4 March 2025

Kitwave Group plc

("Kitwave", the "Group" or the "Company")

Final Results for the 12 months ended 31 October 2024

Kitwave Group plc (AIM: KITW), the delivered wholesale business, is pleased to announce its audited final results for the 12 months ended 31 October 2024.

Financial summary

The Company is pleased to announce financial results in line with market expectations. Key highlights include:

- Revenues increased by 10.2% to £663.7 million *(FY23: £602.2 million)*
- Gross profit margin increased by 0.4% to 22.3% during the year *(FY23: 21.9%)*
- Adjusted operating profit increased by 6.3% to £34.0 million *(FY23: £32.0 million)**
- £31.4 million net cash generated from operations *(FY23: £30.3 million)*
- Pre-tax operational cash conversion of 90% *(FY23: 90%)**

** For more information on alternative performance measures please see the glossary at the end of the announcement.*

The Board has declared that it is recommending a final dividend of 7.45 pence per ordinary share, subject to approval at the Annual General Meeting ("AGM") to be held on 28 March 2025, which will, if approved, result in a total dividend for the financial year ended 31 October 2024 of 11.30 pence per ordinary share *(FY23: 11.20 pence per ordinary share)*.

Operational highlights

- Completed three acquisitions, significantly expanding the Group's Foodservice division and UK network:
    - WLG (Holdings) Limited in November 2023 a composite family-run drinks business based in Oldham,
    - Total Foodservice Solutions Limited in March 2024, a leading independent food wholesaler in the North of England; and
    - Creed Catering Supplies Limited in September 2024, a leading independent family-owned Foodservice Wholesaler in the South of England

- WLG and Total Foodservice have been fully integrated into the Group, with expected operational and financial synergies starting to be realised

- Like-for-like revenue growth of 5%

- Further investment in automation technology and enhancement of voice-picking technology, whilst continuing to drive IT security and resilience

- Completion of new 80,000 square-foot distribution centre in September 2024, adding further capacity for growth of Foodservice operations in the South West

- Significant investment in fleet, with £1.0 million in new vehicles and £13.0 million through right-of-use vehicle replacement, resulting in over 150 new vehicles that are Euro 6 compliant

- Joined the Country Range Group in July 2024 to enhance the Group's buying power and benefit from wide-ranging marketing opportunities

Ben Maxted, Chief Executive Officer of Kitwave, commented:

"*Kitwave has delivered another strong full-year performance. We have met full-year market expectations, achieved organic growth and expanded our operations, particularly in our Foodservice division.*

"The Group had a clear plan for FY24 to invest for growth in three key areas: IT, delivery infrastructure and strategic M&A opportunities. The successful execution of this plan saw new warehouse technology enhancing operational efficiencies, a new state-of-the-art storage and delivery facility in the South West and three acquisitions completed, which have significantly increased the scale of the Group's UK network.

"Importantly, the Group continued to deliver growth and maintain its high levels of customer service, resulting in achieving over 98% satisfaction in customer service excellence levels. This is testament to our operations model and the commitment of our team.

"Looking ahead, the Group has started the new financial year well, and the Board is already working towards its goals for FY25. We believe this will generate value for our stakeholders, and we would like to thank all our people for another successful year."

- Ends -

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Company Overview

Founded in 1987, following the acquisition of a single-site confectionery wholesale business based in North Shields, United Kingdom, Kitwave is a delivered wholesale business, specialising in selling and delivering impulse products, frozen, chilled and fresh foods, alcohol, groceries and tobacco to approximately 46,000, mainly independent, customers.

With a network of 37 depots, Kitwave is able to support delivery throughout the UK to a diverse customer base, which includes independent convenience retailers, leisure outlets, vending machine operators, foodservice providers and other wholesalers, as well as leading national retailers.

The Group's growth to date has been achieved both organically and through a strategy of acquiring smaller, predominantly family-owned, complementary businesses in the fragmented UK grocery and foodservice wholesale market.

Kitwave Group plc (AIM: KITW) was admitted to trading on AIM of the London Stock Exchange on 24 May 2021.

For further information, please visit: www.kitwave.co.uk.

Chairman's Statement

Overview
We are delighted to report another year of excellent progress.

In the prior financial year the Group successfully navigated the challenges of an increasing cost base generated as a result of inflationary pressures in the wider UK economy. This achievement enabled the Group to continue the momentum for its growth strategy into the current financial year, in which existing operations increased revenue by 5% and three further acquisitions were completed. The acquisitions of Wilds of Oldham, Total Foodservice and Creed have significantly expanded the Foodservice division.

Results summary
The Group has achieved significant growth in both revenue and adjusted operating profit during the year. Revenue increased by 10.2% to £663.7 million (FY23: £602.2 million) and adjusted operating profit increased by 6.3% to £34.0 million (FY23: £32.0 million).

Included in the results for the year are part year contributions from Wilds of Oldham, Total Foodservice and Creed, all of which are in line with our expectations at the time that they were acquired.

	Existing operations £m	**Acquisitions £m**	**FY24 £m**	**FY23 £m**
Adjusted operating profit *	31.8	2.2	**34.0**	32.0

**For more information on alternative performance measures please see the glossary at the end of the announcement.*

The Group's Retail & Wholesale Division increased revenue by 3.9% and the Foodservice Division (including the acquisitions) by 25.2% compared to the prior year.

As a consequence of a higher proportion of the Group's sales being generated by the higher margin Foodservice division relative to the prior year, the gross profit margin of the Group increased by 0.4%.

Despite the continuing inflationary pressures in the Group's cost base, the distribution costs as a proportion of total revenue only increased marginally to 9.6% (FY23: 9.1%). This increase includes the impact of the additional revenue in the higher cost to serve Foodservice division.

The Group's operating profit of £28.8 million (FY23: £29.4 million) has decreased by £0.6 million, principally due to increased acquisition costs relating to the three completed acquisitions, increased amortisation of acquired intangibles and the costs invested in the integration of acquired entities onto the Group's IT platform.

Operational highlights

After acquiring Wilds of Oldham and Total Foodservice in H1 2024, the financial year culminated with the acquisition of Creed on 27 September 2024, for an initial consideration of £60.7 million, rising to £70.7 million dependent on certain performance targets being achieved during the two years following completion. The transaction attracted strong support from the Group's shareholders and new investors, with £31.5 million raised through an oversubscribed placing as part of the financing.

The Group continues to invest in its distribution network and is active in seeking to identify and secure operational efficiencies. In October 2024, the Group's new 80,000 square-foot Foodservice distribution centre opened in the South West as planned. The new site will deliver further synergies from the integration of Westcountry Food Holdings Limited and M.J. Baker Foodservice Limited, as well as increase the Group's capacity to service a growing customer base in the region.

Further investments in automation technology were made with the objective to deliver efficiencies to both administration processes and the physical movement of goods. During the year the sales order process was enhanced through improvements in ordering functionality to the Group's online sales platform. Similarly, voice-picking technology has been expanded across the Group to improve accuracy of pick, customer satisfaction and operational efficiency.

The Group continually seeks product ranges and pricing that will be attractive, from both a value and quality perspective to its diverse customer base. In July 2024, the Group joined the Country Range Group to benefit from its buying power and renowned own-label product in the Foodservice sector.

Dividend

The Board has a progressive dividend policy that has the intention to pay a total annual dividend of between 40% and 50% of profit after tax. In years where the Group incurs higher cash outflows through its investment activity in mergers and acquisitions or infrastructure capital expenditure, the aggregate annual dividend is likely to be at the lower end of the range. For those years where there is no investment the annual dividend is likely to be at the higher end of the range.

The Board is recommending a final dividend of 7.45 pence per ordinary share (FY23: 7.45 pence), subject to approval at the AGM, which, if approved, will result in an increase in the total dividend for the year of 1% to 11.3 pence per ordinary share (FY23: 11.2 pence).

