arise.

Business review

Tiptree business is split between retail and catering, which in turn divides into several distinct categories including: sweet spreads, chutneys, mustards, sauces and other delights. 77% of our business was in the UK, with 14% in the EU and 9% in the rest of the world. Sales improved an encouraging 16% on 2021 but sadly this part of our business made a loss.

Thursday Cottage enjoyed another strong year with sales up 3.6% at £4.2m. It continues to focus on private label and hand-filled branded preserves. Continuing investment and increasing integration with Tiptree has maintained margins. The business has successfully retained existing customers, and continued to see growth from key own label customers.

Tiptree Patisserie has enjoyed a strong year with sales bouncing back in 2022 at just under £2.1m. Encouragingly it also made a notable profit of £140k. As ever the team have worked hard to maintain existing accounts as well as securing appropriate new business.

Business review (continued)

Cole's Puddings had an excellent year with sales up by more than 7% and profitability up too. The new senior management team has bedded in well and while operational space is a challenge, they continue to explore opportunities for additional space close by as well as capitalising on opportunities for synergies with the Tiptree pudding team.

Our Farm saw modest growth with sales up 2% but struggled to maintain margins against rising costs and lagging sales of fresh fruit. Continuing growth looks challenging, with markets tightening as household budgets are squeezed. The government's commitment to a longer term (3 year) seasonal worker pool has eased immediate concerns around harvest labour.

While our Tearooms have endured another trying year, they are finally beginning to shake off the Covid effect. Our excellent team ably led by Nicky Goldsack have been very careful in the management of their respective units and by carefully considering their needs, they have maintained profitability, no small feat in the current climate. As we head into 2023, we are optimistic that they will continue to rebuild and regain market share. We hope to add further units to our portfolio in the coming year

Other information

We continue to invest in operational efficiency, safety and quality with a major focus on energy over the coming year. The transition from long term (3 year) energy contracts to new 2 year contracts as of October have seen our combined energy costs more than quadruple, even with the benefit of the governments energy price support scheme. This impact will continue to hit us very hard for the next couple of years.

We continue to work with One Carbon World to understand the full extent of our scope 1, 2 and 3 carbon emissions and are now working with them on compiling a Green Assets Register to highlight opportunities for carbon in-setting. We continue use this as a blueprint to drive the business towards carbon neutrality. It has taken much longer that we had hoped but we are finally close to securing planning for the installation of up to 6MW of solar panels on site. We have recently installed 4 EV charging points on site for use by both customers and staff.

The Directors continue to believe that adopting a cautious approach while delivering steady growth has served us well and we fully intend to continue with this approach. The headwinds for the next couple of years will remain formidable and preserving cash will be key.

Effective communication with staff remains critically important. Details are made available through meeting minutes, monthly team briefs, tool box talks, quarterly Directors' briefings and the effective use of notice boards. Post Covid we are once again meeting much more regularly face to face, but are also utilising virtual platforms such as Microsoft Teams where appropriate.

We remain focused on energy and waste reduction, the install of solar and power factor correction units being of primary importance next year. 90% of our Tiptree site waste was either recycled, re-used or sent to anaerobic digestion, and we again achieved 100% landfill diversion.

It has been a busier year for community events and marketing with highlights including various events celebrating the Platinum Jubilee, the Royal Windsor Horse Show and a Jubilee event at Colchester Castle Park. We were delighted to have been invited to the now City Hall in Colchester to see the presentation of Letters Patent marking the elevation of Colchester to City status (to which the village of Tiptree now forms in our view the most important part!). We enjoyed hosting Radio X with Chris Moyles broadcasting live from our farm. Following the death of her majesty the Queen we were inundated with requests for media coverage regarding her visit in 2010 marking our 125th anniversary with also many queries on the future of our Royal Warrant – we now have a two year period during which we can continue to use it after which we must reapply. We collaborated with Tims Dairy in Buckinghamshire to launch a strawberry royale yoghurt, using our delectable strawberry and champagne jam. Getting the show back on the road with local events, we hosted our 16th Open Farm Sunday, supported the Tiptree Christmas Fayre and were delighted to hold our 5th and biggest Little Scarlet music festival.

Other information (continued)

We continued to support multiple local and national charities, youth clubs and sports clubs, our developing relationship with Fareshare has now seen us contribute to in excess of 50,000 meals and we were delighted to support the newly opened Tiptree Community Fridge. Our association with National Cream Tea Day has now raised more than £800k.

Outlook

Over the coming year we will continue to adopt strategies to drive energy efficiency, maintain safe working practices and to keep our staff safe and well. Our biggest challenge however will be, preserving cash to ensure the ongoing operation of the business as a result of the current energy hiatus. We have fundamentally reviewed our recruitment and on boarding practices to ensure we continue to secure the skilled staff required to ensure the efficient operation of all production sites and managing the significant inflationary pressures which continue to head our way.

Our commitment to being an exemplary business will continue to drive change. The Board believes that this is key to supporting on-going sustainable growth. The core values that have stood us in good stead remain sound, but we fully intend to extend our experience into new areas. This brings with it some risks, but will have commensurate rewards when we succeed.

We are investing carefully across our businesses, in particular to drive operational and energy efficiencies. This will reap long term rewards which will help to ensure longer term success. It would be all too easy to pull up the drawbridge and stop investment at this point in time but we are certain that this would not be an appropriate strategy for long term growth.

We will however continue to adopt a cautious approach and ensure financial risk levels are minimal. This approach allows us to move at a pace that the business can afford while adjusting our rate of progress to match changing market, economic and political conditions.

While the next two years in particular will be very challenging, we none the less remain optimistic for the future of the business, both in the medium and long-term. Guided always by our enduring principles of quality, integrity, independence, innovation and sustainability.

Principal risks and uncertainties

Price Risk
The Group is exposed to commodity, electric, oil and gas price risk. The Group fixes certain commodity prices with suppliers for periods of varying lengths; we pass on long-term cost increases to our customers but temper such changes with an awareness of more general market conditions. Price risk is mitigated by growing a meaningful proportion of our own fruit and by maintaining long-term relationships with suppliers.

Foreign Currency Risk
The Group sells in more than one currency, and is therefore subject to movements in foreign exchange. This risk is largely mitigated through the use of natural hedging, whereby we offset exports denominated in Euros against certain imported products such as oranges from Seville, purchased in Euros.

Credit Risk
The Group's credit risk is primarily attributed to its trade debtors; the amounts shown in the balance sheet are net of allowances for bad and doubtful debts and provisions for credit notes.

Liquidity Risk
The Group regularly reviews its funding position to ensure that there is sufficient working capital to meet its future obligations and development plans. Funding on long-term projects is matched with long-term debt finance. Short-term funding requirements are financed through bank overdrafts where necessary.

