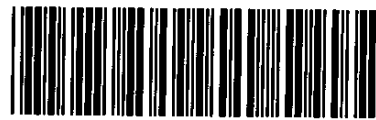

WHITWORTHS HOLDINGS LIMITED

**AMENDED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023**

THURSDAY



ACFYHW01

A09

09/11/2023

#179

COMPANIES HOUSE

WHITWORTHS HOLDINGS LIMITED

COMPANY INFORMATION

Directors	M F George M D George R W Butler N S Linney R A Watson
Company secretary	S L Large
Registered number	04999927
Registered office	Victoria Mills London Road Wellingborough Northamptonshire NN8 2DT
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Victoria House 4th Floor 199 Avebury Boulevard Milton Keynes MK9 1AU

WHITWORTHS HOLDINGS LIMITED

CONTENTS

	Page
Group strategic report	1 - 5
Directors' report	6 - 8
Independent auditor's report	9 - 13
Consolidated statement of comprehensive income	14
Consolidated statement of financial position	15 - 16
Company statement of financial position	17 - 18
Consolidated statement of changes in equity	19
Company statement of changes in equity	20
Consolidated statement of cash flows	21 - 22
Notes to the financial statements	23 - 54

WHITWORTHS HOLDINGS LIMITED

GROUP STRATEGIC REPORT FOR THE PERIOD ENDED 31 MARCH 2023

Introduction

The directors present their strategic report for the Group and Company for the 52 week period ended 31 March 2023. The comparative information is for the 53 week period ended 1 April 2022.

The principal activity of the Group continued to be that of procurement of wheat and milling of flour. Other activities carried out include farming, estate management, forestry and operation of a Grouse Moor (following the acquisition of MG Group Estates Ltd). The principal activity of the Company is an investment holding company.

Business review

As presented in the Group's consolidated statement of comprehensive income on page 14, operating profit increased to £17.1m (2022: £16.6m) with turnover increasing to £702.3m (2022: £544.6m). The increase in turnover was due to the pass through of energy and commodity market prices seen globally during the period.

The Group's long-term approach to decision making; focus on first class customer service, quality and technical expertise along with the continued hard work and commitment of all the staff and strong relationships with key customers and suppliers means that it is well placed to meet with any challenges it faces moving forward.

Net debt has increased to £72.8m (2022: £68.9m) due to commodity inflation and the additional working capital required as a result. Net assets has increased to £129.3m (2022: £108.0m) due to a combination of commodity inflation and the additional working capital required as a result and the acquisition of MG Group Estates Limited. On 8 April 2022 the Group acquired MG Group Estates Limited via a share for share exchange for consideration of £11.3m. MG Group Estates Limited was already an associated company due to common shareholders.

Principal risks and uncertainties

The Group's operations expose it to a variety of commercial and financial risks. The commercial risks include food safety compliance, customer relationship management, demand forecasting and competitor pressure. The financial risks include price risk, credit risk, liquidity risk and interest rate risk. Given the structure of the Group, the directors have not delegated the responsibility of monitoring financial risks management to a sub committee of the board.

The policies, which are set by the board of directors and implemented by the Group's senior management team, are as follows:

Commercial risks

Competitor pressure within the flour milling market is a continuing risk for the Group. The Group manages this risk by continuing to encourage investment in capital, production processes, quality and service.

The Group maintains a balanced portfolio of customers and products. This ensures that exposure to fluctuations in the performance of specific sub-sectors can be reduced. The Group employs a team approach to its relationships with its customers, which reduces reliance on a specific individual.

The Group actively monitors market trends and these are incorporated into the detailed commercial plans of the business. These detailed plans are then used as the basis for commodity purchasing, asset utilisation and staffing plans.

The Group conducts regular staff surveys to increase employee engagement, promote a positive working environment and boost employee retention.

The Group also actively monitors its performance against health and safety and food safety provisions. Food safety risk is mitigated by food standards audits, purchasing policies and quality control procedures.

WHITWORTHS HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2023

Principal risks and uncertainties (continued)

Price risk

The Group is exposed to commodity price risk as a result of its operations. Active management of the Group's exposure to this risk is undertaken using a combination of two different types of hedging instrument. Wheat and other raw materials are purchased in advance to ensure continuity of supply and to give certainty of pricing using either forward contracts or future cover on the London (ICE) market. Detailed reporting of forward wheat and other raw material purchases are made to the board of the Group each month. The directors keep the appropriateness of commodity purchasing policies under review, particularly if there are changes to the size or nature of the Group's operations or structural changes to the commodity markets. Certain key commodities and foreign exchange volatility are also hedged, where appropriate, to manage the exposure to further price increases.

Credit risk

The Group has implemented policies that require appropriate credit checks on potential customers before sales are made. The debtors ledger is reviewed on an on-going basis to identify unpaid amounts with overdue debts being chased on a regular basis. Provisions for bad debts are made where appropriate. The Group also purchases credit insurance to mitigate this risk.

Liquidity risk

Prudent liquidity management includes maintaining sufficient cash resources and adequate committed finance facilities to meet operating and investing requirements. Active management of the cash position is undertaken with future cash flows being reviewed to ensure that sufficient liquid resources are available to the Group. Regular reporting is made to the board of any significant events and their impact on expected cash flows.

Cyber risk

The Group recognises that whilst this risk can be managed it cannot be eliminated. The Group has a range of threat detection and response systems in place, as well as disaster recovery plans and IT policies which are reviewed regularly. The Group also purchases cyber insurance to mitigate this risk.

Interest rate risk

The Group is exposed to interest rate risk as a result of its operations. Active management of the Group's exposure to interest rate fluctuations is undertaken. The Group has intra group arrangements for the netting of bank balances to reduce this exposure. Detailed reporting is made to the board each month.

The Group has a policy of maintaining 100% (2022: 100%) of long-term debt at fixed rates and 100% (2022: 100%) of debt repayable on demand at variable rates in order to mitigate the risk posed by fluctuations in interest rates.

Russian – Ukraine War

The Russian invasion of Ukraine and the resulting sanctions continues to have a severe impact on the global economy and potential volatility therein. During 2022 this led to significant disruption to global supply chains and unprecedented increases in global commodity, energy, and fuel prices. The Group will continue to engage with all stakeholders; including customers, suppliers, and the UK flour milling industry trade body to work through any operational implications and the extremely challenging trading conditions which continue to be faced by all businesses operating in the UK food industry.

WHITWORTHS HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2023

Key performance indicators

The Key Performance Indicators ("KPI's") for the Group as disclosed in the consolidated statement of comprehensive income on page 14.

	2023	2022
Gross Profit	£69.4m	£62.0m
EBITDA (operating profit plus depreciation and amortisation)	£27.2m	£28.8m
Profit before taxation	£14.8m	£16.0m
Return on Capital Employed (profit before tax / net assets)	11.5%	14.8%
Staff turnover	13%	14%

The Directors are satisfied with the performance in each of these areas. The financial KPI's are in line with forecast expectations which expected a slight decrease in EBITDA and profit before tax compared to the prior year despite a higher gross profit due to higher costs as a result of energy and commodity inflation. There were unprecedented increases in the price of energy and commodities during the year which the Group closely monitored and reacted to however there is a timing delay between these cost increases and price recovery. The reduction in Return on Capital Employed was expected due to the acquisition of MG Group Estates Ltd in the year which on a standalone basis provides a return on capital employed of 3.8%.

The other KPIs are in line with the target range of expectations for our business and the wider industry.

Going concern

In preparing these financial statements, the Directors have assessed the ability of the Group and parent company to continue to operate for a period of at least twelve months from the date of signing the financial statements.

The Directors have undertaken a risk assessment and forecasting exercise to assess the Group and parent company's liquidity position and covenant compliance. The forecast for the going concern period has been prepared using the five year plan approved by the Board and takes account of the latest assumptions concerning wheat prices, expected sales tonnage and key cost drivers such as energy prices and inflation. Actual trading performance in the 17 week period to 28 July 2023 is slightly behind forecast at the revenue and EBITDA level but is expected to be on target by the end of the year.

