

## **Milton Webber Ltd**

Annual Report and Financial Statements

Year Ended

31 October 2022

Company Number 12577710

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# Milton Webber Ltd

## Company Information

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

# Milton Webber Ltd

## Contents

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	Page
Group Strategic Report	1 - 3
Director's Report	4 - 5
Director's Responsibilities Statement	6
Independent Auditor's Report	7 - 10
Consolidated Statement of Comprehensive Income	11
Consolidated Statement of Financial Position	13
Company Statement of Financial Position	14
Consolidated Statement of Changes in Equity	15
Company Statement of Changes in Equity	16
Consolidated Statement of Cash Flows	17 - 18
Notes to the Financial Statements	19 - 43

# **Milton Webber Ltd**

## **Group Strategic Report For the Year Ended 31 October 2022**

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The director presents his Strategic report together with the audited financial statements for the year ended 31 October 2022, it refers to the performance, operations and trading of the operating companies Pasta Foods Limited and Snack Creations Ltd.

### **Business review**

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

During the year under review inflationary cost pressures continued to build and, post year end, costs continue to rise across all fronts. Both businesses have passed and are passing on these cost pressures in appropriate ways.

We look forward, with real excitement, as we continue to grow both businesses following significant investment in both production capability and people. Our commitment to product quality, innovation and customer service remains key to everything we do.

#### **Pasta Foods Limited**

Pasta Foods is a vertically integrated pasta manufacturer. The company buys high quality durum wheat from farmers which it mills at its own mill and then makes pasta from the semolina. The pasta is sold to a wide variety of customers which make pasta salads, recipe dishes, canned goods, snack pots and to a number of food service distributors and a small number of retail brands. It also sells semolina as an ingredient.

I am delighted to welcome Gordon Chetwood, managing director and Andrew Gunton, finance director to the Board.

After the challenges of Brexit and the Covid pandemic, almost all businesses have been impacted by the war in Ukraine. Pasta Foods is no exception. We have had to bear an extraordinary increase in energy costs; both as to speed of increase and those costs reaching unprecedented levels. In addition, partly due to world crop availability and quality, and partly due to the war, durum wheat prices were significantly higher across the year versus the previous year. The business has recovered those cost increases as and when contracts are re-negotiated. Some contract negotiations were completed post year end.

Despite the pressures on supply chains everywhere, Pasta Foods has continued to deliver 100% of all customer needs on time, in full. Once again, the employees have worked tirelessly through difficult times. Well done to a great team that I am proud to work with. As before, in addition to meeting our customers' needs, we have also supported a number of charities with donations of pasta.

I have previously highlighted that the benefits of the large investment, that we have made in the manufacturing capability of the business, had begun to make improved returns, and we have made further progress this year. This year, we have seen further sales growth driven by inflationary cost pressures of 43% to £26.2m and improved EBITDAE of £3.0m being an increase of 25.6%.

Given the huge investment made over the last 8 or so years, it is key that we focus on our Return on Invested Capital (ROIC). Whilst that has increased year on year, it is still sub optimal at 7.4%. The business is working hard to improve this return.

We have seen considerable success in winning new business from our existing customers, which supply the ever-challenging retail sector. There will be more to come as our customers, working with us, convert their retail customers to value our dependable, excellent service levels and the supply chain we manage from the fields to their factories. Now, more than ever, the quality of service offered along with a top, quality product is invaluable in these challenging times. As well as increasing supply to existing customers as they win new business, we have also won new customers.

# Milton Webber Ltd

## Group Strategic Report (continued) For the Year Ended 31 October 2022

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### Business review (continued)

Whilst keeping our U.K. customers supplied fully, we have continued to focus on our export business. Our sales value is down year on year, but that is due to a pause with one customer which has returned as an active customer post year end. The other export customers are in significant double-digit growth. In addition to direct exports, our sales to UK customers who export continue to grow.

As highlighted last year, we worked closely with our customers, both existing and new, to meet their growing needs alongside successfully increasing the range of suppliers of durum wheat, as our purchased volumes increase and as a natural hedge in our buying portfolio.

There is no evidence of easing in prices of durum wheat. Energy prices continue at levels not seen prior to the Ukraine war, although they have eased off the highest levels seen in late 2022.

In the year the company repaid loans with two banks and consolidated banking arrangements with one new partner. The loans are now specifically allocated to companies within the group, with the exception of £7.7m that Pasta Foods is holding on behalf of group companies and does not represent an increase in net debt for Pasta Foods.

Capex in the year was less than £100,000 following the significant investment in previous years.

### Snack Creations Ltd

The company is a market leader in the development and manufacture of healthy snacks using extruded pellet technology to make snacks from lentil, chickpea, split pea, potato and other ingredients. Snack Creations is a new product development (NPD) led business.

I am delighted to welcome Gordon Chetwood, managing director and Andrew Gunton, finance director to the Board.

We achieved sales of £22.3m (up 17% on 2021 - £19.0m), as the logistical challenges of the previous year subsided. This led to a creditable increase in operating profits to £1.95m (2021 - £1.72m), which bears the burden of increased depreciation on the investment of £5.5m made in the previous year. EBITDAE improved from £1.98m to £2.65m.

We continued to win new business from both existing and new customers during the year. Our very clear focus on NPD continues to be validated as customers, new and old, sample our new products. Besides winning new business, we also have the most exciting pipeline we have ever had. The products themselves are superb and the number of new opportunities is exceptional.

We had highlighted last year that we expected the inflationary pressures to continue. We obviously did not foresee the war in Ukraine, which has led to significant energy cost increases. In addition to those cost pressures, raw material prices have also risen significantly, although not directly due to the war. As is our practice, we have passed on and continue to pass on the appropriate cost increases to our customers. We see little signs of raw material prices easing in the foreseeable future.