Principal risks and uncertainties (continued)

Interest Rate Risk
We monitor the cost of interest rates and review methods of mitigating the risk, with the recent increase in rates, we have chosen to pay outstanding loans early, reducing our exposure in volatile times. The Directors take the view that under the current circumstances, the need to securely mitigate the risk of increased interest rates exceeds the cost of servicing the increase.

Operational Risk
Our ability to successfully manage inflationary pressures, ongoing supply chain challenges and labour uncertainty are the principle risks for 2023. This is particularly manifest in the cases of:

- energy,
- the ability of certain parts of our business to continue to operate effectively,
- access to sufficient numbers of skilled factory staff,
- exchange rate movements and the fluctuations in sterling against the Euro,
- continuing disruption to supply chains, and
- our ability to continue accessing export markets in a cost effective manner.

Financial key performance indicators

The Company's Directors are of the opinion that the information provided in the Chairman's Statement and Directors' Report is sufficient for an understanding of the development, performance and position of the business.

Section 172 (1) of the Companies Act 2006

Company Directors are required to act in "good faith" to promote the long term success of the business with regard all stakeholders. As a Board, the Directors remain mindful of the significance of matters under their consideration from the point of view of materiality to the shareholders. Section 172 (1) of the Companies Act 2006 now requires that businesses and their Directors report on their duty to promote the success of the Company with regard to the following matters:

A. *The likely consequence of any decision in the long term.*
As an employee owned business with its staff collectively the single largest shareholder, Wilkin and Sons Limited has significant regard to the ongoing and long-term success of the business. While ongoing success is important, it is long term security and success which is of paramount importance. Shareholders understand this approach and value our careful approach to our longer-term strategy.

B. *The interests of the Company's employees*
As a pioneering employee owned business of some 30 years standing, our staff are always front of mind. While not employee run, the staff have an important voice via direct representation on our Employee Benefit Trust (EBT). Communication with staff is important and structures/mechanisms have already been covered elsewhere in the annual report. Since 2019 an annual Staff Cultural Survey canvasses opinion and views directly from staff. This in turn allows us to take constructive feedback and adapt/improve culture and processes as a result, in particular around the areas of food safety and quality. The Company has recently introduced a comprehensive staff wellbeing policy including initiatives such as mental health support.

C. *The need to foster the Company's business relationships with suppliers, customers and others*
Given the Company's long-term approach, the relationships which we build throughout our supply chains have always been of paramount importance. We have for example sourced our oranges from the same Seville orchards (and supplier) for more than 50 years. It is an absolute principle that our bills are paid on time. Details of community initiatives have been supplied elsewhere in the annual report.

Section 172 (1) of the Companies Act 2006 (continued)

D. *The impact of the Company's operations on the community and the environment.*
Our Tiptree brand is synonymous with the village in which we live and work, the vast majority of our staff either live within the village (more than 70 of them in subsidised company homes) providing easy access to work. We work closely with the local community and run several annual events for their benefit including a music festival, an open farm as well as facilitating many visits for local schools. Environmental matters are dealt with elsewhere in the annual report.

E. *The desirability of the Company maintaining a reputation for high standards of business conduct.*
The Company is held in high regard locally, nationally and internationally. Our reputation is of paramount importance and the Directors and staff work hard to carefully guard this hard-won respect in everything we do. From the authenticity of our cherished recipes to ensuring the integrity of our supply chains, we strive to be an exemplary business ever mindful that there will always be room for improvement.

F. *The need to act fairly between members of the Company.*
Our shareholders sit at the heart of our business and particularly so as this encompasses all of our fulltime staff. The Directors continue to pursue what they believe to be the most prudent long-term strategy for the business and modest annual dividends are returned to shareholders while ensuring that there is an appropriate surplus to reinvest in our long-term future.

It is the view of the Directors that they continue to run the business in the best long term interest of all relevant stakeholders.

SECR - Quantification and Reporting Methodology

The Group has taken guidance from the UK Government Environmental Reporting Guidelines (March 2019), the GHG Reporting Protocol - Corporate Standard, and from the UK Government GHG Conversion Factors for Company Reporting document for calculating carbon emissions. Energy usage information (gas and electricity) has been obtained directly from our energy suppliers and half-hourly (HH) data, where applicable, for the HH supplies (there was no estimation profiling required). Transport mileage usage data was provided for company and employee owned vehicles claiming on expenses along with data for other fuels. CO2e emissions were calculated using the appropriate emission factors from the UK Government GHG conversion information and retained within the organisations 'Data File' for reference where required.

Renewable electricity generated from owned or controlled sources: 65748 kWh generated onsite.

Key Performance Measures 2022: Gas 1,798.401 kWh / Tonne of Production, Electricity 556.282 kWh / Tonne of Production, Water 6.5069 M3 / Tonne of Production

SECR - Energy Efficiency Narrative

Wilkin & Sons Limited whilst pursuing our business objectives seek to manage all activities to minimise the use of energy, whilst ensuring that the business continues to grow to the overall benefit of our customers, employees and shareholders. We recognise that energy management is a significant element of our environmental management plan and we seek to reduce energy consumption throughout all of our operations. We ensure that our operations are regularly independently audited by Energy Consultants to identify the potential for further energy saving opportunities. The first annual audit being carried out in 1994 and continued annually until mandatory ESOS Audits and TM44 Air Conditioning Inspections were implemented.

We consider energy efficiency when making new investment in plant or facilities and we monitor and record energy use to identify trends in consumption and identify realistic targets for the reduction of energy use within our processes. We also strive (as target values become tighter and tighter) to meet the requirements of our Climate Change Agreement.

SECR - Energy Efficiency Narrative (continued)

During 2022 we have undertaken another Carbon Audit across the Wilkin & Sons Limited Group (Audit Period: 1 January 2021 to 31 December 2021 – Completed in September 2022). Activities/Emissions included in Footprint included: Energy, Fuel, Waste, Business Travel, Staff Commuting, Material Use and Purchased Goods and Services (Scope 1,2 & 3 emissions). The report met the reporting requirements of the Green House Gas (GHG) Protocol Corporate Standard and is compatible with international standards ISO 14064 and PAS 2060. Total Carbon Footprint of the activities measured = 18,694.57 t CO2e. The findings were externally verified and submitted to the Climate Neutral Now Initiative managed by The United Nations Framework Convention on Climate Change.

We are a signatory to the Climate Neutral Now pledge and along with furthering our understanding of how we can reduce our Footprint, we are aiming to proactively utilise our land and estate to help off-set some of our emissions.