For the purposes of the going concern assessment, the Directors have performed sensitivity analysis on cashflows and borrowing covenants based on unforeseen changes in demand and the potential impact of further spikes in energy and commodity markets. In addition, reverse stress testing has been performed to establish the levels of performance where cash availability or covenant compliance would be breached. The results of the analysis demonstrated that there was sufficient cash availability within the current banking facilities to deal with all of the identified plausible scenarios.

The Group's banking facilities were refinanced on 21 July 2023 for a minimum three-year term. Details of the refinancing is contained within the post balance sheet events section of the Directors' Report.

Based on current trading performance and the sensitivity and reverse stress testing scenarios performed, the Directors have a reasonable expectation that the Group and parent company has adequate resources to continue in operational existence for the foreseeable future, being a period of no less than twelve months from the date of approval of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

WHITWORTHS HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2023

Streamlined Energy and Carbon Reporting

	2022/23	2021/22
Energy consumption used to calculate emissions (kWh)	253,375,568	269,271,943
Emissions from combustion of gas (tCO ₂ e) (Scope 1)	8,956	10,273
Emissions from combustion of fuel for transport purposes (tCO ₂ e) (Scope 1)	12,667	12,767
Emissions from purchased electricity (tCO ₂ e) (Scope 2)	29,371	33,329
Total gross tCO ₂ e emissions	50,994	56,819
Intensity ratio: Tonnes of CO ₂ e per £m EBITDA	1,887	1,967

Methodology

The figures above represent Whitworths Holdings Group energy use and associated GHG emissions from electricity and fuel for the 2022/23 reporting year arising from in-scope subsidiaries and activities. We have followed the 2019 UK Government environmental reporting guidelines, along with the 2022 UK Government GHG Conversion Factors. The scope of this data includes 10 manufacturing sites based in the UK.

Emissions from business travel in rental cars or employee-owned vehicles where the company is responsible for purchasing the fuel (Scope 3) have not been reported as these are considered to be immaterial. In addition the majority of our 100% electric/hybrid company car fleet charging is performed on site and so these figures are included within the purchased electricity figures above. Offsite charging costs are considered to be immaterial.

Energy Efficiency Action

Whitworths Holdings Group remains committed to reducing its carbon footprint by reducing energy consumption throughout its operations, and by minimising and recycling waste. The Company participates in a Climate Change Agreement.

When purchasing new or replacement capital equipment consideration is given to the energy efficiency of the equipment. During the year the Group began investigating whether installing solar panels on some of our mills is a viable investment and exploring whether some sites could be connected directly to solar farms.

Electric car charging points continue to be installed at our sites and an ever increasing proportion of our company car fleet are now 100% electric vehicles (with the remainder becoming hybrids). We also have a salary sacrifice scheme offering all employees the opportunity to lease 100% electric or hybrid vehicles.

Section 172 Statement

The Directors have long term considerations at their heart. The Company is part of a private, family-owned group of businesses, and it is the intention of the family and the Board to have a successful and profitable business for many years to come. The Directors understand the business and the evolving environment in which we operate. The strategy set by the Board is intended to strengthen our position as a UK Flour Milling Company recognising the changing requirements of our stakeholders on whom the long-term success of our business is dependent.

The Directors recognise that its employees are fundamental to our business and the delivery of our strategic ambitions. The success of our business depends on attracting, retaining and motivating employees. From ensuring that we remain a responsible employer, from pay and benefits to our health, safety and workplace environment. The Directors factor and communicate the implications of decisions on employees where relevant and feasible.

WHITWORTHS HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2023

Section 172 Statement (continued)

Delivering our strategy requires strong mutually beneficial relationships with suppliers, customers, and government bodies. The Board continually assess the priorities related to customers and engages with them to ensure the relevance of our business strategy and investment policies. We monitor our suppliers to ensure our product and service supply is maintained to our documented standard whilst also adhering to the required payment practices.

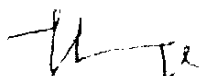
The Directors continually assess the impact of the company's operations on the community and the environment through reviewing our working practices and monitoring and measuring our emissions from energy, fuel, and electricity usage. We continually review our operations to ensure the most modern environmentally efficient machinery and practices are in place and control of fuel emissions through using up to date environmentally regulated transport and extensive employee training. Our investment programmes include environmentally focused projects.

The Board periodically reviews and approves its code of conduct, ethics and compliance policies and Modern Slavery Statements to ensure that high standards are maintained within the Group's business and the business relationships we maintain. This, complemented by the ways the Board monitors compliance with relevant governance standards, assures The Group acts in ways that promote high standards of business conduct.

The Directors consider which course of action best enables delivery of our strategy through the long term, taking into consideration the impact on stakeholders. In doing so our Directors act fairly between members of the Company.

The Board is presented with regular board packs and other information that it needs to fulfil its responsibilities. During the period at Board meetings the Board have discussed and made decisions on a number of specific issues including business priorities and strategy, capital investment and the ongoing management of the current economic situation.

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



M F George
Chairman

Date: 7 September 2023

WHITWORTHS HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2023

The directors present their report and the financial statements for the 52 week period ended 31 March 2023. The comparative information is for the 53 week period ended 1 April 2022.

Results and dividends

The profit for the period, after taxation, amounted to £11.9m (2022: £11.1m).

A dividend of £2m was paid in the period (2022: £1.5m).

The amount of expenditure incurred in relation to research and development activity is £2.8m (2022: £2.9m). The activity includes scientific and technological advances in flour milling.

Purchase of own shares

During the period, a director exercised their right to redeem 375,000 (2022: 375,000) preference shares at par for consideration of £375,000 (2022: £375,000).

Directors

The directors who served during the period and up to the date of signing the financing statements are:

M F George
M D George
R W Butler
N S Linney
R A Watson

Directors' responsibilities statement

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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). 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 and 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 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.

WHITWORTHS HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2023

Environmental matters

The Group is committed to a policy which recognises environmental issues in all aspects of its business. Responsibility for compliance with environmental best practice is vested in the directors and environmentally sensitive options are integrated into the Group's business at all levels of operation.

Employee involvement and engagement

Consultation with employees or their representatives, where not commercially sensitive, occurs at all levels, with the aim of ensuring their views are considered when decisions are made that are likely to affect their interests and that all employees are aware of the operational performance of their business units and of the Company as a whole. This is achieved through regular communication including formal and informal team meetings, individual performance reviews and the annual employee engagement survey.

Employee wellbeing

In support of all employees' health and wellbeing, on site medical drop-in sessions are available across the Company. These sessions provide general health checks such as BMI, blood pressure and cholesterol levels, as well as offering advice regarding all health-related issues including mental health, smoking cessation and dietary advice. The Group offers all employees a benefits portal provided by Lifeworks. This online and telephone provision offers wellbeing resources, access to counselling sessions, assistance with physical, mental, social and financial wellness as well as perks such as coupons and savings.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Group continues and appropriate training arranged. It is the policy of the Group that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Engagement with suppliers, customers and others

Integrity is at the heart of how the Group operates. The Group works collaboratively with its customers and is recognised by them for the consistently high quality, good value and excellent service provided. The Group looks to build long term relationships with customers and constantly works towards developing new products, processes and technologies that satisfy future customer needs. The Sales Directors, in conjunction with the Managing Directors, are responsible for managing the relationships with customers and maintaining regular contact with them, seeking feedback and reporting to the Board when required.

The relationships both with suppliers of raw material and suppliers of other key goods and services are equally important. In particular the Group develops long-standing relationships with key raw material and equipment suppliers who are experts in their field to provide great service and innovation to the business to continually drive the Group forward. The Purchasing Director, in conjunction with the Managing Directors, is responsible for managing the relationships with suppliers and maintaining regular contact with them, seeking feedback and reporting to the Board when required.