The final dividend being proposed for the current financial year will result in a total dividend of 52% of profit after tax. This is largely the result of the impact of the additional placing shares being eligible for the final dividend declared when only one month's earnings contribution arose from the associated acquisition of Creed. We would expect to return to our targeted range of 40% to 50% in future periods.

Environmental, Social and Governance (ESG)
We remain of the belief that a long-term sustainable business model is essential to the success of the Group and are committed to the continued development of ESG practices across our business.

The largest contributor to the Group's carbon consumption is the use of fuel for its vehicle fleet, and we continue to examine viable alternative commercial vehicle solutions. In the meantime, we try to minimise our impact through delivery optimisation and a replacement vehicle policy which maintains a modern fleet.

The Group is a significant user of energy to refrigerate and light its warehouse locations. During the financial year, we continued to invest in the installation of solar panels. The Group now has solar power generation at 12 of its larger sites producing c.10% of the Group's annual energy requirements. Feasibility studies are being carried out on additional locations for further investment in 2025.

Our colleagues are our most valuable asset and their welfare remains our priority. Working alongside the senior leadership team, the Group's Health and Safety Director continues to generate further improvements in the control environment. These include a digital reporting platform to promote proactive safety management and a bespoke manual handling training package.

The Kitwave One Employee Benefits portal, which provides our colleagues with access to basic medical cover, death in service life cover and discounts on retail goods continues to be rolled out across the Group, with over 1,300 of our colleagues now having access.

The Enterprise Risk Management ("ERM") framework continues to be used as the tool for the Board to have regular engagement with appointed risk champions. Risks are scheduled into the Board agenda with the aim of having an in-depth review of each of the strategic risks at least once in the year. Following the review of the ERM, two risks were added to the Group's principal risks, firstly, Sustainability and Climate Change, and secondly, Artificial Intelligence.

Board
As announced on 6 November 2023, Paul Young, Chief Executive Officer, retired and stepped down from the Board at the end of the Company's Annual General Meeting on 22 March 2024. Ben Maxted, previously the Group's Chief Operating Officer, became Chief Executive Officer on Paul's retirement.

I have been Chairman of Kitwave for approaching nine years and having overseen the successful IPO and the smooth transition from the previous Chief Executive Officer to Ben, I believe that it is appropriate to retire from my role during the current financial year. A search for my successor has commenced and we will update the market when a new appointment has been approved by the Board.

Our people
Continuing to provide the high-quality service that our customers have come to expect, evidenced by service levels of over 98%**, can only be achieved through the hard work and dedication of all our colleagues. I would, therefore, like to take this opportunity to thank everyone involved in the Kitwave team for their continued exceptional commitment.

***Service levels are assessed as the number of cases delivered right first time compared to the number of cases ordered during the financial year.*

Outlook

It is now almost four years since Kitwave's IPO in May 2021. In line with the strategy presented at the time, the Group has grown significantly both organically and through the five acquisitions completed in this period. The careful management of this growth has ensured the Group has consistently delivered results in line with or ahead of market expectations.

As previously reported the impact of the changes to employers NIC and minimum wage announced in the October 2024 budget will add c.£2 million to the Group's annual operating costs. Given the changes will only take effect from April 2025, the Board remains confident that it will be able to mitigate this additional cost through efficiencies and other savings in the current financial year.

We continue to pursue our combined organic growth and acquisition-based strategy and believe there remain many opportunities available to us in what is a fragmented UK-delivered wholesale market. The successful execution and integration of our acquisitions to date have demonstrated the viability of this strategy. The Group continues to identify acquisition opportunities to combine with its initiatives to drive organic growth.

FY25 has started well and, following the integration of the newly acquired businesses referred to above, we expect to achieve the significant increase in profitability expected by the market for the year and to continue to deliver value to our shareholders.

Steve Smith
Chairman
3 March 2025

Chief Executive Officer's Statement

Overview

I am pleased to report on another milestone year for Kitwave in the 12 months ending 31 October 2024. The successful execution of our growth strategy has propelled the business forward and strengthened our position in the UK-delivered wholesale market.

Completing the acquisitions of Wilds of Oldham, Total Foodservice and Creed during the period was a major achievement, but importantly the team did not lose focus on the existing business and its objectives. New investment in technology and further enhancing our customer offering means we are delivering an even better customer experience. Consequently, the Group achieved full-year results in line with market expectations, despite tougher trading conditions due to the sustained wet weather conditions in the spring and summer.

Divisional summary

Set out below is the financial performance of the business by division for FY24:

Ambient and Frozen & Chilled divisions

The Group's Ambient and Frozen & Chilled divisions that service the Retail & Wholesale sectors of the grocery market saw combined revenue increase by £16.5 million to £440.1 million (FY23: £423.6 million), a 3.9% increase from the year to October 2023. The gross margin in Frozen & Chilled was impacted by a significant new in-year contract at lower gross margins than the existing business, with the underlying business maintaining gross margin year on year.

Ambient

£000	FY24	FY23
Revenue	**204,568**	207,195
Gross profit	**31,613**	30,862
Gross margin %	**15%**	15%

Frozen & Chilled

£000	FY24	FY23
Revenue	**235,511**	216,399
Gross profit	**52,353**	49,037
Gross margin %	**22%**	23%

Foodservice division

The Group's Foodservice division has also performed well during the period, resulting in an increase in revenue to £223.6 million (FY23: £178.6 million). The division's organic growth was 7.8%, with an increase in revenue of £13.9 million.

Foodservice

£000	FY24	FY23
Revenue	**223,573**	178,626
Gross profit	**63,854**	52,226
Gross margin %	**29%**	29%

Facilities

The completion of the three new acquisitions has led to the Group's total number of depots rising from 30 to 37. Whilst our UK network has significantly expanded, the addition of Creed has bridged our operations between the North and the South and created a fully integrated national delivery network.

Back in June 2023, we commenced the construction of our new 80,000 square-foot Foodservice distribution centre in the South West, which was completed on time in October 2024. The new high-spec warehouse, which consolidates three operating sites into one, provides greater vehicle accessibility, logistical infrastructure and an expanded temperature-controlled storage facility, all of which lays the foundations to grow our foodservice footprint in the area.

Additionally, in line with our ESG commitments and to ensure our warehouse facilities are reducing their energy emissions, Kitwave continues to engage Businesswise Solutions as its energy management partner. The collaboration aims to mitigate Kitwave's carbon footprint by implementing energy-saving practices across its warehouses such as investing in solar generation. The Group now has solar PV capabilities at 12 of its larger sites producing 1,358,920 kWh of energy in the year, offering c.10% self-sufficient energy generation.

Growth strategy
The UK wholesale market remains highly fragmented, which the Board believes will continue to present the Group with opportunities to capture further market share. During the period, the Group significantly expanded its Foodservice division and UK footprint with three acquisitions: Wilds of Oldham for £2.7m, Total Foodservice for £21.0 million and Creed for £60.7 million, rising to £70.7 million depending on performance.

Wilds of Oldham, a composite family-run drinks wholesaler, was purchased in November 2023. With its 11 fleet vehicles, the business has been fully integrated into the Group's existing Foodservice on-trade business, HB Clark, and is now assisting with the distribution of alcohol and soft drinks throughout the North West.

The acquisition of Total Foodservice was completed in March 2024 for £21.0 million. The 130-year-old independent food wholesaler, with its business based in the North of England, is an excellent strategic fit and has enabled us to expand our offering, with 4,000 product lines available for our customers.

The acquisition of Creed was completed in September 2024 for a total initial consideration of £60.7 million, plus contingent consideration of up to £10.0 million. Creed has brought a marked step-change in our Foodservice business and is our largest acquisition to date. With three large depots providing 600 deliveries per day, six days a week, Creed's delivery network footprint complements Kitwave's existing Foodservice and wider tri-temperature network. This creates a fully integrated national delivery network while generating further organic growth opportunities for the Foodservice business.