Energy Efficiency Projects Planned / Implemented

Plans have been progressed for a large scale (in excess of 5MW) photovoltaic installation. The PV is to be built over two phases with the auxiliary infrastructure to support the 5MW output installed from the outset, but with the panels installed in two phases: Phase (1) – 3MW immediately on granting of planning permission. - Phase (2) – 2 MW to be completed over the following 2-3 years. During the summer the 5MW solar farm will generate excess electricity which due to grid constraints cannot be exported. As a result, an electric boiler will be introduced into the production facility to reduce gas demands (steam raising plant) during the summer period. This will help optimise the use of electricity generated and result in further energy reduction and cost benefits. During the winter months it is expected that grid electricity will be needed for power uses. The impact of the approach is to use almost 100% of the energy generated by the solar farm on site during operational hours (Monday to Friday). It is expected over the lifetime of the solar farm c. 25 years 20,500 tonnes of CO2 will be saved.

Three Power Factor Correction Units are due to be commissioned / installed (early 2023) at the Main Factory Site - 1x200 KVAR + 2x50 KVAR multi stage power factor correction units fitted with detuning reactors.

1. Energy Monitoring continues to be rolled out across the Main Factory Site with focus now on individual production lines which will provide data-led insight through dashboards, automated alerts and detailed performance & conditioning monitoring reports.

2. Three Power Factor Correction Units are due to be commissioned / installed (early 2023) at the Main Factory Site - 1x200 KVAR + 2x50 KVAR multi stage power factor correction units fitted with detuning reactors.

3. Energy Monitoring continues to be rolled out across the Main Factory Site with focus now on individual production lines which will provide data-led insight through dashboards, automated alerts and detailed performance & conditioning monitoring reports.

4. Four 22kw Fast Car Charging Points have been installed at the Tiptree Tea Room Site.

Total Emission Scope Summary

Emission Type	Total Volume (kWh)	Total Volume (kWh)	Calculated Emissions (Tonnes of CO2e)	Calculated Emissions (Tonnes of CO2e)
	2022	2021	2022	2021
Scope 1 (direct)	13,968,127	14,214,488	2,674.3	2,724.0
Scope 2 (indirect)	4,913,990	4,466,621	908.8	948.4
Scope 3 (indirect)	42,700	36,077	10.7	8.4
Total	**18,924,818**	**18,717,186**	**3,593.8**	**3,680.8**

Scope 1 Emissions (Direct)

Emissions from activities owned or controlled by your organisation that release emissions into the atmosphere. Examples of Scope 1 emissions include emissions from combustion in owned or controlled boilers, furnaces, vehicles; emissions from chemical production in owned or controlled process equipment.

Energy Type	Definition	Total Volume (kWh)	Total Volume (kWh)	Calculated Emissions (Tonnes of CO2e)	Calculated Emissions (Tonnes of CO2e)
		2022	2021	2022	2021
Gas	Emissions from combustion of gas	12,127,129	11,940,146	2,208.2	2,187
Other Fuels	Emissions from combustion of fuel for stationary machinery & engines	600,604	320,497	147.7	74
Transport	Emissions from combustion of fuel for transport purposes	1,240,394	1,953,845	318.4	463
Total		**13,968,127**	**14,214,488**	**2,674.3**	**2,724**

Scope 2 Emissions (Indirect)

Emissions released into the atmosphere associated with your consumption of purchased electricity, heat, steam and cooling. These are indirect emissions that are a consequence of your organisation's activities, but which occur at sources you do not own or control.

Energy Type	Definition	Total Volume (kWh)	Total Volume (kWh)	Calculated Emissions (Tonnes of CO2e)	Calculated Emissions (Tonnes of CO2e)
		2022	2021	2022	2021
Electricity	Emissions from purchased electricity	4,913,990	4,466,621	908.8	948.4
Total		**4,913,990**	**4,466,621**	**908.8**	**948.4**

Scope 3 Emissions (Indirect)

Emissions that are a consequence of your actions, which occur at sources which you do not own or control and which are not classed as Scope 2 emissions. Examples of Scope 3 emissions are business travel by means not owned or controlled by your organisation (e.g. grey fleet and rental cars).

Energy Type	Definition	Total Volume (kWh)	Total Volume (kWh)	Calculated Emissions (Tonnes of CO2e)	Calculated Emissions (Tonnes of CO2e)
		2022	2021	2022	2021
Employee Owned Cars	Emissions from business travel in rental cars or employee-owned vehicles where the Company is responsible for purchasing the fuel (mandatory)	42,700	36,077	10.7	8.4
Other Business Travel	Travel for business purposes in assets not owned or directly operated by a business	-	-	-	-
Total		**42,700**	**36,077**	**10.7**	**8.4**

Intensity Ratio

Intensity ratios compare emissions data with an appropriate business metric or financial indicator

Intensity Measurement	Tonnes of Production	Tonnes of Production	Intensity Ratio (tCO2e / Tonnes of Production)	Intensity Ratio (tCO2e / Tonnes of Production)
	2022	2021	2022	2021
Tonnes CO2e per tonnes of production	6,798	6,143.8	0.53	0.60

How does it compare...

	Year 1 2020	Year 2 2021	Year 3 2022
Total Emissions (TCO2e	3,533	3,680	3 594
Total Energy (kWhs	17,409,188	18,717,186	18,924 818
Intensity Ratio	0.59	0.60	0.53

This report was approved by the board on 11th May, 2023 and signed on its behalf.

C W Newenham
Director

Wilkin & Sons Limited

Directors' Report
For the Year Ended 31 December 2022

The Directors present their report together with the audited financial statements for the year ended 31 December 2022.

Principal activity

Wilkin & Sons Limited is a private company based in Tiptree, Essex, with subsidiaries on a number of other sites in Essex. The Company and its subsidiaries grow fruit, operate tea rooms and manufacture high quality food products for sale in the UK and over 60 different world markets. Its aim is to be a remarkable business.

Results and dividends

The profit for the year, after taxation, amounted to £918k (2021 - £1,843k).

Particulars of the dividends paid are detailed in note 13.