Post balance sheet events

On 21 July 2023 the Group's banking facilities were refinanced for a minimum three-year term. The refinancing resulted in a new £20m revolving loan facility with a £10m accordion and a new £120m asset based lending facility with a £25m accordion. Both facilities have a minimum three year term with potential extension options.

In April 2023 the Group entered into an £8m capital commitment as part of a wider project to begin constructing a new milling facility at our Worksop site.

WHITWORTHS HOLDINGS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2023**

Qualifying third party indemnity provisions

During the period and up to the date of this report the Group maintained liability insurance and third-party indemnification provisions for its directors through a Group policy under which the Group has agreed to indemnify the directors to the extent permitted by law in respect of all liabilities to third parties arising out of, or in connection with, the execution of their powers, duties and responsibilities as directors of the companies within the Group.

Future developments

The Group manufactures a wide range of flours in some of the most technically advanced mills in the world ensuring the highest levels of food safety and brand protection for its customers. The Group has built its reputation as a world class miller and market leader through significant and sustained capital investment, and this will continue to be the case moving forwards as the Group continues to develop and improve its milling capacity and facilities.

Matters covered in the Group strategic report

The Financial risk management policy sections and SEC reporting are not included in the Directors' report as under S414C(11), they have instead been included in the Strategic report.

Disclosure of information to auditor

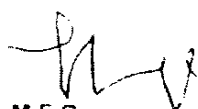
The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves 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, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf



M F George
Chairman

Date: 7 September 2023



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WHITWORTHS HOLDINGS LIMITED

Opinion

We have audited the financial statements of Whitworths Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the period from 2 April 2022 to 31 March 2023, which comprise the Consolidated statement of comprehensive income, the Consolidated and Company statements of financial position, the Consolidated and 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).

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 March 2023 and of the group's profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Group and the parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the group's and the parent company's business model including effects arising from macro-economic uncertainties such as the cost of living crisis and the impact of the war in Ukraine, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the group's and the parent company's financial resources or ability to continue operations over the going concern period.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WHITWORTHS HOLDINGS LIMITED (CONTINUED)

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's and 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 and financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual report and financial statements. 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements 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 Group strategic report and the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Group strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

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 Group strategic report and the Directors' report.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WHITWORTHS HOLDINGS LIMITED (CONTINUED)

Matters on which we are required to report by exception

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 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the group and parent company and industry in which it operates through our general commercial and sector experience, discussions with management and review of board minutes. We determined that the following laws and regulations were most significant: FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Companies Act 2006 and the relevant tax compliance regulations in the UK. In addition, we concluded that there are certain laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements such as health and safety and employee matters.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WHITWORTHS HOLDINGS LIMITED
(CONTINUED)**

- We enquired of management concerning the group and the parent company's policies and procedures relating to:
 - the identification, evaluation and compliance with laws and regulations;
 - the detection and response to the risks of fraud; and
 - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of management and those charged with governance, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We assessed the susceptibility of the group and the parent company's financial statements to material misstatement, including how fraud might occur and the risk of management override of controls. Audit procedures performed by the engagement team included:
 - identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
 - challenging assumptions and judgements made by management in its significant accounting estimates;
 - identifying and testing journal entries, in particular journal entries posted with unusual account combinations that increased revenues or that reduced costs in the Consolidated statement of comprehensive income; and
 - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
- In addition, we completed audit procedures to conclude on the compliance of disclosures in the Annual report and financial statements with applicable financial reporting requirements.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- The assessment of the appropriateness of the collective competence and capabilities of the engagement team including consideration of the engagement team's:
 - understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation;
 - knowledge of the industry in which the client operates; and
 - understanding of the legal and regulatory requirements specific to the entity including, the provisions of the applicable legislation and the applicable statutory provision.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members. We remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WHITWORTHS HOLDINGS LIMITED
(CONTINUED)**

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: 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.



Tim Broadway
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Milton Keynes

7 September 2023

WHITWORTHS HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2023

	Note	52 week period 31 March 2023 £000	53 week period 1 April 2022 £000
Turnover	4	702,340	544,629
Cost of sales		(632,896)	(481,697)
Gross profit		69,444	62,932
Distribution costs		(39,145)	(34,759)
Administrative expenses		(14,265)	(12,346)
Other operating income	5	701	332
Fair value movements on investment properties		411	462
Operating profit	6	17,146	16,621
Interest payable and similar expenses	10	(2,297)	(647)
Profit before taxation		14,849	15,974
Tax on profit	11	(2,911)	(4,904)
Profit for the financial period		11,938	11,070

All activities derive from continuing operations.

The profit for the period is all attributable to the owners of the parent Company.

There was no other comprehensive income for 2023 (2022: £Nil).

The notes on pages 23 to 54 form part of these financial statements.

WHITWORTHS HOLDINGS LIMITED
REGISTERED NUMBER:04999927

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

		31 March 2023 £000	31 March 2023 £000	<i>As restated 1 April 2022 £000</i>	<i>As restated 1 April 2022 £000</i>
	Note				
Fixed assets					
Negative goodwill	13		(9,008)		(9,535)
Goodwill	13		430		-
Net goodwill	13		(8,578)		(9,535)
Other intangible assets	13		7,262		6,348
Tangible assets	15		125,161		115,757
Investments	16		1		1
Investment property	17		9,058		8,622
			132,904		121,193
Current assets					
Stocks	18	38,534		33,858	
Debtors: amounts falling due within one year	19	108,273		91,132	
Cash at bank and in hand		6,960		4,768	
		153,767		129,758	
Creditors: amounts falling due within one year	20	(123,631)		(105,959)	
Net current assets			30,136		23,799
Total assets less current liabilities			163,040		144,992
Creditors: amounts falling due after more than one year	21		(20,630)		(25,454)
Provisions for liabilities					
Deferred taxation	25	(13,132)		(11,498)	
			(13,132)		(11,498)
Net assets			129,278		108,040

WHITWORTHS HOLDINGS LIMITED
REGISTERED NUMBER: 04999927

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2023

		31 March	31 March	<i>As restated</i>	<i>As restated</i>
	Note	2023	2023	1 April	1 April
		£000	£000	£000	£000
Capital and reserves					
Called up share capital	26		4,691		4,444
Revaluation reserve	27		1		1
Capital redemption reserve	27		3,750		3,375
Merger reserve	27		12,928		12,928
Merger relief reserve	27		11,053		
Profit and loss account	27		96,855		87,292
Equity attributable to owners of the parent company			<u>129,278</u>		<u>108,040</u>

Details of the restatement are contained in note 29

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 7 September 2023


M F George
 Director

The notes on pages 23 to 54 form part of these financial statements

WHITWORTHS HOLDINGS LIMITED
REGISTERED NUMBER: 04999927

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023


	Note	31 March 2023 £000	31 March 2023 £000	1 April 2022 £000	1 April 2022 £000
Fixed assets					
Tangible assets	15		831		807
Investments	16		23,117		11,817
			<u>23,948</u>		<u>12,624</u>
Current assets					
Debtors: amounts falling due after more than one year	19	22,922		21,005	
Debtors: amounts falling due within one year	19	5,084		7,297	
		<u>28,006</u>		<u>28,302</u>	
Creditors: amounts falling due within one year	20	(17,277)		(17,623)	
Net current assets			<u>10,729</u>		<u>10,679</u>
Total assets less current liabilities			<u>34,677</u>		<u>23,303</u>
Creditors: amounts falling due after more than one year	21		-		(375)
Provisions for liabilities					
Deferred taxation	25	(1)		-	
		<u>(1)</u>	<u>(1)</u>	<u>-</u>	<u>-</u>
Net assets			<u><u>34,676</u></u>		<u><u>22,928</u></u>