The financial results of the business in the year under review are beginning to reflect the efforts of all those that work in the business. As our new capacity becomes utilised more fully, the results will improve.

The government decided to implement only part of the HFSS regulations I referred to last year. Given the planning that businesses had already undertaken for HFSS, it is no surprise that, in the most part, the food industry has adopted the full HFSS plan.

The most significant development of the year is our acquisition of a new factory. It will increase both our capacity and efficiency as it is commissioned in 2024.

# Milton Webber Ltd

## Group Strategic Report (continued) For the Year Ended 31 October 2022

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### Future developments

The group continues to monitor opportunities to invest in the business to support our customers who value our approach to service and quality. As the group develops new products and wins new customers, the group will be able to improve its financial results as it utilises the new capacity. The new facility within Snack Creations Ltd will allow this focus on growth to continue and accelerate.

### Principal risks and uncertainties

The principal risks faced by the group are focused on raw material price movements, energy cost volatility and exchange rate fluctuations.

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

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

### Analysis of key performance indicators

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

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

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

The business focuses on various financial KPIs culminating in the operating profit KPI which showed a healthy underlying result of £3.7m (2021 - £2.8m). Over the same period underlying EBITDAE, which is the KPI used as an approximation of gross cash profits was £5.5m (2021 - £4.3m).

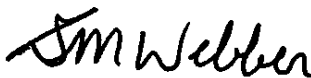
Cash at year end improved to £3.42m (2021 - £3.34m).

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

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

This report was approved by the board on 17 March 2023

and signed on its behalf.



**S M Webber**  
Director

# Milton Webber Ltd

## Director's Report For the Year Ended 31 October 2022

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The director presents his report together with the audited financial statements for the year ended 31 October 2022.

### Principal activity

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

### Results and dividends

The profit for the year, after taxation, amounted to £2,199,237 (2021 - £1,809,817).

During the year no dividend was recommended or paid (2021 - £Nil).

### Director

The director who served during the year was:

S M Webber

### Matters covered in the group Strategic Report

Likely future developments in the business have been considered in the group Strategic Report and form part of this report by cross reference in accordance with Section 414(c)(ii) of the Companies Act 2006.

### Financial instruments

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

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

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

At the Statement of Financial Position date, the group had entered into forward exchange contracts. The company does not use hedge accounting.

### Research and development activities

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

### Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its director during the year. These provisions remain in force at the reporting date.

# **Milton Webber Ltd**

## **Director's Report (continued) For the Year Ended 31 October 2022**

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### **Disclosure of information to auditor**

Each of the persons who are directors at the time when this Director's 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, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 17 March 2023

and signed on its behalf.



**S M Webber**  
Director



# Milton Webber Ltd

## Director's Responsibilities Statement For the Year Ended 31 October 2022

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

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

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

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

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

# Milton Webber Ltd

## Independent Auditor's Report to the Members of Milton Webber Ltd

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### Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 October 2022 and of the group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Milton Webber Ltd ("the parent company") and its subsidiaries ("the group") for the year ended 31 October 2022 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the company statement of financial position, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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

### *Independence*

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

### Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group or 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.

# **Milton Webber Ltd**

## **Independent Auditor's Report to the Members of Milton Webber Ltd (continued)**

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### **Other information**

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

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.

### **Other Companies Act 2006 reporting**

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.

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

# Milton Webber Ltd

## Independent Auditor's Report to the Members of Milton Webber Ltd (continued)

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### 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.

#### *Extent to which the audit was capable of detecting irregularities, including fraud*

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

- Enquiring of those charged with governance and management, including obtaining and reviewing supporting documentation, concerning the group's internal policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - The internal controls established to mitigate the risks related to fraud or non-compliance with laws and regulations.
- Obtaining an understanding, as gathered from accumulated knowledge of the group and the industry, of the legal and regulatory (including reporting framework) environment that the group operates in, focusing on those laws and regulations that could reasonably be expected to have a direct effect on the financial statements or a fundamental effect on the operations of the group. For Milton Webber Ltd and subsidiaries, we consider these to include Companies Act 2006, UK GAAP, Employment Law, Data Protection, Health and Safety Regulations, Foods Hygiene Standards and standard UK tax legislation.
- Where available and provided, reviewing all correspondence with regulatory authorities.
- Undertaking analytical procedures to identify any unusual or unexpected relationships that may indicate risks or material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
- Additionally, we reviewed the revenue recognition policy for consistency with prior year and ensured the adopted policy was in line with UK GAAP requirements, we tested the application of this policy throughout our substantive audit procedures over revenue.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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


# Milton Webber Ltd

## Independent Auditor's Report to the Members of Milton Webber Ltd (continued)

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### Use of our report

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

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

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

# Milton Webber Ltd

## Consolidated Statement of Comprehensive Income For the Year Ended 31 October 2022

	Note	2022 £	2021 £
Turnover	4	48,475,027	37,289,775
Cost of sales		(38,300,066)	(28,929,676)
<b>Gross profit</b>		<b>10,174,961</b>	<b>8,360,099</b>
Distribution costs		(3,272,254)	(2,689,403)
Administrative expenses		(3,094,675)	(2,735,894)
Exceptional administrative expenses	5	(118,648)	(10,708)
Other operating income		-	13,018
Fair value movements	20	(13,197)	(132,775)
<b>Operating profit</b>	5	<b>3,676,187</b>	<b>2,804,337</b>
Interest receivable and similar income		-	4,215
Interest payable and similar expenses	8	(974,673)	(437,923)
<b>Profit before taxation</b>		<b>2,701,514</b>	<b>2,370,629</b>
Tax on profit	9	(502,277)	(560,812)
<b>Profit and total comprehensive income for the year attributable to owners of the parent company</b>		<b>2,199,237</b>	<b>1,809,817</b>

The notes on pages 19 to 43 form part of these financial statements.