Directors

The Directors who served during the year and their interests in the Group's issued share capital were:

	3.5% Cumulative Preference shares of £1 each		**4.2% Cumulative Preference shares of £1 each**		**'B' Non-cumulative Preference shares of £1 each**	
	31 Dec 2022	1 Jan 2022	**31 Dec 2022**	1 Jan 2022	**31 Dec 2022**	1 Jan 2022
S P Goodfellow	**2,914**	1,563	**222**	222	**4,278**	1,028
S A James (retired 31 December 2022)	**1**	1	**50**	50	**12,683**	12,683
C W Newenham	**7,605**	6,254	**189**	189	**11,559**	8,309
R G Offord	**2,916**	1,564	**189**	189	**5,572**	2,323
W W Scott	**2,916**	1,563	**189**	189	**28,800**	25,550
P J Wilkin	**-**	-	**-**	-	**70,637**	70,637

	2.5% Cumulative Ordinary shares of £1 each		**'A' Ordinary shares of £1 each**	
	31 Dec 2022	1 Jan 2022	**31 Dec 2022**	1 Jan 2022
S P Goodfellow	**-**	-	**2,500**	2,500
S A James (retired 31 December 2022)	**-**	-	**2,500**	2,500
C W Newenham	**-**	-	**4,500**	4,500
R G Offord	**-**	-	**-**	-
W W Scott	**-**	-	**2,500**	2,500
P J Wilkin	**2,422**	2,422	**13,164**	13,164

Charitable donations

During the year the Group made charitable donations of £24,087 (2021 - £17,674). During the year further non monetary donations were made, further detail is included in the strategic report.

Engagement with employees

The Group encourages the involvement of its employees through regular staff briefings; these involve question and answer sessions designed to ensure that employees are able to express their opinions.

All permanent employees are members of a profit-related bonus scheme.

Wilkin & Sons Limited set up an Employee Benefit Trust in 1989; the Trust, which holds 50.13% (2021 - 50.01%) of the votes in Wilkin & Sons Limited, holds shares on behalf of the employees of the Group. There are currently seven trustees, three of whom represent the interests of the employees. There is also a Share Incentive Plan where shares are allocated to qualifying employees twice a year, which holds 2.34% (2021 - 2.46%) of the Company's votes.

Engagement with suppliers, customers and others

The Directors are committed to a policy of implementing the best current practice in all areas of the Group's activities, and in its attitude to its employees, its customers, its suppliers, the community and the environment.

Disabled employees

The Group will employ disabled persons when they appear to be suitable for a particular vacancy and every effort is made to ensure that they are given full and fair consideration when such vacancies arise. Every effort is made to accommodate any employee who has been injured or disabled whilst in our employment to continue in their role.

Qualifying third party indemnity provisions

The Group has directors and officers liability insurance in place for the benefit of its Directors and senior managers. These provisions remain in force at the reporting date.

Matters covered in the Group Strategic Report

Information required to be presented within the directors report is included within the Strategic Report on pages 2 to 8 under S414c(11) of the Companies Act 2006, where it is of strategic importance.

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the Director 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, RSM UK Audit LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 11th May, 2023 and signed on its behalf.

R G Offord
Secretary

Wilkin & Sons Limited

Directors' Responsibilities Statement
For the Year Ended 31 December 2022

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the 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 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report to the Members of Wilkin & Sons Limited

Opinion

We have audited the financial statements of Wilkin & Sons Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2022 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 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

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. Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included review of key assumptions with regard to forecasts and budgets as well as sensitivity analysis therein.

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 group's or the parent 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.

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of 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 the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the 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 their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 12, 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent company operate in and how the group and parent company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from external tax advisors where relevant.

The extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to food safety and health and safety. We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these law and regulations and inspected minutes of relevant meetings and completed searches for any reportable incidents in the public domain.

The group audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://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 company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

A C Monteith

Andrew Monteith (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered accountants
Third Floor,
Priory Place,
New London Road,
Chelmsford
CM2 0PP

Date: 17th May 2023

Wilkin & Sons Limited

Consolidated Statement of Comprehensive Income
For the Year Ended 31 December 2022

	Note	2022 £000	2021 £000
Turnover	4	**48,081**	43,707
Cost of sales		**(39,522)**	(33,491)
Gross profit		**8,559**	10,216
Distribution costs		**(4,088)**	(3,176)
Administrative expenses		**(4,037)**	(4,585)
Other operating income	5	**644**	1,176
Operating profit	6	**1,078**	3,631
Interest receivable and similar income	10	**55**	2
Interest payable and similar expenses	11	**(9)**	(11)
Profit before taxation		**1,124**	3,622
Tax on profit	12	**(206)**	(1,779)
Profit for the financial year		**918**	1,843

There was no other comprehensive income for 2022 (2021 - £Nil).

The notes on pages 25 to 49 form part of these financial statements.

Wilkin & Sons Limited
Registered number:00026233

Consolidated Statement of Financial Position
As at 31 December 2022

	Note	2022 £000	2022 £000	2021 £000	2021 £000
Fixed assets					
Intangible assets	14		-		-
Tangible assets	15		**18,303**		17,158
Investments	16		**1**		1
			18,304		17,159
Current assets					
Stocks	17	**12,885**		11,253	
Debtors: amounts falling due within one year	18	**7,803**		7,122	
Cash at bank and in hand		**9,920**		12,564	
		30,608		30,939	
Current liabilities					
Creditors: amounts falling due within one year	19	**(5,418)**		(5,725)	
Net current assets			**25,190**		25,214
Total assets less current liabilities			**43,494**		42,373
Creditors: amounts falling due after more than one year	20		**(59)**		(242)
Provisions for liabilities					
Deferred taxation	22		**(4,382)**		(3,916)
Net assets			**39,053**		38,215

Wilkin & Sons Limited
Registered number:00026233

Consolidated Statement of Financial Position (continued)
As at 31 December 2022

	Note	2022 £000	2022 £000	2021 £000	2021 £000
Capital and reserves					
Called up share capital	23		**1,000**		1,000
Capital redemption reserve	24		**120**		120
Own shares held	24		**(2,060)**		(2,018)
General reserves	24		**1,000**		1,000
Profit and loss account	24		**38,993**		38,113
Equity attributable to owners of the parent Company			**39,053**		38,215

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
11th May, 2023

R G Offord
Director

C W Newenham
Director

The notes on pages 25 to 49 form part of these financial statements.

Wilkin & Sons Limited
Registered number:00026233

Company Statement of Financial Position
As at 31 December 2022

	Note	2022 £000	2022 £000	2021 £000	2021 £000
Fixed assets					
Tangible assets	15		**17,963**		16,911
Investments	16		**2,010**		2,010
			19,973		18,921
Current assets					
Stocks	17	**11,292**		9,892	
Debtors: amounts falling due within one year	18	**7,523**		6,434	
Cash at bank and in hand		**8,251**		11,406	
		27,066		27,732	
Current liabilities					
Creditors: amounts falling due within one year	19	**(4,900)**		(5,219)	
Net current assets			**22,166**		22,513
Total assets less current liabilities			**42,139**		41,434
Creditors: amounts falling due after more than one year	20		**(59)**		(242)
Provisions for liabilities					
Deferred taxation	22		**(4,335)**		(3,911)
Net assets			**37,745**		37,281

Company Statement of Financial Position (continued)
As at 31 December 2022

	Note	2022 £000	2022 £000	2021 £000	2021 £000
Capital and reserves					
Called up share capital	23		**1,000**		1,000
Capital redemption reserve	24		**120**		120
Own shares held	24		**(2,060)**		(2,018)
General reserves	24		**1,000**		1,000
Profit and loss account brought forward		**37,179**		36,664	
Profit for the year		**543**		553	
Dividends paid		**(38)**		(38)	
Profit and loss account carried forward			**37,685**		37,179
			37,745		37,281

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
11th May, 2023

R G Offord
Director

C W Newenham
Director

The notes on pages 25 to 49 form part of these financial statements.