To support our organic growth, Kitwave made further investments in technology to improve both customer services and operational efficiencies. In conjunction with our eCommerce platform, we have invested in voice-picking technology, which helps to streamline processes, improve accuracy and most importantly, provide additional safety for our colleagues in the warehouses. As we are all focused on enhancing efficiencies, the Group is developing robotic processing automation technologies for operational and financial repetitive processes.

Achieving service excellence is core to securing our ongoing success. The Group's strategy is to maintain strong relationships with its suppliers to offer a route to market partnership to our customers from well-renowned brands, a fully integrated website and mobile app sales offering and an expanding fleet to enable us to deliver efficiently and on time to our customers across the U.K. By implementing this strategy, the Group achieved 98%+ in service levels.

Finally, to help complement our growing Foodservice division, in July 2024 the Group joined the Country Range Group. The decision was made to become a member as the Group will benefit from Country Range Group's buying power, renowned own-label product offering and the ability to be supported in wide-ranging marketing campaigns and promotions.

Since the IPO the Group has built and nurtured solid foundations which can be leveraged for continued growth. Looking longer term, it is appropriate to consider the design and implementation of a strategic plan to build on these foundations. A comprehensive roadmap designed to strengthen core operations, leverage data-driven insights, optimise distribution networks and embrace innovation would, I believe, communicate the vision of what the Group is capable of delivering.

By adopting technology, expanding our foodservice footprint, and fostering a culture of collaboration and agility, we aim to exceed the expectations of our stakeholders. The formulation of such a plan before the end of the current financial year and its subsequent implementation are pivotal steps in positioning Kitwave for success in the years ahead.

Colleagues

The success we achieve at Kitwave would not be possible without the dedication of our colleagues. Over the year, the new acquisitions and investment in people have seen our numbers grow 36% to over 2,100 people, which now includes over 300 sales representatives. On behalf of the Board, I would like to thank all our colleagues for their unwavering commitment.

As stated last year, we wanted to create a platform for our people, with the launch of the 'Kitwave One' programme. We are pleased to share that the roll-out of the online portal, initially launched in October 2023, to over 600 colleagues within the Group has now expanded to 1,300. The programme has fostered greater workplace engagement whilst offering external benefits to promote the well-being of our colleagues, which is a core principle that the Group values.

The Group has invested in the training and development of our colleagues and I would like to congratulate the first cohort of management that completed the "Licence to Lead" programme and look forward to seeing them develop into future leaders across the Group.

I was honoured to take over the position of Chief Executive Officer after Paul Young's retirement in March 2024. I would finally like to thank the other Board members who have helped me transition into the role, as we remain fully committed to helping facilitate the best opportunities for all our colleagues here at Kitwave.

Summary and outlook

Our FY24 results highlight yet another year of delivering investment and driving growth for our business. We are extremely proud of achieving 98%+ in our service levels, as well as growing our personnel, our product lines and our customer base.

The expansion of the Foodservice division with three acquisitions has brought new opportunities and we anticipate this will generate a series of operational efficiencies. The new distribution facility was an important strategic investment to help us capture a greater market share in the South West, whilst the decision to join Country Range Group signals exciting times in our Foodservice division.

The Board and senior management team will continue to drive organic growth and monitor the acquisition opportunities that are available in the UK's fragmented wholesale market. Kitwave continues to be well-positioned to invest in businesses that will deliver further value to the Group and its shareholders.

Despite the implications of the UK Government's Budget as previously disclosed in the November 2024 trading update, the Group has started the new financial year well. We continue to remain confident in our strategy and the ability of the Board and management team to deliver on its growth targets and generate value for the Group and its stakeholders.

We would like to thank all our investors and stakeholders for their continued support throughout the period and look forward to updating the market with our progress in FY25.

Ben Maxted
Chief Executive Officer
3 March 2025

Chief Financial Officer's Statement

Overview

The year has been one of investment for the Group. This has been in the form of internal investment through infrastructure spend on IT, vehicles and warehousing, and external investment with the completion of three acquisitions.

Group revenue increased to £663.7 million, compared to £602.2 million in the year to October 2023. This included £31.1 million of acquired revenue and on a like-for-like basis a £30.3 million (5.0%) increase in revenue. Whilst a positive result, the performance was also curtailed by slower trading in spring and summer 2024 due to the sustained wet weather conditions.

The Group's Ambient and Frozen & Chilled divisions that service the Retail & Wholesale sectors of the market saw revenues increase by £16.5 million to £440.1 million, a 3.9% increase in the year to October 2024.

The Group's Foodservice division, saw revenues increase by £45.0 million to £223.6 million, an increase of 25.2% in the year to October 2024. This year saw the acquisition of Wilds of Oldham in November 2023, Total Foodservice in March 2024 and Creed in September 2024 and included in these numbers is £31.1 million of acquired revenues. On a like-for-like basis, the division achieved organic growth of 7.8%, with revenues increasing by £13.9 million.

During the last 12 months, the grocery and foodservice market experienced lower levels of price inflation than in more recent years. Some supply chain challenges continued to be seen but ultimately the Group continued to grow its overall unit sales.

Gross profit margin increased by 0.4% to 22.3% during the year. This was partly due to a mix change with the higher margin Foodservice division trading at increased revenue levels on a like-for-like basis and further helped by the acquired operations contributing a gross profit margin of 28.9%.

While inflationary pressure was seen in the cost base, overall distribution costs as a proportion of revenues only rose slightly. This includes the effect of the higher service levels in the acquired businesses that had a cost to serve of 11.2%. Overall distribution costs were 9.6% of Group revenue (FY23: 9.1%).

Investment in our IT infrastructure continued, including the successful migration of Westcountry, Wilds of Oldham and Total Foodservice onto our Group ERP platform. Further investment was also made into the online ordering portal and warehouse voice-picking technology. Increased expenditure was also seen relating to our IT resilience and security measure and processes.

The Group's adjusted operating profit* of £34.0 million (FY23: £32.0 million) represents 5.1% (FY23: 5.3%) of Group revenue.

Expenses incurred relating to the three acquisitions in the year totalled £2.2m (FY23: £0.7 million), an increase of £1.5 million compared to the prior year when there was only one acquisition. Associated with the Group's acquisitions, amortisation on the acquired intangible assets in the year totalled £1.4 million (FY23: £0.8 million), an increase of £0.6 million compared to the prior year.

Share-based payment expense and compensation for post-combination services increased by £0.4 million to £1.6 million (FY23: £1.2 million), reflecting the transition to annual grants under the Company's Long-Term incentive plan.

As a result of the investment in IT infrastructure, expenses incurred relating to the three acquisitions and increased amortisation on acquired intangibles, operating profit of £28.8 million (FY23: £29.4 million) is £0.6 million lower than the prior year.

Net finance costs of £6.3 million (FY23: £4.5 million) relate to the costs associated with the working capital and revolving credit facilities utilised by the Group of £4.0 million (FY23: £2.8 million) and interest relating to leased assets accounting of £2.2 million (FY23: £1.7 million).

In the 12 months ended October 2024, the Group's profit before tax decreased by £2.3 million to £22.5 million (FY23: £24.8 million). This is a result of the improvement in adjusted operating profit of £2.0 million being outweighed by the increase in acquisition and share-related payments expenses of £1.9 million and an increase in finance costs of £1.8 million.

The statutory basic earnings per share for FY24 is 23.5 pence (FY23: 27.1 pence) which has been affected by a number of factors including the increases in acquisition and share-based expenses in the year. The basic underlying earnings pence per share is 30.0 pence* (FY23: 30.3 pence) and reflects some operational investment costs incurred during the year internally for which the associated benefits will be delivered in the future. In addition, the Group's M&A activity led to some post-acquisition non-recurring expenses being incurred to achieve future synergies. Combining these investment cost activities with the additional interest costs described above led to a slight dilution in basic underlying earnings per share.