WHITWORTHS HOLDINGS LIMITED
REGISTERED NUMBER:04999927

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2023

		31 March 2023 £000	31 March 2023 £000	1 April 2022 £000	1 April 2022 £000
	Note				
Capital and reserves					
Called up share capital	26		4,691		4,444
Capital redemption reserve	27		3,750		3,375
Merger relief reserve	27		11,053		
Profit and loss account brought forward		15,109		14,990	
Profit for the period		2,448		1,994	
Dividends paid		(2,000)		(1,500)	
Redemption of preference shares		(375)		(375)	
Profit and loss account carried forward			15,182		15,109
			34,676		22,928

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 7 September 2023


M F George
 Director

The notes on pages 23 to 54 form part of these financial statements

WHITWORTHS HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2023

	Called up share capital £000	Capital redemption reserve £000	Revaluation reserve £000	Merger reserve £000	Merger relief reserve £000	Profit and loss account £000	Total equity £000
At 2 April 2022	4,444	3,375	1	12,928	-	87,292	108,040
Comprehensive income for the period							
Profit for the period	-	-	-	-	-	11,938	11,938
Total comprehensive income for the period	-	-	-	-	-	11,938	11,938
Dividends	-	-	-	-	-	(2,000)	(2,000)
Shares issued during the period	247	-	-	-	-	-	247
Redemption of preference shares	-	375	-	-	-	(375)	-
Share for share exchange	-	-	-	-	11,053	-	11,053
At 31 March 2023	4,691	3,750	1	12,928	11,053	96,855	129,278

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 1 APRIL 2022

	Called up share capital £000	Capital redemption reserve £000	Revaluation reserve £000	Merger reserve £000	Profit and loss account £000	Total equity £000
At 27 March 2021	4,444	3,000	1	12,928	78,097	98,470
Comprehensive income for the period						
Profit for the period	-	-	-	-	11,070	11,070
Total comprehensive income for the period	-	-	-	-	11,070	11,070
Dividends	-	-	-	-	(1,500)	(1,500)
Redemption of preference shares	-	375	-	-	(375)	-
At 1 April 2022	4,444	3,375	1	12,928	87,292	108,040

The notes on pages 23 to 54 form part of these financial statements.

WHITWORTHS HOLDINGS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2023**

	Called up share capital	Capital redemption reserve	Merger relief reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 2 April 2022	4,444	3,375	-	15,109	22,928
Comprehensive income for the period					
Profit for the period	-	-	-	2,448	2,448
Total comprehensive income for the period	-	-	-	2,448	2,448
Contributions by and distributions to owners					
Dividends	-	-	-	(2,000)	(2,000)
Shares issued during the period	247	-	-	-	247
Redemption of preference shares	-	375	-	(375)	-
Share for share exchange	-	-	11,053	-	11,053
At 31 March 2023	4,691	3,750	11,053	15,182	34,676

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 1 APRIL 2022**

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£000	£000	£000	£000
At 27 March 2021	4,444	3,000	14,990	22,434
Comprehensive income for the period				
Profit for the period	-	-	1,994	1,994
Total comprehensive income for the period	-	-	1,994	1,994
Contributions by and distributions to owners				
Dividends	-	-	(1,500)	(1,500)
Redemption of preference shares	-	375	(375)	-
At 1 April 2022	4,444	3,375	15,109	22,928

The notes on pages 23 to 54 form part of these financial statements.

WHITWORTHS HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2023**

	31 March 2023 £000	<i>As restated 1 April 2022 £000</i>
Cash flows from operating activities		
Profit for the financial period	11,938	11,070
Adjustments for:		
Amortisation of intangible assets	94	1,216
Depreciation of tangible assets	10,009	10,918
Loss/(profit) on disposal of tangible assets	67	(20)
Interest payable and similar expenses	3,277	1,594
Taxation charge	2,911	4,904
(Increase) in stocks	(4,676)	(9,982)
(Increase) in debtors	(15,839)	(18,626)
Increase in creditors	5,586	13,140
Other fair value losses/(gains) recognised in profit and loss	987	(2,831)
Corporation tax paid	(3,593)	(2,613)
Fair value movement on investment properties	(411)	(462)
Net cash generated from operating activities	10,350	8,308
Cash flows from investing activities		
Purchase of intangible fixed assets	(1,487)	(1,493)
Purchase of tangible assets	(6,339)	(10,121)
Sale of tangible assets	62	38
Capital expenditure on investment properties	(25)	-
Sale of investment properties	-	1,400
Acquisition of subsidiary including bank overdraft acquired	(241)	-
Net cash from investing activities	(8,030)	(10,176)

WHITWORTHS HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2023

	31 March 2023 £000	<i>As restated</i> <i>1 April 2022 £000</i>
Cash flows from financing activities		
New bank facilities	-	1,629
Repayment of receivables financing facility	(654,917)	(405,202)
Drawdown of receivables finance facility	665,425	416,516
Repayment of finance leases	(4,367)	(6,817)
Interest paid	(3,277)	(1,673)
Dividends paid	(2,000)	(1,500)
Repayment of revolving credit facility	(5,000)	-
Drawdown of revolving credit facility	5,000	-
Mortgage repayments	(276)	-
Other loan repayments	(341)	-
Redemption of preference shares	(375)	(375)
Net cash used in financing activities	(128)	2,578
Net increase in cash and cash equivalents	2,192	710
Cash and cash equivalents at beginning of period	4,768	4,058
Cash and cash equivalents at the end of period	6,960	4,768
Cash and cash equivalents at the end of period comprise:		
Cash at bank and in hand	6,960	4,768

The notes on pages 23 to 54 form part of these financial statements.

WHITWORTHS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

1. General information

Whitworths Holdings Limited is a private company limited by shares and incorporated in England and Wales. Its registered head office is located at Victoria Mills, London Road, Wellingborough, Northamptonshire, NN8 2DT.

The principal activity of the Group continued to be that of procurement of wheat and milling of flour. Other activities carried out include farming, estate management and forestry. The principal activity of the Company is an investment holding company.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention as modified by the revaluation of investment property and derivatives and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The financial statements are presented in Sterling and all values are rounded to the nearest thousand (£000) except when otherwise stated.

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 Company'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 Company has also taken advantage of the disclosure exemptions allowed under FRS 102 and has not presented its own cash flow statement (the requirements of section 7) or key management personnel compensation (section 33.7).

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Group and its own subsidiaries ("the Group") as if they formed 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.

In accordance with the transitional exemption available in FRS 102, the Group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 1 April 2014. Therefore, the Group continues to recognise a merger reserve which arose on a past business combination that was accounted for as a merger in accordance with UK GAAP as applied at that time.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.3 Going concern

In preparing these financial statements, the Directors have assessed the ability of the Group and parent company to continue to operate for a period of at least twelve months from the date of signing the financial statements.

The Directors have undertaken a risk assessment and forecasting exercise to assess the Group and parent company's liquidity position and covenant compliance. The forecast for the going concern period has been prepared using the five year plan approved by the Board and takes account of the latest assumptions concerning wheat prices, expected sales tonnage and key cost drivers such as energy prices and inflation. Actual trading performance in the 17 week period to 28 July 2023 is slightly behind forecast at the revenue and EBITDA level but is expected to be on target by the end of the year.

For the purposes of the going concern assessment, the Directors have performed sensitivity analysis on cashflows and borrowing covenants based on unforeseen changes in demand and the potential impact of further spikes in energy and commodity markets. In addition, reverse stress testing has been performed to establish the levels of performance where cash availability or covenant compliance would be breached. The results of the analysis demonstrated that there was sufficient cash availability within the current banking facilities to deal with all of the identified plausible scenarios.

The Group's banking facilities were refinanced on 21 July 2023 for a minimum three-year term. Details of the refinancing is contained within the post balance sheet events section of the Directors' Report.