Wilkin & Sons Limited

Consolidated Statement of Changes in Equity
For the Year Ended 31 December 2022

	Called up share capital	Capital redemption reserve	Own shares held	General reserves	Profit and loss account	Total equity
	£000	£000	£000	£000	£000	£000
At 1 January 2022	1,000	120	(2,018)	1,000	38,113	38,215
Comprehensive income for the year						
Profit for the year	-	-	-	-	918	918
Total comprehensive income for the year	-	-	-	-	918	918
Contributions by and distributions to owners						
Dividends: Equity capital	-	-	-	-	(38)	(38)
Share transactions by Employee Benefit Trust	-	-	(42)	-	-	(42)
Total transactions with owners	-	-	(42)	-	(38)	(80)
At 31 December 2022	1,000	120	(2,060)	1,000	38,993	39,053

Consolidated Statement of Changes in Equity
For the Year Ended 31 December 2021

	Called up share capital	Capital redemption reserve	Own shares held	General reserves	Profit and loss account	Total equity
	£000	£000	£000	£000	£000	£000
At 1 January 2021	1,000	120	(1,938)	1,000	36,308	36,490
Comprehensive income for the year						
Profit for the year	-	-	-	-	1,843	1,843
Total comprehensive income for the year	-	-	-	-	1,843	1,843
Contributions by and distributions to owners						
Dividends: Equity capital	-	-	-	-	(38)	(38)
Share transactions by Employee Benefit Trust	-	-	(80)	-	-	(80)
Total transactions with owners	-	-	(80)	-	(38)	(118)
At 31 December 2021	1,000	120	(2,018)	1,000	38,113	38,215

The notes on pages 25 to 49 form part of these financial statements.

Wilkin & Sons Limited

Company Statement of Changes in Equity
For the Year Ended 31 December 2022

	Called up share capital	Capital redemption reserve	Own shares held	General reserves	Profit and loss account	Total equity
	£000	£000	£000	£000	£000	£000
At 1 January 2022	1,000	120	(2,018)	1,000	37,179	37,281
Comprehensive income for the year						
Profit for the year	-	-	-	-	543	543
Total comprehensive income for the year	-	-	-	-	543	543
Contributions by and distributions to owners						
Dividends: Equity capital	-	-	-	-	(38)	(38)
Share transactions by Employee Benefit Trust	-	-	(42)	-	-	(42)
Total transactions with owners	-	-	(42)	-	(38)	(80)
At 31 December 2022	1,000	120	(2,060)	1,000	37,684	37,744

Company Statement of Changes in Equity
For the Year Ended 31 December 2021

	Called up share capital	Capital redemption reserve	Own shares held	General reserves	Profit and loss account	Total equity
	£000	£000	£000	£000	£000	£000
At 1 January 2021	1,000	120	(1,938)	1,000	36,664	36,846
Comprehensive income for the year						
Profit for the year	-	-	-	-	553	553
Total comprehensive income for the year	-	-	-	-	553	553
Contributions by and distributions to owners						
Dividends: Equity capital	-	-	-	-	(38)	(38)
Share transactions by Employee Benefit Trust	-	-	(80)	-	-	(80)
Total transactions with owners	-	-	(80)	-	(38)	(118)
At 31 December 2021	1,000	120	(2,018)	1,000	37,179	37,281

The notes on pages 25 to 49 form part of these financial statements.

Wilkin & Sons Limited

Consolidated Statement of Cash Flows
For the Year Ended 31 December 2022

	2022 £000	2021 £000
Cash flows from operating activities		
Profit for the financial year	**918**	1,843
Adjustments for:		
Depreciation of tangible fixed assets	**1,740**	1,747
(Profit)/loss on disposal of tangible fixed assets	**(33)**	72
Interest paid	**9**	11
Interest received	**(55)**	(2)
Taxation charge	**206**	1,779
(Increase)/decrease in stocks	**(1,632)**	162
Increase in debtors	**(2)**	(1,479)
Increase in creditors	**378**	274
Share transactions by Employee Benefit Trust	**(42)**	(80)
Corporation tax paid	**(753)**	(810)
Interest paid	**(9)**	(11)
Net cash (used in)/generated from operating activities	**725**	3,506
Cash flows from investing activities		
Purchase of tangible fixed assets	**(3,060)**	(1,179)
Sale of tangible fixed assets	**208**	83
Interest received	**55**	2
Net cash used in investing activities	**(2,797)**	(1,094)
Cash flows from financing activities		
Repayment of loans	**(533)**	(277)
Dividends paid	**(38)**	(38)
Net cash used in financing activities	**(571)**	(315)
Net (decrease)/increase in cash and cash equivalents	**(2,643)**	2,097
Cash and cash equivalents at beginning of year	**12,563**	10,466
Cash and cash equivalents at the end of year	**9,920**	12,563
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**9,920**	12,564
Bank overdrafts	**-**	(1)
	9,920	12,563

1. General information

Wilkin & Sons Limited ("the Company") is a private company limited by shares domiciled and incorporated in England and Wales. The address of the registered office is given on the Company Information page. The Company's and the Group's principal activities are disclosed in the Directors' Report.

The Group consists of Wilkin & Sons Limited, the Wilkin & Sons Limited Employee Benefit Trust and all of its subsidiaries.

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.

The following principal accounting policies have been applied:

2.2 Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available to qualifying entities:

- 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 or net debt reconciliation has been presented for the parent company;
- Disclosures in respect of the parent company's income, expense, net gains and net losses on financial instruments measured at amortised cost have not been presented as equivalent disclosures have been provided in respect of the Group as a whole; and
- 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.

2.3 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. 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.

2. Accounting policies (continued)

2.4 Going concern

At the time of approving the financial statements, the Directors have a reasonable expectation that the Group and the Company has adequate resources to continue in operational existence for the foreseeable future, which is a period of 12 months from the approval of the financial statements. As part of their assessment, the Directors have prepared detailed profit and loss and cashflow forecasts for the Company and these demonstrate that the Company can continue to operate within its existing facilities for the foreseeable future. The Group's existing facilities have financial covenants which continue to be met. As such, the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

2.5 Turnover

Turnover is measured at the fair value of the consideration received or receivable for sale of goods to external customers in the ordinary nature of the business. Turnover is shown net of Value Added Tax.