The Board is recommending a final dividend of 7.45 pence per ordinary share (FY23: 7.45 pence), subject to approval at the AGM, which, if approved, will result in a total dividend for the year of 11.3 pence per ordinary share. This is a 1% rise in the dividend per share compared to FY23.

KPIs

	FY24	FY23
Financial profitability KPIs		
Gross margin %	**22.3%**	21.9%
Adjusted operating profit *	**£34.0m**	£32.0m
Adjusted operating margin *	**5.1%**	5.3%
EPS	**23.5 pence**	27.1pence
EPS (Underlying)*	**30.0 pence**	30.3 pence
Financial structure KPIs		
Leverage (inc IFRS16 debt) *	**2.8x**	1.4x
Leverage (exc IFRS16 debt) *	**1.9x**	0.8x
Pre-tax operational cash conversion *	**90%**	90%
Return on Investment Capital *	**11%**	19%
Return on Net assets *	**22%**	30%

Non-financial KPIs		
Service levels	**98%**	98%

It should be noted that the leverage covenants and return on capital KPIs above do not include any estimation of the full year benefit from the businesses acquired during the year.

Accounting for an estimated full year run rate effect of the acquisitions made during the year, the Group's leverage (inc IFRS 16 debt) would be below our stated target of 2.5x.

**For more information on alternative performance measures please see the glossary at the end of the announcement.*

Capital expenditure

The Group has continued to invest in its operations over the financial year with £7.3 million (FY23: £3.9 million) invested in new assets and £20.4 million (FY23: £10.0 million) in right-of-use assets.

A 15-year lease was entered into for the new 80,000 square-foot premises in the South West creating a right-of-use asset of £6.4 million. In addition, there was a fit out spend of £3.2 million in relation to this new site.

Supply chain problems and long order times for new vehicles seen in the previous periods eased with new vehicle orders being delivered on time. Investment in the vehicle fleet has now caught up with normal order cycles with £1.0 million (FY23: £1.5 million) of new vehicles acquired and £13.0 million (FY23: £7.7 million) invested through right-of-use vehicle replacement.

Capital raising

As a result of a successful capital fundraise the Company raised £31.5 million during the year and 10,327,868 new Ordinary Shares were issued and admitted for trading on 27 September 2024 with the shares issued at a price of 305 pence per share. This represented a discount of approximately 3.9% to the closing mid-market price of 317.5 pence per Ordinary Share on 23 September 2024. Following Admission, the Company has a total of 80,438,979 Ordinary Shares in issue.

The costs associated with this raise were £1.4 million, with net proceeds from the placement of £30.1 million.

Cashflow

The net cash inflow from operating activities for the year was £31.4 million (FY23: £30.3 million) after net outflow from working capital of £4.3 million (FY23: £3.9 million outflow) and tax payments of £6.6 million (FY23: £6.1 million). This resulted in operating cash conversion of 74% (FY23: 75%) and pre-tax operational cash conversion* of 90% (FY23: 90%).

During the period, there was an investment in working capital relating to a new customer win of £2.4 million. Excluding this investment, the like-for-like pre-tax operational cash conversion would have been 95%.

Fixed asset investment was £7.3 million, of which £3.2 million relates to the new distribution centre in the South West. As a result of the move to this new site, two freehold properties were disposed of with a net cash inflow on the disposal of £3.2 million.

There was a cash outflow to the Group of £73.3 million in relation to acquisitions in the year. In November 2023 the Group completed the acquisition of Wilds of Oldham, with a cash outflow net of cash acquired of £2.5 million, followed by the acquisition of Total Foodservice in March 2024 for a cash outflow net of cash acquired of £16.9 million. Both acquisitions were funded through headroom on existing facilities. These amounts are the full consideration in relation to the transactions with no further payments due.

In September 2024 the Group completed the acquisition of Creed Catering Supplies Limited with an initial cash outflow net of cash acquired of £53.4 million. This was funded through the amounts raised from the Capital Placement of £30.1 million in addition to the utilisation of a further £20.0 million made available to the Group's revolving credit facility.

The Group paid a final dividend relating to FY23 in April 2024 of 7.45 pence per ordinary share and an interim dividend in respect of FY24 in August 2024 of 3.85 pence per ordinary share. The total cash outflow relating to dividend payments was £7.9 million (FY23: £7.4 million) during the year.

The net cash increase in the year was £3.5 million.

Financial position

At 31 October 2024, cash and cash equivalents totalled £4.1 million (FY23: £0.7 million). In addition to the cash and cash equivalents, there were undrawn facilities available to the Group of £35.2 million at the year-end (FY23: £39.6 million).

The Group had a total of £121.4 million (FY23: £59.1 million) of interest-bearing debt facilities, including £43.2 million (FY23: £26.2 million) of IFRS 16 lease liabilities.

During the period the Group increased the amount available on its CID facility to £55.0 million and extended the expiry on the facility to September 2028. At the year-end, the Group's CID facility was drawn to a value of £20.1 million (FY23: £6.4 million). It has one covenant requiring net debt (including IFRS 16 lease liabilities) not to exceed three times the last 12 months' EBITDA (including proforma results for any mid-year acquisitions) which was satisfied as at 31 October 2024.

At the same time that the CID facility was increased, the existing £20.0 million revolving credit facility was also increased to £40.0 million with expiry extended to be co-terminus with the CID facility in September 2028. It is available to be utilised for permitted acquisition opportunities undertaken by the Group and was fully drawn at 31 October 2024. This facility includes the same covenant as the CID facility plus an additional interest cover covenant set such that the last 12 months' EBITDA is required to cover the last 12 months' interest charge by at least four times. This covenant was comfortably satisfied at 31 October 2024.

Taxation

The tax charge for the year was £5.8 million (FY23: £5.9 million) at an effective rate of 25.8% (FY23: 23.7%). The effective rate is higher than the pro-rated tax rate mainly due to the non-deductible element of acquisition costs and compensation for post-combination services. A full reconciliation of the tax charge is shown in note 9 of the financial statements.

Return on capital*

Utilising an effective tax rate of 25% (FY23: 23%) the adjusted profit after tax return on investment capital at 31 October 2024 was 11% (FY23: 19%). These returns exclude the charges relating to share-based payments.

The Group drives its profitability through investment in operational infrastructure (property leases, IT & motor vehicles) and investment in working capital. The Board considers the return on this investment in relation to capital allocation. A second returns measure is therefore included in this report again utilising an effective tax rate of 25% (FY23: 23%). The adjusted profit after tax return on net assets at 31 October 2024 was 22% (FY23: 30%).

Both metrics are affected by the timing of the acquisitions during the year. The discharging of acquisition consideration has increased the investment capital and net assets in the relevant measure, but the contribution from the related acquisition has only been taken into account effective from the date of the acquisitions. This calculation is the principal reason for the reduction in the return on capital measures compared to the prior year.

**For more information on alternative performance measures including calculations on return on capital measures please see the glossary at the end of the announcement.*

Share-based payments
In the year there was an expense of £1.2 million (FY23: £1.0 million) for share-based payments comprising:

- £0.9 million relating to shares under the Management Incentive Plan (MIP) that commenced in July 2021 post the completion of the IPO in May 2021.
- £0.3 million relating to shares under the Long-Term incentive plan (LTIP) that were granted in March 2023 and March 2024.