# Milton Webber Ltd

## Consolidated Statement of Comprehensive Income (continued) For the Year Ended 31 October 2022

Unaudited non-statutory reconciliation of profit for the year to earnings before interest, tax, depreciation, amortisation and exceptionals from operations for the year ended 31 October 2022.

	2022 £	2021 £
Profit for the financial year	2,199,237	1,809,817
Amortisation	65,340	219,306
Depreciation	1,672,452	1,272,220
Interest Payable And Similar Expenses	974,673	437,923
Taxation	502,277	560,812
Exceptional Items	118,648	10,708
<b>EBITDAE</b>	<b>5,532,627</b>	<b>4,310,786</b>

**Milton Webber Ltd**  
Registered number:12577710

**Consolidated Statement of Financial Position**  
**As at 31 October 2022**

	Note	2022 £	2022 £	2021 £	2021 £
<b>Fixed assets</b>					
Goodwill	10		1,654,095		1,873,400
Negative goodwill	10		-		-
Tangible fixed assets	11		22,682,746		14,082,890
			<u>24,336,841</u>		<u>15,956,290</u>
<b>Current assets</b>					
Stocks	13	6,373,316		4,671,482	
Debtors: amounts falling due within one year	14	13,051,805		9,191,698	
Cash at bank and in hand	15	3,423,745		3,342,720	
		<u>22,848,866</u>		<u>17,205,900</u>	
Creditors: amounts falling due within one year	16	(22,832,618)		(18,026,140)	
<b>Net current assets/(liabilities)</b>			<u>16,248</u>		<u>(820,240)</u>
<b>Total assets less current liabilities</b>			<u>24,353,089</u>		<u>15,136,050</u>
Creditors: amounts falling due after more than one year	17		(16,779,143)		(10,010,633)
<b>Provisions for liabilities</b>					
Deferred taxation	21		(1,410,698)		(1,161,406)
<b>Net assets</b>			<u><u>6,163,248</u></u>		<u><u>3,964,011</u></u>
<b>Capital and reserves</b>					
Called up share capital	22		1,000		1,000
Merger reserve	23		9,000		9,000
Profit and loss account	23		6,153,248		3,954,011
<b>Equity attributable to owners of the parent company</b>			<u><u>6,163,248</u></u>		<u><u>3,964,011</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17 March 2023



**S M Webber**  
Director

The notes on pages 19 to 43 form part of these financial statements.

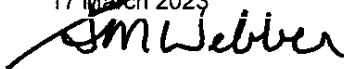


**Milton Webber Ltd**  
Registered number:12577710

**Company Statement of Financial Position**  
**As at 31 October 2022**

	<b>Note</b>	<b>2022 £</b>	<b>2022 £</b>	<b>2021 £</b>	<b>2021 £</b>
<b>Fixed assets</b>					
Fixed asset investments	12		15,991,471		3,769,750
<b>Current assets</b>					
Debtors: amounts falling due within one year	14	6,237		15,849	
Creditors: amounts falling due within one year	16	(13,146,505)		(710,982)	
<b>Net current liabilities</b>			<b>(13,140,268)</b>		<b>(695,133)</b>
<b>Total assets less current liabilities</b>			<b>2,851,203</b>		<b>3,074,617</b>
Creditors: amounts falling due after more than one year	17		(3,200,000)		(3,200,000)
<b>Net liabilities</b>			<b>(348,797)</b>		<b>(125,383)</b>
<b>Capital and reserves</b>					
Called up share capital	22		1,000		1,000
Profit and loss account brought forward		(126,383)		(23,449)	
Loss for the year		(223,414)		(102,934)	
Profit and loss account carried forward			<b>(349,797)</b>		<b>(126,383)</b>
			<b>(348,797)</b>		<b>(125,383)</b>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17 March 2023



**S M Webber**  
Director

The notes on pages 19 to 43 form part of these financial statements.

# Milton Webber Ltd

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

	Called up share capital	Merger reserve	Profit and loss account	Equity attributable to owners of parent company	Total equity
	£	£	£	£	£
At 1 November 2021	1,000	9,000	3,954,011	3,964,011	3,964,011
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	2,199,237	2,199,237	2,199,237
<b>Total comprehensive income for the year</b>	-	-	2,199,237	2,199,237	2,199,237
<b>At 31 October 2022</b>	<b>1,000</b>	<b>9,000</b>	<b>6,153,248</b>	<b>6,163,248</b>	<b>6,163,248</b>

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

	Called up share capital	Merger reserve	Profit and loss account	Equity attributable to owners of parent company	Total equity
	£	£	£	£	£
At 1 November 2020	1,000	9,000	2,144,194	2,154,194	2,154,194
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	1,809,817	1,809,817	1,809,817
<b>Total comprehensive income for the year</b>	-	-	1,809,817	1,809,817	1,809,817
<b>At 31 October 2021</b>	<b>1,000</b>	<b>9,000</b>	<b>3,954,011</b>	<b>3,964,011</b>	<b>3,964,011</b>

The notes on pages 19 to 43 form part of these financial statements.

# Milton Webber Ltd

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

	Called up share capital £	Profit and loss account £	Total equity £
At 1 November 2021	1,000	(126,383)	(125,383)
<b>Comprehensive income for the year</b>			
Loss for the year	-	(223,414)	(223,414)
	-	(223,414)	(223,414)
<b>Total comprehensive income for the year</b>			
	1,000	(349,797)	(348,797)
<b>At 31 October 2022</b>			

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

	Called up share capital £	Profit and loss account £	Total equity £
At 1 November 2020	1,000	(23,449)	(22,449)
<b>Comprehensive income for the year</b>			
Loss for the year	-	(102,934)	(102,934)
	-	(102,934)	(102,934)
<b>Total comprehensive income for the year</b>			
	1,000	(126,383)	(125,383)
<b>At 31 October 2021</b>			

The notes on pages 19 to 43 form part of these financial statements.