Turnover is recognised when both the significant risks and rewards of ownership have been passed to the customer and turnover can be reliably measured, which is generally upon the despatch of goods.

2.6 Intangible fixed assets - purchased goodwill

Goodwill in the Group accounts represents the excess of the consideration for an acquired undertaking above the fair value of the net assets acquired and is written off evenly over five years as in the opinion of the Directors this represents the period over which the goodwill is expected to give rise to economic benefits.

Goodwill in the Company accounts represents past purchased goodwill and is written off evenly over its useful economic life of between one and ten years.

2.7 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Amortisation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Customer relationships	Over 2 years

2.8 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.

2. Accounting policies (continued)

2.8 Tangible fixed assets (continued)

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. Freehold land is not depreciated.

The estimated useful lives range as follows:

Freehold property	- 10 - 50 years
Leasehold property	- Over the life of the lease
Plant and machinery	- 3 - 20 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 profit or loss.

2.9 Valuation of investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for indicators of impairment at each reporting date. If any such indicators exist then the recoverable amount is estimated and any impairment losses or reversals of impairment losses are recognised immediately in the statement of comprehensive income.

A subsidiary is an entity controlled by the Company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

2.10 Impairments of fixed assets

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Group estimates the recoverable amount of the asset or, for goodwill, the recoverable amount of the cash-generating unit to which the goodwill belongs.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairments of revalued assets are treated as a revaluation loss. All other impairment losses are recognised in profit or loss.

Any impairment loss recognised for goodwill is not reversed. For fixed assets other than goodwill, recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in profit or loss or, for revalued assets, as a revaluation gain. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

2. Accounting policies (continued)

2.11 Stocks

Stocks and work in progress 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. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty. 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.

2.13 Government grants

Income from government grants is presented within other operating income. Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Grants relating to assets are classified as deferred income and recognised in other operating expenses over the expected useful life of the asset to which they relate.

2.14 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2. Accounting policies (continued)

2.15 Current and deferred taxation

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

The current 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 reporting 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.

2.16 Operating leases: the Group as lessee

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

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

2. Accounting policies (continued)

2.17 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.18 Financial instruments

The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument, and are offset only when the Group currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Trade, group and other debtors
Trade, group and other debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade, group and other debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

2. Accounting policies (continued)

2.18 Financial instruments (continued)

Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Equity instruments
Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

Own shares
The fair value of consideration given for shares repurchased by the Company, through the Employee Benefit Trust, is deducted from equity.

Trade, group and other creditors
Trade, group and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Bank overdrafts
Bank overdrafts are presented within creditors: amounts falling due within one year.

Borrowings
Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

Derecognition of financial assets and liabilities
A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

2.19 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.20 Employee Benefit Trust

On 20 December 1989, the Company established the Wilkin & Sons Employee Benefit Trust for the benefit of employees. Monies held in this trust are held by independent trustees and managed at their discretion.

Where the Company retains future economic benefit from, and has de facto control of, the assets and liabilities of the trust, they are accounted for as assets and liabilities of the Company until the earlier of the date that an allocation of trust funds to employees in respect of past services is declared and the date that assets of the trust vest in identified beneficiaries.

2. Accounting policies (continued)

2.21 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

2.22 Retirement benefits

The Company operates two defined contribution pension schemes and the pension charges to the statement of comprehensive income represents the contributions payable by the Company in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

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

In the application of the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period. If the revision affects both current and future periods then the revision is recognised in the current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

In preparing these financial statements, the Directors have had to make the following judgements:

- Determine whether there are indicators of impairment of the Group's inventory. Factors taken into consideration in reaching such a decision include not only the maintenance of stock values at the lower of cost and net realisable value, but also the current, and future anticipated, rate of sale.

- Determine whether the Employee Benefit Trust (EBT) should be considered to be under the control or de facto control of the parent company. The judgement that the parent company does exert de facto control has resulted in the EBT's assets and liabilities being recognised in the parent company and consolidated Statements of Financial Position.

4. Turnover

The analysis of turnover by class of business has not been given as in the opinion of the Directors such disclosure would be seriously prejudicial to the interests of the Group. All turnover is derived from the sale of goods.

Analysis of turnover by country of destination:

	2022 **£000**	**2021** **£000**
United Kingdom	**38,146**	38,160
Rest of Europe	**6,079**	3,451
Rest of the world	**3,856**	2,096
	48,081	43,707

5. Other operating income

	2022 **£000**	**2021** **£000**
Net rents receivable	**481**	456
Government grants receivable	**163**	720
	644	1,176

6. Operating profit

The operating profit is stated after charging:

	2022 **£000**	**2021** **£000**
Depreciation of owned tangible fixed assets	**1,740**	1,747
Exchange differences	**27**	57
Operating lease rentals	**962**	545
(Profit)/loss on disposal of tangible fixed assets	**(33)**	72
Inventory impairment losses recognised	**564**	461

7. Auditor's remuneration

During the year, the Group obtained the following services from the Company's auditor:

	2022 £000	2021 £000
Fees payable to the Company's auditor for the audit of the consolidated and parent Company's financial statements	**46**	40
Fees payable to the Company's auditor in respect of:		
All non-audit services not included above	**5**	10

8. Employees

Staff costs, including Directors' remuneration, were as follows:

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Wages and salaries	**14,547**	13,184	**12,779**	11,580
Social security costs	**1,406**	1,108	**1,230**	971
Cost of defined contribution scheme	**539**	420	**464**	352
	16,492	14,712	**14,473**	12,903

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

	Group 2022 No.	Group 2021 No.	Company 2022 No.	Company 2021 No.
Factory	**331**	308	255	244
Farm	**107**	83	107	83
Tearooms and shop	**103**	107	103	107
	541	498	465	434

9. Directors' remuneration

	2022 £000	2021 £000
Directors' emoluments	**1,011**	890

During the year, none of the (2021 - Nil) accrued retirement benefits in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £293k (2021 - £277k).