Based on current trading performance and the sensitivity and reverse stress testing scenarios performed, the Directors have a reasonable expectation that the Group and parent company has adequate resources to continue in operational existence for the foreseeable future, being a period of no less than twelve months from the date of approval of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably; and
- when specific criteria relating to each of the Group's sales channels have been met, which is delivery to the customer.

WHITWORTHS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.4 Revenue (continued)

Rebate agreements

Some customer contracts include rebate agreements for trade or volume discounts, which are granted to the customer based upon prices, volume and product mix. Revenue is recognised net of rebates given in the period and an accrual is made at the period end based on the Directors' best estimate of amounts due to customers in respect of these rebate agreements.

2.5 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 the identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated statement of comprehensive income over its useful economic life. Negative goodwill arises when the fair value of the identifiable assets and liabilities is greater than the consideration paid. The negative goodwill is written back to the Consolidated statement of comprehensive income in the periods in which the non-monetary assets acquired are recovered.

Other intangible assets

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

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

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

The estimated useful lives range as follows:

Customer relationships	-	10 - 16 years
Product names	-	5 - 25 years
Software	-	10 years

WHITWORTHS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.6 Tangible assets

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

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

The group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the Consolidated statement of comprehensive income during the period in which they are incurred.

Freehold land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Land and buildings	- 20 - 50 years
Plant and machinery	- 3 - 15 years

Assets under construction are not depreciated. The assets in this category are transferred to the appropriate categories and depreciated at the relevant rates at the point they are in the location and condition necessary for them to be capable of operating in the manner intended by management.

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 within the Consolidated statement of comprehensive income.

2.7 Investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Investments in unlisted company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

WHITWORTHS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.8 Investment property

Investment property is carried at fair value determined annually by the directors as informed by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Consolidated statement of comprehensive income.

2.9 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.

2.10 Research and development expenditure

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.

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.

2.11 Finance leases

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance leases 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 Statement of comprehensive income so as to produce a constant periodic rate of charge on the net obligation outstanding each period.

2.12 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on weighted average cost. 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 the Consolidated statement of comprehensive income.

WHITWORTHS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.13 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.

2.14 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.

Bank balances are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.15 Foreign currency translation

Functional and presentation currency

The functional and presentational currency is Sterling (£).

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 in the Statement of comprehensive income 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 Statement of Comprehensive Income within interest payable and similar expenses.

2.16 Financial instruments

The Group enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

WHITWORTHS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.16 Financial instruments (continued)

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 payables or receivables, 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 financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow 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, including interest rate swaps, forward fuel contracts 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 within the statutory headings to which the underlying transaction relates. The Group does not apply hedge accounting for forward fuel contracts, foreign exchange derivatives, wheat futures or interest rate swaps.

2.17 Creditors

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

WHITWORTHS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.18 Finance costs

Finance costs are charged to the Consolidated statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Interest paid is classified as financing within the consolidated cash flow statement.

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 Pensions

Contributions payable to the defined contribution scheme are charged to the Consolidated statement of comprehensive income in the year they are incurred.

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.

2.21 Borrowing costs

Borrowing costs relating specifically to the financing of assets in the course of construction, as well as other eligible general borrowing costs are capitalised during the period of construction.

All other borrowing costs are recognised in the Consolidated statement of comprehensive income in the year in which they are incurred.

WHITWORTHS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.22 Taxation

The tax expense for the period 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023**

3. Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1 Critical judgements in applying accounting policies

The following critical judgements have been made:

(a) Acquisition of MG Group Estates Limited

The Group acquired MG Group Estates Limited in the period via a share for share exchange for consideration of £11.3m. MG Group Estates Limited was already an associated company due to common shareholders. Management exercised the following judgements in respect of the transaction:

- in determining that this was a purchase of a business and not an asset given there was an integrated set of activities and assets conducted and managed for the purpose of providing a return to shareholders
- in determining that acquisition accounting was the most appropriate treatment versus merger accounting given the transaction involved a change in the relative interests of the shareholders.

3.2 Key accounting estimates and assumptions

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are addressed below:

(a) Useful economic lives of tangible assets

The annual depreciation charge is sensitive to changes in the estimated useful economic lives of the assets. The useful economic lives are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. Please refer to note 15 for the carrying amount of these assets.

(b) Investment property valuations

In determining the fair value of investment property, management use independent valuers to estimate the fair value of investment property as at the period end. Currently F&A George uses the services of Savills plc and Carr's Flour Mills uses the services of Mark Klesel & Co Limited. In determining the fair value of the investment property the valuers take into account market data and previous external valuations at the dates the valuations are made. Please refer to note 17 for the carrying amount of these assets.

WHITWORTHS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023**

4. Turnover

An analysis of turnover by class of business is as follows:

	52 week period 31 March 2023 £000	<i>53 week period 1 April 2022 £000</i>
Milling of wheat and sales of flour	700,608	543,343
Farming, estate ownership and forestry	1,732	1,286
	<u>702,340</u>	<u><i>544,629</i></u>

Analysis of turnover by country of destination:

	52 week period 31 March 2023 £000	<i>53 week period 1 April 2022 £000</i>
United Kingdom	675,159	521,024
Republic of Ireland	21,849	18,997
Rest of Europe	754	1,044
Rest of the world	4,578	3,564
	<u>702,340</u>	<u><i>544,629</i></u>

5. Other operating income

	52 week period 31 March 2023 £000	<i>53 week period 1 April 2022 £000</i>
Research and development credit	356	332
Rental income	345	-
	<u>701</u>	<u><i>332</i></u>

WHITWORTHS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023**

6. Operating profit

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

	52 week period 31 March 2023 £000	<i>53 week period 1 April 2022 £000</i>
Loss/(profit) on disposal of tangible assets	67	(20)
Depreciation of tangible assets	7,914	8,992
Depreciation of assets held under finance lease	2,095	1,926
Amortisation of intangible assets, negative goodwill and goodwill	94	1,216
Exchange differences	(16)	43
Operating lease rentals	4,160	4,205
Amortisation of government grants	(116)	(119)
Research and development expenditure	2,797	2,865
	<u>2,797</u>	<u>2,865</u>

7. Auditor's remuneration

	52 week period 31 March 2023 £000	<i>53 week period 1 April 2022 £000</i>
Fees payable to the Group's auditor and its associates in respect of:		
Audit of Group's annual financial statements	83	62
Audit of subsidiary companies' annual financial statements	232	116
	<u>315</u>	<u>178</u>

Fees payable to the Group's auditor and its associates in respect of:

Tax compliance services	-	1
Other services	26	15
	<u>26</u>	<u>16</u>

WHITWORTHS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023**

8. Employees

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

	Group 52 week period 31 March 2023 £000	<i>Group 53 week period 1 April 2022 £000</i>	Company 52 week period 31 March 2023 £000	<i>Company 53 week period 1 April 2022 £000</i>
Wages and salaries	25,247	30,947	1,107	1,264
Social security costs	11,219	3,318	216	174
Other pension costs	1,708	1,507	30	25
	38,174	35,772	1,353	1,463

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

	Group 52 week period 31 March 2023 £000	<i>Group 53 week period 1 April 2022 £000</i>	Company 52 week period 31 March 2023 £000	<i>Company 53 week period 1 April 2022 £000</i>
Administration	76	72	18	16
Sales and distribution	368	363	-	-
Production	359	332	-	-
	803	767	18	16

9. Directors' remuneration

	52 week period 31 March 2023 £000	<i>53 week period 1 April 2022 £000</i>
Directors' emoluments	653	829

The highest paid director received remuneration of £245k (2022: £446k).

All directors and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the Group are considered to be key management personnel. Total remuneration in respect of individuals was £1,080k (2022: £1,207k).

During the period, the Company did not make any pension contributions in respect of the directors (2022: £Nil).