# Milton Webber Ltd

## Consolidated Statement of Cash Flows For the Year Ended 31 October 2022

	2022 £	2021 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	2,199,237	1,809,817
<b>Adjustments for:</b>		
Amortisation of intangible assets	65,340	219,306
Depreciation of tangible assets	1,672,452	1,272,220
Interest paid	974,673	437,923
Interest received	-	(4,215)
Taxation charge	502,277	560,812
(Increase)/decrease in stocks	(1,701,834)	1,050,067
Increase in debtors	(4,026,024)	(828,766)
Increase in creditors	2,198,371	911,182
Net fair value losses recognised in P&L	13,197	132,775
Corporation tax received/(paid)	146,896	(262,590)
<b>Net cash generated from operating activities</b>	<b>2,044,585</b>	<b>5,298,531</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(10,017,985)	(5,622,336)
Purchase of subsidiary undertakings, net of cash acquired	(201,015)	-
Purchase of fixed asset investments	-	(814,668)
<b>Net cash used in investing activities</b>	<b>(10,219,000)</b>	<b>(6,437,004)</b>

# Milton Webber Ltd

## Consolidated Statement of Cash Flows (continued) For the Year Ended 31 October 2022

	2022 £	2021 £
<b>Cash flows from financing activities</b>		
New secured loans	17,348,430	4,000,000
Repayment of loans	(9,054,108)	(80,000)
New loan notes	-	1,950,000
Repayment of loan notes	-	(1,950,000)
Repayment of finance leases	(2,693,915)	(1,150,284)
Loans from directors	87,413	66,429
Interest paid	(974,673)	(437,923)
Interest receivable	-	4,215
Increase/(decrease) in invoice discounting facility	3,542,293	(953,797)
<b>Net cash generated from financing activities</b>	<b>8,255,440</b>	<b>1,448,640</b>
<b>Net increase in cash and cash equivalents</b>	<b>81,025</b>	<b>310,167</b>
Cash and cash equivalents at beginning of year	3,342,720	3,032,553
<b>Cash and cash equivalents at the end of year</b>	<b>3,423,745</b>	<b>3,342,720</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	3,423,745	3,342,720

The notes on pages 19 to 43 form part of these financial statements.

# Milton Webber Ltd

## Notes to the Financial Statements For the Year Ended 31 October 2022

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### 1. General information

Milton Webber Ltd is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the Company Information page and the nature of the group's operations and its principal activities are set out in the Director's report.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

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

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

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

The group's presentational and functional currency is GBP. Values are rounded to the nearest pound.

#### Parent company disclosure exemptions

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

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

The following principal accounting policies have been applied:

#### 2.2 Basis of consolidation

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

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

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

# Milton Webber Ltd

## Notes to the Financial Statements For the Year Ended 31 October 2022

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### 2. Accounting policies (continued)

#### 2.3 Going concern

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

At the time of writing, there is still a level of uncertainty about the full impact of the war in Ukraine and, to a lesser extent, the coronavirus pandemic on the UK and world economy. This has clearly impacted the majority of businesses in the UK and has had a significant impact on the UK economy. Whilst the current economic conditions related to the fallout of the Coronavirus pandemic and war in Ukraine create general business uncertainty, in the post balance sheet period between 1 November 2022 up to the date of approval of these financial statements, the group has not encountered any significant adverse impacts as a result and has continued to trade profitably during that period with no loss of manufacturing capacity

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

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

#### 2.4 Revenue

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

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

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

#### 2.5 Foreign currency translation

##### 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 the Consolidated Statement of Comprehensive Income. At the Consolidated Statement of Financial Position date the company had entered into forward foreign exchange contracts. Hedge accounting has not been adopted.

# Milton Webber Ltd

## Notes to the Financial Statements For the Year Ended 31 October 2022

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### 2. Accounting policies (continued)

#### 2.6 Operating leases: the group as lessee

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight-line basis over the lease term.

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

#### 2.7 Leased assets: the group as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. *Obligations under such agreements are included in creditors net of the finance charge allocated to future periods.* The finance element of the rental payment is charged to the Consolidated Statement of Comprehensive Income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

#### 2.8 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

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

#### 2.9 Borrowing costs

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the year in which they are incurred.

#### 2.10 Pensions

##### Defined contribution pension plan

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

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Consolidated Statement of Financial Position. The assets of the plan are held separately from the group in independently administered funds.



# Milton Webber Ltd

## Notes to the Financial Statements For the Year Ended 31 October 2022

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### 2. Accounting policies (continued)

#### 2.11 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company and the group operate and generate income.

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

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

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

#### 2.12 Exceptional items

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

#### 2.13 Intangible assets

##### Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to the initial recognition, goodwill is amortised on a straightline basis to the Consolidated Statement of Comprehensive Income, within administrative expenses over its useful economic life.

Negative goodwill represents the value of net assets acquired over and above the consideration in relation to business combinations. Negative goodwill is not offset against the groups intangible assets and is disclosed separately on the face of the Consolidated Statement of Financial Position. Any excess above the fair value of the non-monetary assets acquired is recognised in the Consolidated Statement of Comprehensive Income, as other non operating income over the period in which the benefit is expected to be received.

# Milton Webber Ltd

## Notes to the Financial Statements For the Year Ended 31 October 2022

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### 2. Accounting policies (continued)

#### 2.14 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

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

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in Consolidated Statement of Comprehensive Income.

#### 2.15 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

#### 2.16 Stocks

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

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

#### 2.17 Debtors

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

# Milton Webber Ltd

## Notes to the Financial Statements For the Year Ended 31 October 2022

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### 2. Accounting policies (continued)

#### 2.18 Cash and cash equivalents

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

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the group's cash management.