10. Interest receivable and similar income

	2022 £000	2021 £000
Interest on bank deposits	**55**	2

11. Interest payable and similar expenses

	2022 £000	2021 £000
Interest on bank loans and overdrafts	**9**	11

12. Taxation

	2022 £000	2021 £000
Corporation tax		
Current tax on profits for the year	**186**	724
Adjustments in respect of previous periods	**(446)**	-
Total current tax	**(260)**	724
Deferred tax		
Origination and reversal of timing differences	**355**	151
Changes to tax rates	**112**	904
Adjustments in respect of previous periods	**(1)**	-
Total deferred tax	**466**	1,055
Taxation on profit on ordinary activities	**206**	1,779

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021 - higher than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £000	2021 £000
Profit on ordinary activities before tax	**1,124**	3,622
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	**214**	688
Effects of:		
Expenses not deductible for tax purposes	**41**	42
Capital allowances (in excess of)/less than depreciation	**(64)**	46
Income not taxable	**(35)**	(3)
Effect of change in deferred tax rate	**112**	904
Capital (losses)/gains	**(3)**	102
Adjustments to tax charge in respect of prior periods	**(447)**	-
Losses carried back to prior periods	**388**	-
Total tax charge for the year	**206**	1,779

Factors that may affect future tax charges

The Finance Act 2021 was substantively enacted in May 2021 and increased the corporation tax rate from 19% to 25% with effect from 1 April 2023. The deferred taxation balances have been measured using the rates expected to apply in the reporting periods when the timing differences reverse.

13. Dividends

	2022 £000	2021 £000
Interim paid on ordinary shares	**20**	20
Interim paid on preference shares	**23**	23
Less: Dividends paid to Wilkin & Sons Employee Benefit Trust	**(5)**	(5)
	38	38

14. Intangible assets

Group

	Customer relationships £000	Goodwill £000	Total £000
Cost			
At 1 January 2022	46	3,428	3,474
At 31 December 2022	46	3,428	3,474
Amortisation			
At 1 January 2022	46	3,428	3,474
At 31 December 2022	46	3,428	3,474
Net book value			
At 31 December 2022	-	-	-
At 31 December 2021	-	-	-

14. Intangible assets (continued)

Company

	Goodwill £000
Cost	
At 1 January 2022	298
At 31 December 2022	298
Amortisation	
At 1 January 2022	298
At 31 December 2022	298
Net book value	
At 31 December 2022	-
At 31 December 2021	-

15. Tangible fixed assets

Group

	Freehold property £000	Leasehold property £000	Plant and machinery £000	Total £000
Cost				
At 1 January 2022	12,873	1,123	25,070	39,066
Additions	263	35	2,762	3,060
Disposals	(161)	-	(262)	(423)
At 31 December 2022	12,975	1,158	27,570	41,703
Depreciation				
At 1 January 2022	3,098	418	18,392	21,908
Charge for the year	361	92	1,287	1,740
Disposals	-	-	(248)	(248)
At 31 December 2022	3,459	510	19,431	23,400
Net book value				
At 31 December 2022	9,516	648	8,139	18,303
At 31 December 2021	9,775	705	6,678	17,158

The group has pledged £2.7m against land and buildings to secure its overdraft facility by way of a fixed and floating charge.

15. Tangible fixed assets (continued)

Company

	Freehold property £000	Leasehold property £000	Plant and machinery £000	Total £000
Cost				
At 1 January 2022	12,873	1,013	23,667	37,553
Additions	263	35	2,595	2,893
Disposals	(161)	-	(126)	(287)
At 31 December 2022	12,975	1,048	26,136	40,159
Depreciation				
At 1 January 2022	3,098	311	17,233	20,642
Charge for the year	361	89	1,217	1,667
Disposals	-	-	(113)	(113)
At 31 December 2022	3,459	400	18,337	22,196
Net book value				
At 31 December 2022	9,516	648	7,799	17,963
At 31 December 2021	9,775	702	6,434	16,911

16. Fixed asset investments

Group

	Investments in subsidiary companies £000
Cost	
At 1 January 2022	**1**
At 31 December 2022	**1**
Net book value	
At 31 December 2022	**1**
At 31 December 2021	1

Company

	Investments in subsidiary companies £000
Cost	
At 1 January 2022	**3,555**
At 31 December 2022	**3,555**
Impairment	
At 1 January 2022	**1,545**
At 31 December 2022	**1,545**
Net book value	
At 31 December 2022	**2,010**
At 31 December 2021	2,010

16. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	**Class of shares**	**Holding**
The Britannia Fruit Preserving Company Limited	Ordinary	100%
The Burnham Mustard Co. Limited	Ordinary	100%
Tiptree Jam Company	Ordinary	100%
Tiptree Patisserie Limited	Ordinary	100%
Thursday Cottage Limited	Ordinary	100%
Cole's Puddings Ltd	Ordinary	100%

The registered office for all above subsidiaries is Trewlands Farm, Tiptree, Colchester, Essex, CO5 0RF.

Tiptree Jam Company is an unlimited company of which Wilkin & Sons Limited is the sole member.

The Britannia Fruit Preserving Company Limited, The Burnham Mustard Co. Limited and Tiptree Jam Company are all dormant and are not consolidated as in the opinion of the Directors the figures are immaterial to the Group.

The aggregate of the share capital and reserves as at 31 December 2022 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	**Aggregate of share capital and reserves £**	**Profit/(loss) £**
The Britannia Fruit Preserving Company Limited	**27**	-
The Burnham Mustard Co. Limited	**2**	-
Tiptree Jam Company	**607**	-

The following subsidiary companies have taken the exemption in Section 479A of the Companies Act 2006 ("the Act") from the requirements in the Act for their individual accounts to be audited:

- Tiptree Patisserie Limited (registered number 05544329)
- Thursday Cottage Limited (registered number 01241242)
- Cole's Puddings Ltd (registered number 02207321)

17. Stocks

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Raw materials and consumables	**6,286**	5,378	**5,262**	4,386
Work in progress	**499**	178	**499**	178
Finished goods and goods for resale	**6,100**	5,697	**5,531**	5,328
	12,885	11,253	**11,292**	9,892

18. Debtors

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Trade debtors	**5,737**	5,887	**4,827**	4,659
Amounts owed by group undertakings	**-**	-	**794**	678
Other debtors	**1,078**	407	**992**	343
Prepayments and accrued income	**988**	828	**910**	754
	7,803	7,122	**7,523**	6,434

19. Creditors: Amounts falling due within one year

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Bank loans and overdrafts	**-**	367	**-**	366
Trade creditors	**2,721**	2,208	**2,489**	2,010
Amounts owed to group undertakings	**-**	-	**1**	1
Corporation tax	**134**	468	**-**	307
Other taxation and social security	**305**	268	**279**	241
Other creditors	**512**	583	**419**	464
Accruals and deferred income	**1,746**	1,831	**1,712**	1,830
	5,418	5,725	**4,900**	5,219

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

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Bank loans	-	167	-	167
Accruals and deferred income	**59**	75	**59**	75
	59	242	**59**	242

21. Loans

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Amounts falling due within one year				
Bank loans and overdrafts	-	367	-	366
Amounts falling due 1-2 years				
Bank loans	-	167	-	167
	-	534	-	533

Included within bank loans due within and after one year were four bank loans bearing interest at 1.25% above the Bank of England base rate. The bank loans were secured by fixed charges over certain freehold property within the Group. The Group has settled these loans early during the current year.