WHITWORTHS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023**

10. Interest payable and similar expenses

	52 week period 31 March 2023 £000	<i>53 week period 1 April 2022 £000</i>
Bank interest payable	2,474	1,541
Finance leases and hire purchase contracts	803	53
Fair value movement on interest rate swap derivatives	(980)	(947)
	<u>2,297</u>	<u>647</u>

11. Tax on profit

	52 week period 31 March 2023 £000	<i>53 week period 1 April 2022 £000</i>
Corporation tax		
Current tax on profits for the period	1,607	2,548
Adjustments in respect of previous periods	(15)	134
Total current tax	<u>1,592</u>	<u>2,682</u>
Deferred tax		
Origination and reversal of timing differences	1,304	596
Adjustments in respect of previous periods	15	(947)
Effect of increased tax rate on opening balance	-	2,573
Total deferred tax	<u>1,319</u>	<u>2,222</u>
Tax on profit	<u>2,911</u>	<u>4,904</u>

WHITWORTHS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023**

11. Tax on profit (continued)

Factors affecting tax charge for the period

The tax assessed for the period is higher than (2022: *higher than*) the standard rate of corporation tax in the UK of 19% (2022: 19%). The differences are explained below:

	52 week period 31 March 2023 £000	<i>53 week period 1 April 2022 £000</i>
Profit before tax	14,849	15,974
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022: 19%)	2,821	3,035
Effects of:		
Expenses not deductible for tax purposes	153	123
Fixed assets differences	(291)	150
Adjustments to tax charge in respect of previous periods	-	(813)
Non-taxable income	(100)	(210)
R&D tax credits	2	7
Chargeable losses	(1)	(126)
Remeasurement of deferred tax for changes in tax rates	334	2,738
Deferred tax not recognised	(7)	-
Total tax charge for the period	2,911	4,904

Factors that may affect future tax charges

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%, which was substantively enacted on 24 May 2021. As at 31 March 2023, deferred tax has been measured and reflected in the financial statements using the expected tax rate of 25%.

12. Dividends

	31 March 2023 £000	<i>1 April 2022 £000</i>
Dividends paid	2,000	1,500

WHITWORTHS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023**

13. Intangible assets

Group

	Customer relationships £000	Software £000	Product names £000	Goodwill £000	Negative goodwill £000	As restated Total £000
Cost						
At 2 April 2022 (as previously stated)	3,600	-	4,130	-	(12,117)	(4,387)
Prior period adjustment	-	1,493	-	-	-	1,493
At 2 April 2022 (as restated)	3,600	1,493	4,130	-	(12,117)	(2,894)
Additions	-	1,487	-	-	-	1,487
On acquisition	-	-	-	478	-	478
At 31 March 2023	3,600	2,980	4,130	478	(12,117)	(929)
Amortisation						
At 2 April 2022	1,603	-	1,272	-	(2,582)	293
Charge for the period	300	5	268	48	(527)	94
At 31 March 2023	1,903	5	1,540	48	(3,109)	387
Net book value						
At 31 March 2023	1,697	2,975	2,590	430	(9,008)	(1,316)
At 1 April 2022 (as restated)	1,997	1,493	2,858	-	(9,535)	(3,187)

Company

The Company has no intangible assets (2022: £Nil).

14. Parent company profit for the period

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 profit after tax of the parent company for the period was £2,448k (2022: £1,994k).

WHITWORTHS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023**

15. Tangible assets

Group

	Land and buildings £000	Plant and machinery £000	Assets under construction £000	As restated Total £000
Cost				
At 2 April 2022 (as previously stated)	58,240	152,070	1,493	211,803
Prior period adjustment	-	-	(1,493)	(1,493)
At 2 April 2022 (as restated)	58,240	152,070	-	210,310
Additions	56	4,024	2,259	6,339
On acquisition	13,203	-	-	13,203
Disposals	(22)	(2,403)	-	(2,425)
Transfers between classes	(98)	98	-	-
At 31 March 2023	71,379	153,789	2,259	227,427
Depreciation				
At 2 April 2022	13,497	81,056	-	94,553
Charge for the period	1,008	9,001	-	10,009
Disposals	(70)	(2,226)	-	(2,296)
Transfers between classes	(3,081)	3,081	-	-
At 31 March 2023	11,354	90,912	-	102,266
Net book value				
At 31 March 2023	60,025	62,877	2,259	125,161
At 1 April 2022 (as restated)	44,743	71,014	-	115,757

Freehold land of £24,362k (2022: £12,286k) is not depreciated.

Included in Assets under construction is £Nil (2022: £79k) of capitalised borrowing costs at a rate of between 1.4% and 2.54%.

In preparing to transition to a new accounting system management identified a number of old assets where the cost of the asset was included in one fixed asset class but the associated depreciation was included in another fixed asset class. This has been corrected within the 'transfers between classes' lines in the table above. All assets have been depreciated in line with the group accounting policy.

WHITWORTHS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023**

15. Tangible assets (continued)

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

	31 March 2023 £000	<i>1 April 2022 £000</i>
Plant and machinery	24,925	27,062

Company

	Land and buildings £000	Plant and machinery £000	Total £000
Cost			
At 2 April 2022	795	59	854
Additions	-	37	37
At 31 March 2023	795	96	891
Depreciation			
At 2 April 2022	-	47	47
Charge for the period	-	13	13
At 31 March 2023	-	60	60
Net book value			
At 31 March 2023	795	36	831
At 1 April 2022	795	12	807

Freehold land of £795k (2022: £795k) is not depreciated.

WHITWORTHS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023**

16. Investments

Group

	Other investments £000
Cost	
At 2 April 2022	1
At 31 March 2023	<u>1</u>
Net book value	
At 31 March 2023	<u><u>1</u></u>
At 1 April 2022	<u><u>1</u></u>

Company

	Investments in subsidiary companies £000
Cost	
At 2 April 2022	11,817
Additions (See note 28)	11,300
At 31 March 2023	<u>23,117</u>
Net book value	
At 31 March 2023	<u><u>23,117</u></u>
At 1 April 2022	<u><u>11,817</u></u>

WHITWORTHS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023**

16. Investments (continued)**Direct subsidiary undertakings**

The following were direct subsidiary undertakings of the company:

Name	Registered office	Principal activity	Class of shares	Holding
F & A George Limited	Victoria Mills, London Road, Wellingborough, Northamptonshire, NN8 2DT	Farming, estate ownership & forestry	Ordinary	100%
Whitworth Bros. Limited	Victoria Mills, London Road, Wellingborough, Northamptonshire, NN8 2DT	Wheat procurement and flour milling	Ordinary	100%
Carr's Flour Mills Limited	Victoria Mills, London Road, Wellingborough, Northamptonshire, NN8 2DT	Wheat procurement and flour milling	Ordinary	100%
Pure Magic Industries Limited	Victoria Mills, London Road, Wellingborough, Northamptonshire, NN8 2DT	Dormant	Ordinary	100%
MG Group Estates Limited	Victoria Mills, London Road, Wellingborough, England, NN8 2DT	Operation of a Grouse Moor	Ordinary	100%

For the period ended 31 March 2023 F&A George Limited (company number 00368657) and MG Group Estates Limited (company number 01188087) were entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Indirect subsidiary undertakings

The following were indirect subsidiary undertakings of the company:

Name	Registered office	Principal activity	Class of shares	Holding
Dogsthorpe Acquisitions Limited	Victoria Mills, London Road, Wellingborough, Northamptonshire, NN8 2DT	Dormant	Ordinary	100%
Fotheringhay Farming Co. Limited	Victoria Mills, London Road, Wellingborough, Northamptonshire, NN8 2DT	Dormant	Ordinary	100%
Cadge & Colman Limited	Victoria Mills, London Road, Wellingborough, Northamptonshire, NN8 2DT	Dormant	Ordinary	100%
Whitworths Flour Millers Europe Limited	2 Park Place, City Gate Park, Mahon Point, Cork, Ireland	Dormant	Ordinary	100%
The Croglin Estate Company Limited	Victoria Mills, London Road, Wellingborough, Northamptonshire, NN8 2DT	Dormant	Ordinary	100%

WHITWORTHS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023**

17. Investment property

Group

	Freehold investment property £000
Valuation	
At 2 April 2022	8,622
Additions at cost	25
Surplus on revaluation	411
At 31 March 2023	9,058

Investment property consists of a number of residential properties and are either valued using the investment capitalisation method or a market appraisal undertaken on a comparable basis method.