#### 2.19 Creditors

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

#### 2.20 Invoice financing

The group has an invoice discounting arrangement. The amount owed by customers to the group is included within trade debtors and the amount owed to the invoice discounting company is included within creditors. The amount owed to the invoice discounting company represents the difference between the amounts advanced by the discounting group and the invoices discounted. The interest element of the invoice discounting charges and other related costs are recognised as they accrue and included in the Consolidated Statement of Comprehensive Income within 'interest payable and similar expenses'.

# Milton Webber Ltd

## Notes to the Financial Statements For the Year Ended 31 October 2022

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### 2. Accounting policies (continued)

#### 2.21 Financial instruments

##### *Basic financial instruments*

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

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

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

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

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

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

##### *Derivatives*

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

# Milton Webber Ltd

## Notes to the Financial Statements For the Year Ended 31 October 2022

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

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

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

Other key sources of estimation uncertainty:

- Tangible fixed assets (see note 11)

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

- Stocks (see note 13)

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

### 4. Turnover

	2022 £	2021 £
Processed goods	46,057,114	35,603,043
Milled goods	2,417,913	1,686,732
	<u>48,475,027</u>	<u>37,289,775</u>

Analysis of turnover by country of destination:

	2022 £	2021 £
United Kingdom	40,526,507	29,231,565
Rest of Europe	3,612,097	4,285,340
Rest of the World	4,336,423	3,772,870
	<u>48,475,027</u>	<u>37,289,775</u>

# Milton Webber Ltd

## Notes to the Financial Statements For the Year Ended 31 October 2022

### 5. Operating profit

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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Research & development charged as an expense	<b>101,756</b>	85,147
Depreciation of owned tangible fixed assets	<b>1,672,452</b>	378,002
Depreciation of financed tangible fixed assets	-	894,218
Amortisation of intangible assets	<b>65,340</b>	219,306
Defined contribution pension cost	<b>212,497</b>	202,566
Exceptional items	<b>118,648</b>	10,708
Fees payable to the group's auditor for the audit of the group's annual financial statements	<b>3,575</b>	3,260
Fees payable to the Group's auditor for the audit of the subsidiaries's annual financial statements	<b>42,015</b>	32,860
Fees payable to the group's auditor in respect of:		
All other services	<b>13,265</b>	25,859
Exchange differences	<b>63,897</b>	(72,860)
Other operating lease rentals	<b>721,967</b>	721,967

Within exceptional items are costs related to refinancing and dual running costs during the year. Exceptional items in the prior year were costs related to refinancing.

# Milton Webber Ltd

## Notes to the Financial Statements For the Year Ended 31 October 2022

### 6. Employees

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

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Wages and salaries	6,226,580	6,038,347	-	-
Social security costs	638,488	579,707	-	-
Cost of defined contribution scheme	212,497	202,566	-	-
	<u>7,077,565</u>	<u>6,820,620</u>	<u>-</u>	<u>-</u>

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

	2022 No.	2021 No.
Production	117	120
Selling and distribution	25	24
Administration	21	20
	<u>163</u>	<u>164</u>

The company had no employees other than the director, who did not receive any remuneration, in the current and prior year.

### 7. Director's remuneration

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

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

### 8. Interest payable and similar expenses

	2022 £	2021 £
Bank interest payable	786,958	321,493
Other loan interest payable	187,715	116,430
	<u>974,673</u>	<u>437,923</u>

# Milton Webber Ltd

## Notes to the Financial Statements For the Year Ended 31 October 2022

### 9. Taxation

	2022 £	2021 £
<b>Corporation tax</b>		
Current tax on profits for the year	-	(67,475)
Adjustments in respect of prior periods	252,985	(246,211)
<b>Total current tax</b>	<b>252,985</b>	<b>(313,686)</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	428,115	882,715
Adjustments in respect of prior periods	(313,179)	(8,217)
Effect of changes in tax rates	134,356	-
<b>Total deferred tax</b>	<b>249,292</b>	<b>874,498</b>
<b>Taxation on profit on ordinary activities</b>	<b>502,277</b>	<b>560,812</b>

#### 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 £	2021 £
Profit on ordinary activities before tax	2,701,514	2,370,629
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	513,288	450,420
<b>Effects of:</b>		
Group relief not paid for	(5,288)	-
Expenses not deductible for tax purposes	34,712	55,474
Fixed asset differences	(35,465)	(50,339)
Additional deduction for R&D expenditure	(129,675)	(65,509)
Adjustment for deferred tax charged at a different rate	134,356	138,527
Adjustment to tax charge in respect of prior periods - corporation tax	252,985	(246,211)
Adjustment to tax charge in respect of prior periods - deferred tax	(313,179)	3,833
Deferred tax not recognised	50,543	88,012
Losses carried back	-	186,605
<b>Total tax charge for the year</b>	<b>502,277</b>	<b>560,812</b>



# Milton Webber Ltd

## Notes to the Financial Statements For the Year Ended 31 October 2022

### 9. Taxation (continued)

#### Factors that may affect future tax charges

Increases in the UK Corporation tax rate from 19% to 25% (19% effective from 1 April 2017, and 25% effective from 1 April 2023) have been substantively enacted. This will impact the group's future tax charge accordingly. The value of the deferred tax liability at the Consolidated Statement of Financial Position date has been calculated using the applicable rate when the liability is expected to be realised.