22. Deferred taxation

Group

	2022 £000	2021 £000
At beginning of year	**(3,916)**	(2,861)
Charged to profit or loss	**(466)**	(1,055)
At end of year	**(4,382)**	(3,916)

22. Deferred taxation (continued)

Company

	2022 £000	2021 £000
At beginning of year	**(3,911)**	(2,872)
Charged to profit or loss	**(424)**	(1,039)
At end of year	**(4,335)**	(3,911)

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Accelerated capital allowances	**1,436**	907	**1,389**	901
Short term timing differences	**(9)**	(21)	**(9)**	(20)
Tax deferred via roll over relief	**2,955**	3,030	**2,955**	3,030
	4,382	3,916	**4,335**	3,911

The majority of deferred tax liabilities are expected to unwind in future tax periods after 1 year. The amount and timing of the crystallisation of deferred tax liabilities depends on future tax rates and reliefs, and the timing of future purchases and disposals of assets.

23. Share capital

	2022 £000	2021 £000
Allotted, called up and fully paid		
260,000 (2021 - 260,000) 'A' Ordinary shares of £1 each	**260**	260
150,000 (2021 - 150,000) 2.5% Cumulative Ordinary shares of £1 each	**150**	150
54,000 (2021 - 54,000) 3.5% Cumulative Preference shares of £1 each	**54**	54
16,000 (2021 - 16,000) 4.2% Cumulative Preference shares of £1 each	**16**	16
520,000 (2021 - 520,000) 'B' Non-cumulative Preference shares of £1 each	**520**	520
	1,000	1,000

Voting rights
Each 2.5% Cumulative Ordinary share has six votes per share. The remaining Ordinary and Preference shares have one vote per share.

Priority on winding up
The holder of any class of Preference share is entitled to the nominal value of the paid up amount on each share on winding up. Subject to the repayment of Preference shares, the balance is distributable amongst the holders of the 2.5% Cumulative Ordinary and 'A' Ordinary shares according to the amounts paid up on the shares.

Dividend rights
Distributions made by the Company out of the profits by way of dividend are on amounts paid up on shares held. Dividends for holders of each class of Cumulative Preference shares are paid in priority over other shares. The dividend on the Cumulative Ordinary shares rank next for payment. Dividends for 'A' Ordinary and 'B' Non-Cumulative Preference shares rank last.

24. Reserves

Capital redemption reserve

This reserve records the nominal value of shares repurchased by the Company.

General reserves

This reserve includes certain retained profits from the early 1900's, and represents distributable profits.

Profit and loss account

This includes all current and prior period retained profits.

24. Reserves (continued)

Own shares

Wilkin & Sons Limited operates an Employee Benefit Trust (EBT), which has the following interest in the shares of the Company:

	2022 000's	2021 000's
At 1 January	**2,018**	1,850
Shares acquired	**56**	90
Shares disposed of by gift	**(14)**	(10)
	2,060	2,018

Shares are acquired and held by the Wilkin & Sons Limited EBT for distribution to the Wilkin & Sons Share Incentive Plan in accordance with the aims of the trust, as directed by the Company.

At the year end the EBT held the following shares, and had the following assets and liabilities, which had not vested unconditionally with employees by the year end:

	2022 No. of shares 000's	2022 Cost of shares £000	2021 No. of shares 000's	2021 Cost of shares £000
'A' Ordinary shares				
Balance as at 1 January	**18**	**93**	18	73
Shares acquired	**5**	**56**	3	30
Shares disposed of by gift	**(3)**	**(14)**	(3)	(10)
Balance as at 31 December	**20**	**135**	18	93

	2022 No. of shares 000's	2022 Cost of shares £000	2021 No. of shares 000's	2021 Cost of shares £000
2.5% Cumulative Ordinary shares				
Balance as at 1 January	**143**	**1,925**	142	1,865
Shares acquired	**-**	**-**	1	60
Balance as at 31 December	**143**	**1,925**	143	1,925

24. Reserves (continued)

	2022 £000	2021 £000
Net assets of the EBT		
Other debtors	**56**	91
Cash at bank	**20**	17
Other creditors	**-**	-
Balance as at 31 December	**76**	108

25. Analysis of net debt

	At 1 January 2022 £000	Cash flows £000	At 31 December 2022 £000
Cash at bank and in hand	12,564	(2,644)	9,920
Bank overdrafts	(1)	1	-
Debt due after 1 year	(167)	167	-
Debt due within 1 year	(366)	366	-
	12,030	(2,110)	9,920

26. Contingent liabilities

The Company is contingently liable in respect of a group VAT agreement with Thursday Cottage Limited. At 31 December 2022 the Group VAT debtor was £313,490 (2021 - £344,478).

Wilkin & Sons Limited has guaranteed the overdraft facility of its subsidiary undertaking Cole's Puddings Limited. There is also a cross guarantee between Wilkin & Sons Limited and Cole's Puddings Limited, with Barclays Bank Plc. At the year end there was £Nil (2021 - £1,048) due to Barclays Bank Plc.

In order for the subsidiary companies, Thursday Cottage Limited, Tiptree Patisserie Limited and Cole's Puddings Limited, to take the audit exemption in section 479A of the Companies Act 2006, the Company has guaranteed all outstanding liabilities of those subsidiary companies at 31 December 2022 until those liabilities are satisfied in full.

27. Pension commitments

The Group operates two defined contribution pension schemes. The assets of the schemes are held separately from those of the Group in independently administered funds. The contributions payable by the Group charged to profit or loss amounted to £539k (2021 - £420k). Contributions totalling £78k were outstanding (2021 - £62k) to the fund at the year end and are included in creditors.

28. Commitments under operating leases

At 31 December 2022 the Group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Not later than 1 year	**1,121**	544	**922**	421
Later than 1 year and not later than 5 years	**3,116**	1,532	**2,530**	1,085
Later than 5 years	**556**	692	**556**	669
	4,793	2,768	**4,008**	2,175

29. Related party transactions

The remuneration of key management personnel, which includes the Directors of all group companies £1,415k (2021 - £1,327k).

Other creditors includes loans from Directors and immediate family totalling £56k (2021 - £64k). Interest of £964 (2021 - £85) was paid in the year.

30. Controlling party

The Directors do not consider there to be an ultimate controlling party due to the widespread nature of the shareholdings.