David Brind
Chief Financial Officer
3 March 2025

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 OCTOBER

	Note	2024 £000	2023 £000
Revenue	3	663,652	602,220
Cost of sales		(515,832)	(470,095)
Gross profit		**147,820**	**132,125**
Other operating income	4	603	183
Distribution expenses		(63,473)	(54,570)
Administrative expenses		(56,146)	(48,375)
Operating profit		**28,804**	**29,363**
Analysed as:			
Adjusted EBITDA		45,229	41,141
Amortisation of intangible assets	11	(1,527)	(975)
Depreciation	12,13	(11,068)	(8,992)
Acquisition expenses	5	(2,153)	(648)
Compensation for post combination services	5	(324)	(199)
Share based payment expense	5	(1,244)	(964)
Restructuring expenses	5	(109)	-
Total operating profit		**28,804**	**29,363**
Finance expenses	8	(6,276)	(4,505)
Analysed as:			
Interest payable on bank loans and bank facilities	8	(4,024)	(2,842)
Finance charges on leases	8	(2,167)	(1,656)
Other interest	8	(85)	(7)
Financial expense		**(6,276)**	**(4,505)**
Profit before tax		22,528	24,858
Tax on profit on ordinary activities	9	(5,810)	(5,902)
Profit for the financial year		**16,718**	**18,956**
Other comprehensive income		**-**	**-**
Total comprehensive income for the year		**16,718**	**18,956**
Basic earnings per share (pence)	10	23.5	27.1
Diluted earnings per share (pence)	10	22.5	26.0

CONSOLIDATED BALANCE SHEET AS AT 31 OCTOBER

	Note	2024 £000	2023 £000
Non-current assets			
Goodwill	11	**105,717**	58,680
Intangible assets	11	**30,554**	4,878
Tangible assets	12	**29,096**	16,614
Right-of-use assets	13	**50,869**	29,716
Investments	14	**42**	45
		216,278	109,933
Current assets			
Inventories	15	**47,749**	35,410
Trade and other receivables	16	**91,122**	63,569
Cash and cash equivalents	17	**4,137**	673
		143,008	99,652
Total assets		**359,286**	209,585
Current liabilities			
Other interest bearing loans and borrowings	19	**(27,821)**	(6,405)
Lease liabilities	19	**(10,244)**	(6,402)
Trade and other payables	18	**(102,083)**	(63,596)
Tax payable		**(1,127)**	(594)
		(141,275)	(76,997)
Non-current liabilities			
Other interest bearing loans and borrowings	19	**(40,000)**	(20,000)
Lease liabilities	19	**(43,323)**	(26,267)
Deferred tax liabilities	20	**(10,143)**	(1,876)
		(93,466)	(48,143)
Total liabilities		**(234,741)**	(125,140)
Net assets		**124,545**	84,445
Equity attributable to equity holders of the parent Company			
Called up share capital	23	**804**	700
Share premium account	23	**94,185**	64,183
Consolidation reserve		**(33,098)**	(33,098)
Share based payment reserve	22	**3,240**	2,042
Retained earnings		**59,414**	50,618
Equity		**124,545**	84,445

COMPANY BALANCE SHEET AS AT 31 OCTOBER

	Note	2024 £000	2023 £000
Non-current assets			
Investments	14	**12,993**	12,993
Deferred tax assets	20	**804**	514
		13,797	13,507
Current assets			
Trade and other receivables	16	**93,259**	60,033
Cash and cash equivalents	17	**259**	3
		93,518	60,036
Total assets		**107,315**	73,543
Current liabilities			
Trade and other payables	18	**(138)**	(94)
Tax payable		**(218)**	(45)
		(356)	(139)
Total liabilities		**(356)**	(139)
Net assets		**106,959**	73,404
Equity attributable to equity holders of the parent Company			
Called up share capital	23	**804**	700
Share premium account	23	**94,185**	64,183
Share based payment reserve	22	**3,240**	2,042
Retained earnings*		**8,730**	6,479
Equity		**106,959**	73,404

*The Company's profit after tax for the year was £10,173,000 (FY23: £5,017,000)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 31 OCTOBER

	Called up share capital £000	Share premium account £000	Consolidation reserve £000	Share based payment reserve £000	Profit and loss account £000	Total equity £000
Balance at 1 November 2022	**700**	**64,183**	**(33,098)**	**1,090**	**39,012**	**71,887**
Total comprehensive income for the year						
Profit	-	-	-	-	18,956	18,956
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**18,956**	**18,956**
Transactions with owners, recorded directly in equity						
Dividends	-	-	-	-	(7,350)	(7,350)
Share based payment expense	-	-	-	952	-	952
Total contribution by and transactions with owners	**-**	**-**	**-**	**952**	**(7,350)**	**(6,398)**
Balance at 31 October 2023	**700**	**64,183**	**(33,098)**	**2,042**	**50,618**	**84,445**
Total comprehensive income for the year						
Profit	-	-	-	-	16,718	16,718
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**16,718**	**16,718**
Transactions with owners, recorded directly in equity						
New share issuance	104	31,563	-	-	-	31,667
Costs directly attributable to new shares issues	-	(1,561)	-	-	-	(1,561)
Dividends	-	-	-	-	(7,922)	(7,922)
Share based payment expense	-	-	-	1,198	-	1,198
Total contribution by and transactions with the owners	**104**	**30,002**	**-**	**1,198**	**(7,922)**	**23,382**
Balance at 31 October 2024	**804**	**94,185**	**(33,098)**	**3,240**	**59,414**	**124,545**

COMPANY STATEMENT OF CHANGES IN EQUITY AS AT 31 OCTOBER

	Called up share capital	Share premium account	Share based payment reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
Balance at 1 November 2022	**700**	**64,183**	**1,090**	**8,812**	**74,785**
Total comprehensive income for the year					
Profit	-	-	-	5,017	5,017
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	**-**	**-**	**-**	**5,017**	**5,017**
Transactions with owners, recorded directly in equity					
Dividends	-	-	-	(7,350)	(7,350)
Share based payment expense	-	-	952	-	952
Total contribution by and distribution to owners	**-**	**-**	**952**	**(7,350)**	**(6,398)**
Balance at 31 October 2023	**700**	**64,183**	**2,042**	**6,479**	**73,404**
Total comprehensive income for the year					
Profit	-	-	-	10,173	10,173
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**	**10,173**	**10,173**
Transactions with owners, recorded directly in equity					
New share issuance	104	31,563	-	-	31,667
Costs directly attributable to new share issues	-	(1,561)	-	-	(1,561)
Dividends	-	-	-	(7,922)	(7,922)
Share based payment expense	-	-	1,198	-	1,198
Total contribution by and transactions with the owners	**104**	**30,002**	**1,198**	**(7,922)**	**23,382**
Balance at 31 October 2024	**804**	**94,185**	**3,240**	**8,730**	**106,959**

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 OCTOBER

	Note	2024 £000	2023 £000
Cash flow statement			
Cash flow from operating activities			
Profit for the year		**16,718**	18,956
Adjustments for:			
Depreciation and amortisation	11,12,13	**12,595**	9,967
Financial expense	8	**6,276**	4,505
Profit on sale of property, plant and equipment	4	**(573)**	(179)
Net gain on remeasurement of right-of-use assets and lease liabilities	4	**(30)**	(4)
Compensation for post combination services	5	**324**	199
Equity settled share based payment expense	5	**1,244**	964
Taxation	9	**5,810**	5,902
		42,364	40,310
Increase in trade and other receivables		**(8,712)**	(3,737)
Increase in inventories		**(2,392)**	(2,553)
Increase in trade and other payables		**6,755**	2,353
		38,015	36,373
Tax paid		**(6,612)**	(6,075)
Net cash inflow from operating activities		**31,403**	30,298
Cash flows from investing activities			
Acquisition of property, plant and equipment		**(7,275)**	(3,915)
Proceeds from sale of property, plant and equipment		**3,513**	473
Acquisition of subsidiary undertakings (net of overdrafts and cash acquired)	2	**(73,329)**	(19,593)
Net cash outflow from investing activities		**(77,091)**	(23,035)
Cash flows from financing activities			
Proceeds from share issuance (net of expenses)		**30,106**	-
Proceeds from new loan	19	**20,000**	20,000
Net movement in bank trade loan	19	**7,750**	-
Net movement in invoice discounting	19	**13,666**	(13,948)
Interest paid	8,19	**(6,121)**	(4,248)
Repayment of lease liabilities	19	**(8,327)**	(6,555)
Dividends paid		**(7,922)**	(7,350)
Net cash inflow/(outflow) from financing activities		**49,152**	(12,101)
Net increase/(decrease) in cash and cash equivalents		**3,464**	(4,838)
Opening cash and cash equivalents		**673**	5,511
Cash and cash equivalents at year end	17	**4,137**	673

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

Kitwave Group plc (the "Company") is a public company limited by shares and incorporated, domiciled and registered in England in the UK. The registered number is 09892174 and the registered address is Unit S3, Narvik Way, Tyne Tunnel Trading Estate, North Shields, Tyne and Wear, NE29 7XJ.