### 10. Intangible assets

#### Group

	Goodwill £	Negative goodwill £	Total £
<b>Cost</b>			
At 1 November 2021	2,193,045	(238,379)	1,954,666
On acquisition of subsidiaries (see note 24)	-	(153,965)	(153,965)
At 31 October 2022	2,193,045	(392,344)	1,800,701
<b>Amortisation</b>			
At 1 November 2021	319,645	(238,379)	81,266
Charge for the year	219,305	(153,965)	65,340
At 31 October 2022	538,950	(392,344)	146,606
<b>Net book value</b>			
At 31 October 2022	1,654,095	-	1,654,095
At 31 October 2021	1,873,400	-	1,873,400

The company had no intangible assets during the current or prior period.

# Milton Webber Ltd

## Notes to the Financial Statements For the Year Ended 31 October 2022

### 11. Tangible fixed assets

#### Group

	Freehold property £	Plant and machinery £	Total £
<b>Cost</b>			
At 1 November 2021	1,482,056	14,654,239	16,136,295
Additions	9,372,542	645,443	10,017,985
Acquisition of subsidiary	254,323	-	254,323
At 31 October 2022	11,108,921	15,299,682	26,408,603
<b>Depreciation</b>			
At 1 November 2021	43,203	2,010,202	2,053,405
Charge for the year	46,110	1,626,342	1,672,452
At 31 October 2022	89,313	3,636,544	3,725,857
<b>Net book value</b>			
At 31 October 2022	11,019,608	11,663,138	22,682,746
At 31 October 2021	1,438,853	12,644,037	14,082,890

The company had no tangible fixed assets during the current or prior year.

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

	2022 £	2021 £
Plant and machinery	-	5,083,366

During the year, all finance lease and hire purchase contracts were settled as part of group refinancing.

# Milton Webber Ltd

## Notes to the Financial Statements For the Year Ended 31 October 2022

### 12. Fixed asset investments

#### Company

	Investments in subsidiary companies £
<b>Cost</b>	
At 1 November 2021	3,769,750
Acquisitions from other group companies	12,221,721
At 31 October 2022	<u>15,991,471</u>
<b>Net book value</b>	
At 31 October 2022	<u><u>15,991,471</u></u>
At 31 October 2021	<u><u>3,769,750</u></u>

# Milton Webber Ltd

## Notes to the Financial Statements For the Year Ended 31 October 2022

### 12. Fixed asset investments (continued)

#### Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
Snack Creations Ltd	Ordinary	100%
Pasta Foods Investments Limited	Ordinary	100%
Pretty Investments Limited	Ordinary	100%
Pasta Foods Limited	Ordinary	100%
Pretty 210 Limited*	Ordinary	100%
Pretty 1050 Limited*	Ordinary	100%
Pretty Properties Limited*	Ordinary	100%

\*indirect subsidiaries

The registered office of Snack Creations Ltd is Pasteur Road, Great Yarmouth, NR31 0DW.

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

On 31 July 2022, the company acquired 100% of the share capital of Pasta Foods Limited from a fellow group company, for a consideration of £11,756,712.

On the same date, the company acquired 100% of the share capital of Pretty Investments Limited from a fellow group company, for a consideration of £465,009.

On 6 September 2022, Pretty Investments Limited acquired 100% of the share capital of Pretty Properties Limited, for a consideration of £201,015.

Pasta Foods Investments Limited - company number 09599872, Pretty 210 Limited - company number 07181848 and Pretty 1050 Limited - company number 07181848, both registered in England and Wales, were entitled to, and have opted to take exemption from the requirement to have an audit of their financial statements for the year ended 31 October 2022 under 479A of the Companies Act 2006 (UK) relating to subsidiary companies.

Pretty Investments Limited - company number 07181919 and Pretty Properties Limited - company number 07181811 are entitled to, and have opted to take, exception from the requirement to have an audit of its financial statements for the year ended 31 October 2022 under 477 of the Companies Act 2006 (UK) relating to small companies.

# Milton Webber Ltd

## Notes to the Financial Statements For the Year Ended 31 October 2022

### 13. Stocks

	Group 2022 £	Group 2021 £
Raw materials and consumables	2,687,693	1,672,143
Finished goods and goods for resale	3,685,623	2,999,339
	<u>6,373,316</u>	<u>4,671,482</u>

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

### 14. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade debtors	11,306,313	7,850,596	-	-
Amounts owed by group undertakings	-	-	-	13,821
Other debtors	1,054,058	509,436	6,237	2,028
Prepayments and accrued income	691,434	431,785	-	-
Tax recoverable	-	399,881	-	-
	<u>13,051,805</u>	<u>9,191,698</u>	<u>6,237</u>	<u>15,849</u>

### 15. Cash and cash equivalents

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Bank and cash balances	3,423,745	3,342,720	-	-

# Milton Webber Ltd

## Notes to the Financial Statements For the Year Ended 31 October 2022

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

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Bank loans	2,462,179	2,480,000	-	-
Trade creditors	8,933,195	6,696,777	-	-
Amounts owed to group undertakings	-	-	12,417,549	73,091
Other taxation and social security	186,684	153,477	-	-
Obligations under finance lease and hire purchase contracts	-	1,150,282	-	-
Other creditors	9,747,861	6,442,024	716,633	629,220
Accruals and deferred income	1,473,316	1,087,394	12,323	8,671
Financial instruments	29,383	16,186	-	-
	<b>22,832,618</b>	<b>18,026,140</b>	<b>13,146,505</b>	<b>710,982</b>

Bank loans and overdrafts totalling £2,462,179 are secured by a fixed and floating charge by way of an Unlimited Multilateral Guarantee over the assets of the following companies; Pretty Investments Limited, Pretty Properties Limited, Pasta Foods Limited, Snack Creations Ltd and Milton Webber Ltd.

In the prior year, bank loans and overdrafts totalling £2,480,000 were secured by a fixed and floating charge over the company's assets and by the way of a cross-guarantee over the assets of fellow group undertakings, Pretty Investments Limited, Pretty 1050 Limited, Pretty 210 Limited, Pasta Foods Limited, Pasta Foods Investments Limited, Snack Creations Ltd and related company Pretty Properties Limited.