There is a full valuation performed by appropriately qualified external valuation experts every five years, in the intervening years a desktop review is performed by the same valuation expert, Mark Klesel & Co Limited and Savills PLC.

18. Stocks

	Group 31 March 2023 £000	<i>Group 1 April 2022 £000</i>
Raw materials and consumables	28,234	26,782
Finished goods and goods for resale	10,300	7,076
	38,534	33,858

There is no significant difference between the replacement cost of the stocks and its carrying amount.

Stocks are stated after provisions for impairment of £Nil (2022: £Nil).

WHITWORTHS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023**

19. Debtors

	Group 31 March 2023 £000	<i>Group 1 April 2022 £000</i>	Company 31 March 2023 £000	<i>Company 1 April 2022 £000</i>
Amounts falling due greater than one year				
Amounts owed by group undertakings	-	-	22,922	21,005
	<hr/>	<hr/>	<hr/>	<hr/>
	Group 31 March 2023 £000	<i>Group 1 April 2022 £000</i>	Company 31 March 2023 £000	<i>Company 1 April 2022 £000</i>
Amounts falling due within one year				
Trade debtors	98,577	83,126	15	7
Other debtors	4,016	2,939	169	568
Prepayments and accrued income	1,764	2,412	70	90
Amounts owed by group undertakings	-	-	4,830	6,627
Corporation tax	2,179	179	-	-
Deferred taxation	-	-	-	5
Financial instruments - derivatives	1,737	2,476	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	108,273	91,132	5,084	7,297
	<hr/>	<hr/>	<hr/>	<hr/>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand. However for some of the balances, as the Company does not have the intention of seeking repayment within twelve months after the reporting date then these amounts have been classified as amounts falling due greater than one year.

Trade debtors are stated net of provisions for impairment of £927k (2022: £200k).

WHITWORTHS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023**

20. Creditors: Amounts falling due within one year

	Group 31 March 2023 £000	<i>Group 1 April 2022 £000</i>	Company 31 March 2023 £000	<i>Company 1 April 2022 £000</i>
Bank facilities	55,478	44,970	15,000	15,000
Trade creditors	50,403	43,441	-	150
Amounts owed to group undertakings	-	-	1,341	1,341
Corporation tax	-	-	27	11
Other taxation and social security	966	864	-	-
Obligations under finance lease and hire purchase contracts	4,364	4,370	-	-
Other creditors	1,549	1,387	584	389
Accruals and deferred income	10,624	10,927	325	732
Derivative financial instruments	247	-	-	-
	123,631	<i>105,959</i>	17,277	<i>17,623</i>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

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

	Group 31 March 2023 £000	<i>Group 1 April 2022 £000</i>	Company 31 March 2023 £000	<i>Company 1 April 2022 £000</i>
Obligations under finance leases and hire purchase contracts	19,949	24,286	-	-
Accruals and deferred income	681	793	-	-
Preference shares	-	375	-	375
	20,630	<i>25,454</i>	-	<i>375</i>

WHITWORTHS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023**

22. Loans and borrowings

The group has the following loans and borrowings:

	Group 31 March 2023 £000	<i>Group 1 April 2022 £000</i>	Company 31 March 2023 £000	<i>Company 1 April 2022 £000</i>
Receivables financing facility	40,478	29,970	-	-
Revolving credit facility	15,000	15,000	15,000	15,000
Obligations under finance lease and hire purchase contracts	24,313	28,656	-	-
	79,791	73,626	15,000	15,000

A receivables financing facility which bears interest at 1.4% plus base and expires on 28 August 2023. The facility is repaid as and when customers pay their outstanding invoices which is typically in line with the agreed upon credit terms. The facility is secured against trade debtors. Subsequent to the year-end, the facility was refinanced. Details of the refinancing are contained within the post-balance sheet events section of the Directors' Report.

A stock facility which bears interest at 2.55% plus base and expires on 28 August 2023. The facility is secured against stock. Subsequent to the year-end, the facility was refinanced. Details of the refinancing are contained within the post-balance sheet events section of the Directors' Report. The facility was undrawn as at 31 March 2023.

A £15m revolving credit facility which bears interest at 2.25% plus SONIA on the drawn down amount and expires on 28 August 2024. At 31 March 2023 the full amount of the facility was drawn down and it has been classified as amounts falling due within one year as the drawdown and renewal is on a monthly basis. Subsequent to the year-end, the facility was refinanced. Details of the refinancing are contained within the post-balance sheet events section of the Directors' report.

Obligations under finance leases and hire contracts are secured on the assets to which they relate, bear interest of between 1.79% and 3.065% and have maturity dates falling between July 2023 and July 2028.

WHITWORTHS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023**

23. Obligations under equipment finance, finance leases and hire purchase contracts

Minimum lease payments under hire purchase fall due as follows:

	Group 31 March 2023 £000	<i>Group 1 April 2022 £000</i>
Not later than 1 year	5,055	5,067
Later than 1 year and not later than 5 years	21,206	25,898
Later than 5 years	9	49
	<hr/> 26,270	<hr/> 31,014
Interest	(1,957)	(2,358)
	<hr/> 24,313 <hr/>	<hr/> 28,656 <hr/>

Obligations under equipment finance loans and hire purchase contracts are secured on the assets to which they relate and carry fixed interest rates of between 1.79% and 3.065% and have maturity dates falling between July 2023 and July 2028.

24. Financial instruments

	Group 31 March 2023 £000	<i>Group 1 April 2022 £000</i>
Financial assets		
Derivative financial assets measured at fair value through profit or loss	<hr/> 1,737	<hr/> 2,476
Financial liabilities		
Derivative financial instruments measured at fair value through profit or loss	<hr/> (247)	<hr/> -

The financial assets and liabilities above are measured at fair value at the year-end date based on mark to market valuations as provided by the providers of the derivatives. The derivatives include interest rate swaps, forward fuel contracts and forward foreign exchange contracts. The movement in the fair value of these derivatives, recognised in profit or loss in the Consolidated statement of comprehensive income is a loss of £987k (2022: gain of £2,831k).

WHITWORTHS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023**

25. Deferred taxation

Group

	2023	<i>2022</i>
	£000	<i>£000</i>
At beginning of period	(11,498)	<i>(8,474)</i>
Charged to statement of comprehensive income	(1,319)	<i>(3,024)</i>
Deferred tax on acquisition	(315)	<i>-</i>
At end of period	<u>(13,132)</u>	<i><u>(11,498)</u></i>

Company

	2023	<i>2022</i>
	£000	<i>£000</i>
At beginning of period	5	<i>(88)</i>
Charged to statement of comprehensive income	(6)	<i>93</i>
At end of period	<u>(1)</u>	<i><u>5</u></i>

The provision for deferred taxation is made up as follows:

	Group	<i>Group</i>	Company	<i>Company</i>
	31 March	<i>1 April</i>	31 March	<i>1 April</i>
	2023	<i>2022</i>	2023	<i>2022</i>
	£000	<i>£000</i>	£000	<i>£000</i>
Accelerated capital allowances	(11,086)	<i>(9,856)</i>	5	<i>5</i>
Capital gains	(2,398)	<i>(1,921)</i>	(6)	<i>-</i>
Short term timing differences	352	<i>279</i>	-	<i>-</i>
	<u>(13,132)</u>	<i><u>(11,498)</u></i>	<u>(1)</u>	<i><u>5</u></i>

There is no material reversal of the deferred tax liability expected to occur during the next reporting period for either the Company or the Group.