The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group"). The parent Company financial statements present information about the Company as a separate entity.

The Group financial statements have been prepared and approved by the Directors in accordance with UK adopted international accounting standards.

The financial information set out above does not constitute the Group or the Company's statutory accounts for the year ended 31 October 2024 or the financial year ended 31 October 2023. Statutory accounts for the year ended 31 October 2023 have been delivered to the registrar of companies, and those for the year ended 31 October 2024 will be delivered in due course. The auditor has reported on those accounts; their reports were (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under s498 (2) or (3) of the Companies Act 2006.

The Group and Company financial statements are presented in pounds sterling which is the functional currency of the Group. All values are rounded to the nearest thousand (£000), except when otherwise indicated.

The Company financial statements were prepared in accordance with the Companies Act 2006 as applicable to companies using Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101"). The Company applies the recognition, measurement and disclosure requirements of IFRS, but makes amendments where necessary in order to comply with Companies Act 2006.

In publishing the Company's financial statements together with the Group's financial statements, the Company is taking advantage of the exemption in s408 of the Companies Act 2006 not to present its individual statement of profit and loss and related notes that form a part of these approved financial statements.

The Company has applied the following exemptions in the preparation of its financial statements:

- A cash flow statement and related notes have not been presented;
- Disclosures in respect of new standards and interpretations that have been issued but which are not yet effective have not been provided;
- Disclosures in respect of transactions with wholly-owned subsidiaries have not been made; and
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instruments have not been provided.
- Disclosures in respect of share-based payments as required by IFRS 2 Share-based Payment have not been provided

The accounting policies set out below have, unless otherwise stated, been applied consistently to both periods presented in these consolidated financial statements.

The consolidated financial statements include the results of all subsidiaries owned by the Company listed in note 14. Certain of these subsidiaries have taken exemption from an audit for the year ended 31 October 2024 by virtue of s479A Companies Act 2006. To allow these subsidiaries to take the audit exemption, the Company has given a statutory guarantee of all the outstanding liabilities as at 31 October 2024.

The subsidiaries which have taken this exemption from audit are:

- TG Foods Limited – (CRN 04083532)
- Westcountry Food Holdings Limited – (CRN 04126070)
- HB Clark Holdings Limited – (CRN 10434640)
- FW Bishop & Son Limited – (CRN 00751477)
- WLG (Holdings) Limited – (CRN 12169927)
- Kitwave Investments Limited – (CRN 09891335)
- Kitwave One Limited – (CRN 07562615)

1.1 Critical accounting estimates and judgements

The preparation of financial statements requires the Directors to make judgements, estimates and assumptions concerning the future performance and activities of the Group. There are no significant judgements applied in the preparation of these financial statements. Estimates and assumptions are based on the historical experience and acquired knowledge of the Directors, the result of which forms the basis of the judgements made about the carrying value of assets and liabilities that are not clear from external sources. In concluding that there are no significant risks of material adjustment from accounting estimates and judgements, the Directors have reviewed the following:

Impairment of goodwill

In accordance with IAS 36 "Impairment of Assets", the Board identifies appropriate Cash-Generating Units ("CGUs") and the allocation of goodwill to these units. Where an indication of impairment is identified, assessment and estimation of the recoverable value of the CGUs is required. This process involves estimation of the future cash flows from the CGUs and also the selection of appropriate discount rates in order to calculate the net present value of those cash flows. The discount rate is a key area of judgement and the forecast cash flow includes significant accounting estimates.

Each of the CGUs has significant headroom under the annual impairment review and the Directors believe that no reasonable change in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount. More information on the assumptions and sensitivities applied are set out in note 11 to these financial statements.

Impairment of trade receivables
IFRS 9, Financial Instruments, requires that provisioning for financial assets needs to be made on a forward-looking expected credit loss model. This is an accounting estimate requiring significant judgement of management to consider historic, current and forward-looking information to determine the level of provisioning required.

The Directors have assessed the ageing of the trade receivables, applying their knowledge of the Group's customer base, and other economic factors as indicators of potential impairment. Further information is considered in note 25 of these financial statements.
Following a review of the above accounting estimates and judgements, the Directors have concluded that there is no significant risk of material adjustment to the carrying amount of assets and liabilities within the next financial year.

Valuation of share-based payments
IFRS 2, Share-based Payments, requires judgement on the classification of the share-based payment under the Management Incentive Plan ("MIP"), which Directors have determined to be equity-settled.

The grant date fair value of the MIP is based on a Monte Carlo option valuation model, performed by independent experts, factoring in a number of significant accounting estimates and judgements. Further information is considered in note 22 of these financial statements.
Following review of the judgements and estimates applied to the valuation of the MIP, the Directors have concluded that there is no significant risk of material adjustment to the charge to the statement of profit and loss and other comprehensive income in the year.

Valuation of intangible assets arising on acquisition
Under IFRS 3 Business Combinations, when an acquisition takes place the Group is required to assess whether there are any additional intangible assets arising separately from goodwill. This requires significant accounting estimates and judgements to be applied to the valuation of brands and customer relationships.

In the year ended 31 October 2024, the Group acquired the entire share capital of WLG (Holdings) Limited ("Wilds of Oldham"), Total Foodservice Solutions Limited ("Total Foodservice") and Creed Catering Supplies Limited ("Creed").

An independent valuation of the acquired intangible assets relating to the Total Foodservice and Creed acquisitions was performed by experts, requiring estimates of weighted average cost of capital and estimate future cash flows utilising the multi-period excess earnings methodology.

An internal valuation of the acquired intangible assets relating to Wilds of Oldham was performed and no material intangible assets were identified.

The intangibles identified are set out in note 2 and the Directors have concluded that there is no significant risk of material adjustments to the fair value of assets acquired in the year.

1.2 Measurement convention
The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: financial instruments classified at fair value through the statement of profit and loss, unlisted investments and investment property.

1.3 Going concern
The Group has continued to deliver on its growth strategy, both operationally and financially, in the year ended 31 October 2024, with the acquisitions of Wilds of Oldham, Total Foodservice and Creed contributing to increased profitability and continued positive cash generation.

All three acquisitions have delivered positive trading performances since their acquisitions. Both Wilds of Oldham and Total Foodservice have been fully integrated into the On-trade and Foodservice operations respectively, with both entities operating on the Group IT infrastructure and ERP platform. The Creed acquisition completed just before year end and the Directors are confident that as one of the UK's leading foodservice wholesalers, it will expand the Group's geographical presence and provide an effective distribution link between our existing Foodservice operations.