Other creditors includes £8,579,236 secured on the trade debts of the company, and by way of a Unlimited Multilateral Guarantee over the assets of fellow group undertakings, Pretty Investments Limited, Pretty Properties Limited, Pasta Foods Limited and Snack Creations Ltd.

In the prior year, other creditors included £5,258,749 secured on the trade debts of the company, and by way of a cross-guarantee over the assets of fellow group undertakings, Pretty Investments Limited, Pretty 1050 Limited, Pretty 210 Limited, Pasta Foods Limited, Pasta Foods Investments Limited, Snack Creations Ltd and related company Pretty Properties Limited.

Obligations under finance lease and hire purchase contracts were secured on the assets to which they related. These have been repaid during the year.

# Milton Webber Ltd

## Notes to the Financial Statements For the Year Ended 31 October 2022

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

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Bank loans	13,152,143	4,840,000	-	-
Loan notes	3,200,000	3,200,000	3,200,000	3,200,000
Net obligations under finance leases and hire purchase contracts	-	1,543,633	-	-
Other creditors	427,000	427,000	-	-
	<b>16,779,143</b>	<b>10,010,633</b>	<b>3,200,000</b>	<b>3,200,000</b>

Bank loans and overdrafts totalling £13,152,143 are secured by a fixed and floating charge by way of an Unlimited Multilateral Guarantee over the assets of the following companies; Pretty Investments Limited, Pretty Properties Limited, Pasta Foods Limited, Snack Creations Ltd and Milton Webber Ltd.

In the prior year, bank loans in note 17 included a new loan entered into during the prior year amounting to £4,000,000. The loan was secured by way of a fixed and floating charge over the assets of the company as well as a negative pledge. There was interest charged on this amount at a rate of 3.8% above base rate. The repayment term of the loan is 5 years with the first 24 months being interest only.

In the prior year, bank loans in notes 16 and 17 totalling £920,000 (2021 - £920,000) were secured by a fixed and floating charge over the company's assets and by way of a cross-guarantee over the assets of fellow group undertakings, Pretty Investments Limited, Pretty 1050 Limited, Pretty 210 Limited, Pasta Foods Investments Limited, Snack Creations Ltd and Pretty Properties Limited. There is interest charged on this amount at a rate of 2% plus LIBOR.

Obligations under finance lease and hire purchase contracts were secured on the assets to which they related. These have been repaid during the year.

# Milton Webber Ltd

## Notes to the Financial Statements For the Year Ended 31 October 2022

### 18. Loans

Loan repayments are due as follows:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
<b>Amounts falling due within one year</b>				
Bank loans	2,462,180	2,480,000	-	-
Other creditors	-	-	-	-
	<u>2,462,180</u>	<u>2,480,000</u>	<u>-</u>	<u>-</u>
<b>Amounts falling due 1-2 years</b>				
Bank loans	1,852,857	1,080,000	-	-
	<u>1,852,857</u>	<u>1,080,000</u>	<u>-</u>	<u>-</u>
<b>Amounts falling due 2-5 years</b>				
Bank loans	5,521,905	3,760,000	-	-
Loan notes	1,950,000	1,950,000	1,950,000	1,950,000
	<u>7,471,905</u>	<u>5,710,000</u>	<u>1,950,000</u>	<u>1,950,000</u>
<b>Amounts falling due after more than 5 years</b>				
Bank loans	5,777,380	-	-	-
Loan notes	1,250,000	1,250,000	1,250,000	1,250,000
	<u>7,027,380</u>	<u>1,250,000</u>	<u>1,250,000</u>	<u>1,250,000</u>
	<u><u>18,814,322</u></u>	<u><u>10,520,000</u></u>	<u><u>3,200,000</u></u>	<u><u>3,200,000</u></u>

### 19. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2022 £	Group 2021 £
Within one year	-	1,150,283
Between 1-5 years	-	1,543,633
	<u>-</u>	<u>2,693,916</u>

The company had no hire purchase or finance leases at the end of the current or prior year.



# Milton Webber Ltd

## Notes to the Financial Statements For the Year Ended 31 October 2022

### 20. Financial instruments

During the year, the group made sales in US Dollars. To mitigate the exchange rate risk that Sterling may appreciate against the US Dollar between the sale date and the payment date, the group entered into forward agreements to sell US Dollars.

During the year, the group also made purchases in Euros and Swiss Francs. To mitigate the exchange rate risk that Sterling may depreciate against the Euro and Swiss Franc between the purchase date and the payment date, the group entered into forward agreements to buy Euros and Swiss Francs.

As at 31 October 2022 the fair value of the above contracts were determined to be a liability of £29,383 (2021 - liability of £16,186). The debit to the Consolidated Statement of Comprehensive Income was £13,197 (2021 - debit of £132,775).

### 21. Deferred taxation

#### Group

	2022 £
At beginning of year	(1,161,406)
Charged to the profit or loss	(249,292)
<b>At end of year</b>	<b>(1,410,698)</b>

	Group 2022 £	Group 2021 £
Accelerated capital allowances	(1,644,040)	(1,920,783)
Short term timing differences	17,724	20,158
Tax losses carried forward	791,578	739,219
Capital gain rolled over	(575,960)	-
	<b>(1,410,698)</b>	<b>(1,161,406)</b>

The company had no deferred tax at the end of the current or prior year.

# Milton Webber Ltd

## Notes to the Financial Statements For the Year Ended 31 October 2022

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### 22. Share capital

	2022 £	2021 £
<b>Allotted, called up and fully paid</b>		
10,000 (2021 - 10,000) Ordinary shares of £0.10 each	<b>1,000</b>	1,000

The ordinary shares each carry one voting right.

On 15 May 2020 the company issued 1,529 share options. The share options were valued at £0.10 per share at the time of issue.