WHITWORTHS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023

26. Share capital

	31 March 2023 £000	1 April 2022 £000
Shares classified as equity		
Allotted, called up and fully paid		
4,690,809 (2022: 4,443,953) Ordinary shares of £1 each	<u>4,691</u>	<u>4,444</u>
246,856 shares were issued on 8 April 2022 as part of the acquisition of MG Group Estates Limited, for a total consideration of £11.3m.		
Shares classified as debt		
Allotted, called up and fully paid		
Nil (2022: 375,000) Preference shares of £1 each	<u>-</u>	<u>375</u>

On each of 18 May 2022, 6 July 2022, 28 July 2022, 3 November 2022 and 29 March 2023, 75,000 Preference shares were redeemed at par.

27. Reserves

Revaluation reserve

This reserve represents the accumulated surplus or deficit arising on the revaluation of assets prior to the transition to FRS 102.

Capital redemption reserve

This reserve relates to the value of share capital redeemed out of the Company's profits.

Merger reserve

This reserve has arisen from previous acquisitions joining the Group.

Merger relief reserve

This reserve was established in accordance with S612 of the Companies Act 2006 as a result of the company acquiring MG Group Estates Limited. In this instance no share premium is recorded and the excess value over the nominal value of the share capital has been credited to this reserve.

Profit and loss account

This reserve includes all current and prior period retained profit and losses.

WHITWORTHS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023**

28. Business combinations

On 8 April 2022 the Group acquired a 100% interest in MG Group Estates Ltd, a company registered in England and Wales, via a share for share exchange for consideration of £11.3m. The principal activity of the entity is the operation of a Grouse Moor. The book and fair values of net assets acquired under acquisition accounting were as follows.

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £000	Fair value adjustments £000	Fair value £000
Tangible assets	7,602	5,601	13,203
Investments	11	-	11
Trade debtors	32	-	32
Other debtors	9	-	9
Deferred taxation	163	(478)	(315)
Trade creditors	(24)	-	(24)
Other creditors	(705)	-	(705)
Amounts owed to group undertakings	(531)	-	(531)
Loans	(617)	-	(617)
Bank overdraft	(241)	-	(241)
Total identifiable net assets	<u>5,699</u>	<u>5,123</u>	<u>10,822</u>

Goodwill 478

Total purchase consideration 11,300

Consideration at 8 April 2022

	£000
Cash	-
Share for share exchange	11,300
Total purchase consideration	<u>11,300</u>

For cash flow disclosure purposes the amounts are disclosed as follows:

	£000
Cash consideration	-
Less	
Bank overdraft acquired	(241)
Net cash outflow	<u>(241)</u>

WHITWORTHS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023

28. Business combinations (continued)

The goodwill arising on acquisition is considered to have a useful life of 10 years.

At the date of acquisition and so included in the book value above was an existing £531k working capital loan between MG Group Estates Ltd and Whitworths Holdings Ltd. Included within the consolidated statement of comprehensive income on page 14 is post-acquisition revenue of £694k and profit before tax of £223k arising from MG Group Estates Ltd during the year. Merger relief applies to this acquisition and has resulted in a £11m merger relief reserve arising on the balance sheet of Whitworths Holdings Ltd.

29. Prior year adjustment

Software costs (note 13 and 15)

Software under construction had been incorrectly classified as assets under construction within tangible assets in the consolidated balance sheet rather than be classified as an intangible asset. The period ending 1 April 2022 has been restated to correct this matter with the impact being an increase in intangible assets by £1,493k with a corresponding decrease to tangible assets. There is no impact on the consolidated statement of comprehensive income as the asset was under construction at 1 April 2022 and therefore no amortisation expense had been incurred.

There is no impact in the company financial statements.

30. Contingent liabilities

The Company is party to an unlimited bank guarantee with certain subsidiary companies. There is a fixed and floating charge over all the assets of the Company and certain subsidiaries which supports the guarantee. Total net debt across the Group amounts to £72.8m (2022: £68.9m). In the opinion of the directors the probability of cash outflows in respect of these contingencies is considered to be remote.

31. Capital commitments

At 31 March 2023 the Group had capital commitments as follows:

	Group 31 March 2023 £000	<i>Group 1 April 2022 £000</i>
Contracted for but not provided in these financial statements	2,621	<i>3,615</i>

The Company had £Nil capital commitments as at the reporting date (2022: £Nil).

WHITWORTHS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023

32. Post balance sheet events

On 21 July 2023 the Group's banking facilities were refinanced for a minimum three-year term. The refinancing resulted in a new £20m revolving loan facility with a £10m accordion and a new £120m asset based lending facility with a £25m accordion. Both facilities have a minimum three year term with potential extension options.

In April 2023 the Group entered into an £8m capital commitment as part of a wider project to begin constructing a new milling facility at our Worksop site.

33. Commitments under operating leases

At 31 March 2023 the Group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 31 March 2023 £000	<i>Group 1 April 2022 £000</i>
Not later than 1 year	3,500	3,855
Later than 1 year and not later than 5 years	4,903	6,224
	8,403	10,079

The Company had no commitments under non-cancellable operating leases as at the reporting date (2022: £Nil).

34. Other financial commitments

The Group has unfulfilled purchase commitments for wheat, maize and rice totalling £147.9m (2022: £180.2m). These commitments are for own use purchases rather than commodity trading purposes.

WHITWORTHS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023**

35. Analysis of net debt

	At 2 April 2022 £000	On acquisition £000	Cash flows £000	New finance leases £000	Other non- cash changes £000	At 31 March 2023 £000
Cash at bank and in hand	4,768	-	2,192	-	-	6,960
Receivables financing facility	(29,970)	-	(8,668)	-	(1,840)	(40,478)
Revolving credit facility	(15,000)	-	634	-	(634)	(15,000)
Bank overdraft	-	(241)	241	-	-	-
Property mortgage	-	(276)	276	-	-	-
Other loans	-	(341)	341	-	-	-
Obligations under finance leases and hire purchase contracts	(28,656)	-	5,170	(24)	(803)	(24,313)
	<u>(68,858)</u>	<u>(858)</u>	<u>186</u>	<u>(24)</u>	<u>(3,277)</u>	<u>(72,831)</u>

36. Pension commitments

The Group participates in two defined contribution schemes. The assets of these schemes are held separately from those of the Group in independently administered funds. The pension cost charge represents contributions payable by the Group to the fund and amounted to £1,708k (2022: £1,507k). Contributions totalling £220k (2022: £200k) were payable to the funds at the balance sheet date and are included in creditors.

WHITWORTHS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023

37. Related party transactions

MG Group Estates Limited was acquired by the Group on 8 April 2022 and was a wholly owned subsidiary at the balance sheet date. During the period to 8 April 2022 the Group made sales of £Nil to MG Group Estates Limited. During the period to 1 April 2022, the Group incurred costs of £480,000 from MG Group Estates Limited and the balance owed by MG Group Estates Limited to the Group at the period end was £509,859.

During the period the Group incurred costs of £125,000 (2022: £125,000) from MXP Partners LLP. The balance owed by MXP Partners LLP to the Group at the period end was £Nil (2022: £1,283). MXP Partners LLP is a related party due to the interest of a director of the Company.

During the period the Group made sales of £5,500 (2022: £31,500) to David George; sibling of a director of the Company. There were £Nil outstanding balances at the period end in respect of these transactions (2022: £Nil).

During the period the Group made a donation of £150,000 (2022: £100,000) to The George Family Foundation. There were no outstanding balances at the period end in respect of these transactions. The George Family Foundation is a related party due to the interests of two directors of the Company.

At the period end, the company owed £287,782 (2022: £186,685) to Martin George, and £190,302 (2022: £156,965) to Michael George, both directors of the Company.

There are no other related party transactions required to be disclosed.

38. Controlling party

No individual shareholder holds a majority of voting rights. Therefore, there is no ultimate controlling party by virtue of shareholdings.