The Group has seen an increase in cases delivered during the period led by the continued focus on service excellence and increased geographic delivery footprint. Cost of living increases have not had a material impact on demand, with less significant consumer cost of living increases being borne in this period mitigated in part by continued wage inflation. Sustained wet weather over spring and summer 2024 resulted in a reduction in cases to the leisure and out-of-home markets, but this was mitigated by the successful onboarding of new customers. These initiatives resulted in the Group exceeding the prior year's adjusted EBITDA, excluding the three in year acquisitions.

The acquisitions follow the Group's strategy of acquiring profitable, well-run businesses and as such added £31,102,000 of revenue and £2,220,000 of operating profit to the Group post acquisition. This contributed to the improvement in the Group's cash flow from operating activities (before changes in working capital and tax payments) from £40,310,000 in FY23 to £42,364,000 in FY24.

The Wilds of Oldham and Total Foodservice acquisitions were funded via existing facilities and Group cash flow. Both acquisitions enabled the Group to expand its geographical footprint and leverage operations between existing and acquired operations.

The Creed acquisition was strategically significant due to its market position as one of the UK's leading foodservice wholesalers and represents the largest transaction completed by the Group. The acquisition was funded through a new equity raise of £31,500,000, which was oversubscribed in the market with strong support from existing shareholders, and an increase in committed debt facilities with its existing lenders.

Prior to the Creed acquisition, the Group had in place a £20,000,000 Revolving Credit Facility ("RCF") and a £38,000,000 Confidential Invoice Discounting Facility ("CID") with terms committed to 2025. The RCF was increased to £40,000,000 and the CID was increased to £55,000,000 with committed terms to 2028. The facilities include an option for the Group to extend them by a further year.

The Group has prepared financial forecasts and projections for a 12 month period from the date of this report (the "going concern assessment period"). A 'severe but plausible' downside sensitivity has been prepared to support the Directors conclusion regarding going concern. In addition, a reverse stress test has been performed the results of which have not changed the conclusion around going concern. These sensitivities include a possible downside scenario to Group trading as a result of further inflationary pressure in 2025.

The Group has significant headroom on banking facilities at the year end and throughout the forecast period. These facilities are committed beyond the forecast period under review.

These forecasts show that the Group will have sufficient levels of financial resources available both to meet its liabilities as they fall due for that period and comply with remaining covenant requirements on its working capital facilities.

Consequently, the Directors are confident that the Group and Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of this financial information and therefore have prepared the financial statements on a going concern basis.

1.4 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 October 2024. A subsidiary undertaking is an entity that is controlled by the Company. The results of subsidiary undertakings are included in the consolidated statement of profit and loss account from the date that control commences until the date that control ceases. Control is established when the Company is exposed to, or has rights to, variable returns from its involvement with an entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

In respect of the legal acquisition of Kitwave One Limited by the Company in the year ended 30 April 2017, the principles of reverse acquisition have been applied under IFRS 3. The Company, via its 100% owned subsidiary Kitwave Investments Limited, is the legal acquirer of Kitwave One Limited but Kitwave One Limited was identified as the accounting acquirer of the Company. The assets and liabilities of the Company and the assets and liabilities of Kitwave One Limited continued to be measured at book value. By applying the principles of reverse acquisition accounting the Group is presented as if the Company has always owned Kitwave One Limited. The comparative consolidated reserves of the Group were adjusted to reflect the statutory share capital and share premium of the Company as if it had always existed, adjusted for movements in the underlying Kitwave One Limited's share capital and reserves until the date of the acquisition. A consolidation reserve was created which reflects the difference between the capital structure of the Company and Kitwave One Limited at the date of acquisition less any cash and deferred cash consideration for the transaction.

1.5 Foreign currency

Transactions in foreign currencies are translated to the Group companies' functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

Foreign exchange differences arising on translation are recognised in the statement of profit and loss.

1.6 Classification of financial instruments

Financial assets

Financial assets are classified at initial recognition, and subsequently measured at amortised cost, Fair Value through Other Comprehensive Income ("FVOCI") or Fair Value through the statement of Profit and Loss ("FVTPL"). The classification of financial assets under IFRS 9 is based on two criteria:

- the Group's business model for managing the assets; and
- whether the instruments' contractual cash flows represent 'Solely Payments of Principal and Interest on the principal amount outstanding (the "SPPI criterion").

A summary of the Group's financial assets is as follows:

Trade and other receivables*	Amortised cost – hold to collect business model and SPPI met
Cash and short-term deposits	Amortised cost

Financial liabilities

Financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and
(b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called-up share capital and share premium account exclude amounts in relation to those shares.

A summary of the Group's financial liabilities is as follows:

Bank loans and overdrafts	Amortised cost
Trade and other payables*	Amortised cost
Contingent consideration	Fair value through the statement of profit and loss

*Prepayments, other receivables, other taxation and social security payables and other payables do not meet the definition of financial instruments.

Further information is included in note 25.

1.7 Non-derivative financial instruments

Trade and other receivables
Trade and other receivables are recognised initially at transaction price. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other payables
Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement. For payments received through electronic payment systems, the Group recognises cash, and derecognises the relevant trade receivable, when the payment is completed, and the cash is received. For payments made via electronic payment systems, the Group recognises the cash outflow, and derecognises the relevant trade payable, when the payment is completed and cash has been transferred.

Interest-bearing borrowings
Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method.

Invoice discounting
The Group is party to an invoice discounting arrangement which provides additional working capital up to the value of a set proportion of its trade receivables balances. The advances are secured against trade receivables (note 16). These are repayable within 90 days of the invoice and carry interest at a margin of 1.75%. This is a committed facility which expires in September 2028. The net movement of the balance is disclosed in the cash flow statement.

Equity investments
Equity investments are instruments that meet the definition of equity from the issuer's perspective: that is they do not contain an obligation to pay and provide a residual interest in the assets of the issuer. Equity investments are held at fair value through the statement of profit and loss.

1.8 Other financial instruments

Derivative financial instruments
Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in the statement of profit and loss. No hedge accounting has been applied.

1.9 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is charged to the statement of profit and loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives are as follows:

- Leasehold improvements — 5-10% straight line or straight line over the term of the lease
- Freehold property — 2% straight line
- Plant and machinery — 10-20% reducing balance and straight line
- Fixtures and fittings — 10-25% reducing balance and straight line
- Motor vehicles — 15-25% reducing balance and straight line

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

1.10 Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

At the acquisition date, the Group measures goodwill at the acquisition date as:

- the fair value of the consideration (excluding contingent consideration) transferred; plus
- estimated amount of the contingent consideration (see below): plus
- the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities and contingent liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in the statement of profit and loss.

Any contingent consideration payable is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration are recognised in the statement of profit and loss.

1.11 Intangible assets and goodwill

Goodwill
Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units ("CGUs") and is not amortised but is tested annually for impairment.

Intangible assets arising on acquisition and other intangible assets
Intangible assets arising on acquisition are capitalised at fair value as determined at the date of acquisition and are stated at fair value less accumulated amortisation.

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of acquired intangible assets from the date they are acquired. The period of amortisation relating to the acquired intangibles of Westcountry Food Holdings Limited and Total Foodservice Solutions Limited is as follows:

- Customer relationships 6 years
- Brands 2 years

The period of amortisation relating to the acquired intangibles of Creed Catering Supplies Limited is as follows:

- Customer relationships 8- 15 years
- Brands 5 years

The cost of computer software purchased or developed in-house which has the capacity to generate economic benefits for a period in excess of one year is capitalised as an intangible asset.

1.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is based on the weighted average principle.

The Group participates in rebate schemes with its suppliers. Rebates are principally earned from suppliers on purchase of inventory and are recognised at point of delivery to the Group. Where the rebate earned relates to inventories which are held by the Group at the period end, the rebates are deducted from the cost of those inventories. Any rebates based on a volume of purchases over a period are only recognised when the volume target has been achieved.