### 23. Reserves

The company's capital and reserves are as follows:

#### **Called up share capital**

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

#### **Merger reserve**

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

#### **Profit and loss account**

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

# Milton Webber Ltd

## Notes to the Financial Statements For the Year Ended 31 October 2022

### 24. Business combinations

#### Acquisition of Pretty Properties Limited

On 6 September 2022 the group acquired 100% of Pretty Properties Limited, a UK company which holds investment property, for £201,015 paid in cash.

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

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

	Book value £	Fair value adjustments £	Fair value £
<b>Fixed Assets</b>			
Investment property	254,323	-	254,323
<b>Current Assets</b>			
Debtors	233,964	-	233,964
<b>Total Assets</b>	<u>488,287</u>	<u>-</u>	<u>488,287</u>
<b>Creditors</b>			
Due within one year	(133,307)	-	(133,307)
<b>Total Identifiable net assets</b>	<u>354,980</u>	<u>-</u>	<u>354,980</u>
Negative goodwill			(153,965)
<b>Total purchase consideration</b>			<u>201,015</u>
<b>Consideration</b>			£
Cash			<u>201,015</u>
<b>Cash outflow on acquisition</b>			£
Purchase consideration settled in cash, as above			<u>201,015</u>

The useful economic life of negative goodwill has been estimated to be less than one year.

Since the acquisition date, Pretty Properties Limited has contributed £Nil to group turnover and losses of £5,837 to group profit.

# Milton Webber Ltd

## Notes to the Financial Statements For the Year Ended 31 October 2022

### 25. Contingent liabilities

The company has guaranteed the bank debts of the group. The debts are secured by a fixed and floating charge by way of a Unlimited Multilateral Guarantee over the assets of the following companies: Pretty Investments Limited, Pasta Foods Limited, Snack Creations Ltd and Milton Webber Ltd. The maximum amount payable under this guarantee at 31 October 2022 is £7,700,000 (2021 - £NIL).

In the prior year the company had guaranteed the bank debts of the group. The debts were secured by a fixed and floating charge by way of a cross-guarantee over the assets of the following companies: Pretty Investments Limited, Pasta Foods Limited, Pretty 1050 Limited, Pretty 210 Limited, Pasta Foods Investments Limited, Snack Creations Ltd and related company Pretty Properties Limited. The maximum amount payable under this guarantee at 31 October 2022 is £Nil (2021 - £3,320,000).

### 26. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £212,497 (2021 - £202,566). Contributions totalling £44,917 (2020 - £40,259) were payable to the fund at the reporting date and are included in creditors.

### 27. Commitments under operating leases

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

	Group 2022 £	Group 2021 £
<b>Land and buildings</b>		
Not later than 1 year	810,159	810,159
Later than 1 year and not later than 5 years	3,240,636	3,240,636
Later than 5 years	2,128,610	2,938,769
	<u>6,179,405</u>	<u>6,989,564</u>
	Group 2022 £	Group 2021 £
<b>Other</b>		
Not later than one year	3,019	3,019
Later than 1 year and not later than 5 years	8,043	11,061
	<u>11,062</u>	<u>14,080</u>

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

# Milton Webber Ltd

## Notes to the Financial Statements For the Year Ended 31 October 2022

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### 28. Related party transactions

#### **Milton Webber Ltd**

During the prior year, the company issued further loan notes totalling £1,950,000 to the director of the company. At the year end £3,200,000 remained outstanding (2021 - £3,200,000). Interest is being accrued at 4% above the Bank of England base rate per annum and during the year £187,715 was accrued (2021 - £84,108).

Key management personnel include the director and a number of senior managers across the company who together have authority and responsibility for planning, directing and controlling the activities of the company. The total compensation paid to key management personnel for services provided to the group was £486,075 (2021 - £503,743).

At the year end, the company owed £716,633 (2021 - £629,220) to a director included within other creditors. This balance is interest free and repayable on demand.

#### **Pretty 210 Limited**

During the prior year, loan notes in place in favour of the director of £1,950,000 were repaid in full. Interest was accruing on these loans at a rate of 2% above base. During the prior year, interest accrued on loan notes totalling £32,322.

#### **Pretty 1050 Limited**

At the year end, the company owed £Nil (2021 - £18,089) to a director. This balance was interest free and repayable on demand.

#### **Pasta Foods Limited**

During the year, sales totalling £600,755 (2021 - £880,415) were made to a related company by virtue of a director's common control.

Pasta Foods Limited also made recharges of directly attributable costs and overheads amounting to £528,010 (2021 - £493,065) during the year to this company.

At the year end an amount totalling £646,059 (2021 - £652,071) was due to this company. Of this, there was £427,000 (2021 - £427,000) due after more than one year. There is no interest charged on, or security over, this balance.

#### **Pretty Investments Limited**

At the year end an amount totalling £21,000 (2021 - £21,000) was due to a company related by virtue of the directors common control.

# Milton Webber Ltd

## Notes to the Financial Statements For the Year Ended 31 October 2022

### 29. Analysis of net debt

	At 1 November 2021 £	Cash flows £	Acquisition and disposal of subsidiaries £	At 31 October 2022 £
Cash at bank and in hand	3,342,720	282,040	(201,015)	3,423,745
Bank overdrafts	-	-	-	-
Debt due after 1 year	(4,840,000)	(8,312,143)	-	(13,152,143)
Debt due within 1 year	(2,480,000)	17,821	-	(2,462,179)
Finance leases	(2,693,915)	2,693,915	-	-
	<u>(6,671,195)</u>	<u>(5,318,367)</u>	<u>(201,015)</u>	<u>(12,190,577)</u>

There are no restrictions over the use of the cash and cash equivalents balances which comprise cash and bank and in hand.

### 30. Controlling party

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