1.13 Impairment excluding inventories and deferred tax assets

Non-derivative financial assets – trade receivables
The Group recognises loss allowance for Expected Credit Losses ("ECLs") on trade receivables measured at amortised cost.

The Group measures loss allowances at an amount equal to lifetime ECLs as the term of the asset is considered short.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment including forward-looking information.

The Group utilises the practical expediency for short-term receivables by adopting the simplified 'matrix' approach to calculate ECLs. The provision matrix is based on an entity's historical default rates over the expected life of the trade receivables as adjusted for forward-looking estimates.

The Group assumes that the credit risk on a financial asset has increased if it is aged more than 90 days since delivery. This is not relevant in all cases, and management uses its historical experience and knowledge of the customer base to assess whether this is an indicator of increased risk on a customer-by-customer basis.

The Group considers the financial asset to be in default when the borrower is unlikely to pay its obligations or has entered a formal insolvency process or other financial reorganisation.

Loss allowances for financial assets measured at amortised costs are deducted from the gross carrying amount of the assets.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to CGUs. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.14 Employee benefits

Defined contribution plans and other long-term employee benefits
A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the statement of profit and loss in the periods during which services are rendered by employees.

Share-based payment transactions
Share-based payment arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the Company.

The Group operates a Management Incentive Plan ("MIP") for certain directors and two Long Term Incentive Plans ("LTIP") for certain directors and senior staff members, granting them equity-settled share option rights to the Company's equity instruments. The fair value at the grant date of the options is recognised as an employee expense with a corresponding increase in equity, on a straight-line basis over the vesting period.

Under both the MIP and LTIP schemes, the fair value of the awards granted is measured using an option valuation model, taking into account the terms and conditions upon which the awards were granted. The Monte Carlo option valuation model was adopted for all schemes and independent expert advice was sought for both the MIP and principal LTIP schemes. The LTIP awards granted in 2024 were valued on the same basis as the LTIP awards granted in 2023 as they adopt the same principal vesting conditions across a materially similar amount of options.

The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Further information is included in note 22.

Under IFRS 3 the contingent payment which has been agreed for the remaining 3% of the share in Central Supplies (Brierley Hill) Ltd is classified as remuneration for post-combination services, as consideration for the shares is linked to an employment condition. The amount recognised in the statement of profit and loss and other comprehensive income was £324,000 (FY23:£199,000).

1.15 Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, that can be reliably measured, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

1.16 Revenue

IFRS 15 "revenue from contracts with customers" establishes a principles-based approach for revenue recognition and is based on the concept of recognising revenue for performance obligations only where they are satisfied, and the control of goods or service is transferred. In doing so, the standard applies a five-step approach to the timing of revenue recognition and applies to all contracts with customers, except those in the scope of other standards.

The principal performance obligation of delivery and sale of goods is discharged on delivery/collection of the products by the customer at which point control of the goods has transferred. Customer discounts and rebates comprise variable consideration and are accounted for as a reduction in the transaction price, based on the most likely outcome basis.

The most likely outcome model is used due to the simple nature of rebate agreements and the limited number of possible outcomes – principally whether or not the customer achieved the required level of purchases.

1.17 Financing income and expenses

Financing expenses comprise interest payable, finance charges on put option liabilities and finance leases recognised in the statement of profit and loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the statement of profit and loss (see foreign currency accounting policy). Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset. Financing income comprises interest receivable on funds invested, finance income on the put option liability, and net foreign exchange gains.

Interest income and interest payable is recognised in the statement of profit and loss as it accrues, using the effective interest method. Dividend income is recognised in the statement of profit and loss on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

1.18 Taxation

Current tax

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the statement of profit and loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax is recognised on an undiscounted basis.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

1.19 Leases

The Group adopts the requirements of IFRS 16 as follows:
The Group has lease arrangements in place for properties, vehicles, forklift trucks and other equipment including plant and machinery. At the inception of the lease agreement, the Group assesses whether the contract conveys the right to control the use of an identified assets for a certain period of time and whether it obtains substantially all of the economic benefits from the use of that assets in exchange for consideration. The Group recognises a lease liability and a corresponding right-of-use asset with respect to all such lease arrangements.

A right-of-use asset is capitalised on the balance sheet at cost, which comprises the present value of the future lease payments at inception of the lease.

Right-of-use assets are depreciated using a straight-line method over the shorter of the life of the asset or the lease term and are assessed in accordance with IAS 36 'Impairment of Assets' to determine whether the asset is impaired.

The lease liability is initially measured at the present value of the lease payments as outlined above for the right-of-use asset and is increased by the interest cost on the lease liability, subsequently reduced by the lease payments made. Lease liabilities are classified between current and non-current on the balance sheet.

An assessment of the discount rate used in the present value calculation for new lease additions is performed at the inception of the lease to ensure it reflects the Group's incremental borrowing rate. The selected rate is supported by quotes from third parties for financing the asset and the Group's weighted average cost of capital. The Directors believe that no reasonable change in this accounting estimate would cause the carrying value of leases to be materially misstated.

The Group has relied upon the exemption under IFRS 16 to exclude the impact of low-value leases and leases that are short-term in nature (defined as leases with a term of 12 months or less). Costs on these leases are recognised on a straight-line basis as an operating expense within the statement of profit and loss. All other leases are accounted for in accordance with this policy as determined by IFRS 16.

1.20 Exceptional items

Exceptional items are defined as income or expenses that arise from events or transactions that are clearly distinct from the normal activities of the Group and therefore are not expected to recur frequently or regularly.

Such items have been separately presented to enable a better understanding of the Group's operating performance. Details of exceptional expenses are presented in note 5.

1.21 Investments

Investments in subsidiaries are carried at cost-less impairment in the parent Company's financial statements.

1.22 Adopted IFRSs not yet applied

There are a number of new standards and amendments issued by the International Accounting Standards Board ("IASB") that will be effective for financial statements after this reporting period, once endorsed by the UK Endorsement Board. IFRS 18 "Presentation and Disclosure in Financial Statements" is effective for periods beginning on or after 1 January 2027 and will introduce new disclosure requirements. This standard is not expected to have a material impact on the Group's results or financial position.

2. Acquisitions in the period

Acquisitions in the year ended 31 October 2024

WLG (Holdings) Limited

On 17 November 2023, the Group acquired the entire share capital of WLG (Holdings) Limited for a total consideration of £2,700,000. After recognition of the book and fair value of the acquired net assets, the resulting goodwill of £1,948,000 was capitalised and is subject to annual impairment testing under IAS 36.

The acquisition had the following effect on the Group's assets and liabilities:

Consolidated balance sheet as at 17 November 2023

	Book and fair value £000
Non-current assets	
Tangible assets	92
Right-of-use assets	239
Investments	15
Current assets	
Inventories	1,051
Trade and other receivables	748
Cash and cash equivalents	192
Total assets	**2,337**
Current liabilities	
Lease liabilities	(38)
Trade and other payables	(1,180)
Corporation tax	(138)
Non-current liabilities	
Lease liabilities	(199)
Deferred tax	(30)
Total liabilities	**(1,585)**
Net identifiable assets and liabilities	752
Goodwill	1,948
Total net assets acquired	**2,700**
Purchase consideration and costs of acquisition paid in period	**2,700**
Cash acquired	(192)
Purchase consideration net of cash acquired	**2,508**

The business and its trading subsidiary, WLG Limited, were acquired as part of the Group's growth strategy. Significant control was obtained through the acquisition of 100% of the share capital of WLG (Holdings) Limited.

An internal valuation was performed to identify any intangible assets on acquisition per IFRS 3. As a result of this valuation, no material intangible assets were identified.

Immediately prior to acquisition, the business and its trading subsidiary extended its accounting period by one month to 31 October 2023. In this 13-month period immediately prior to acquisition, the consolidated profit after tax was £266,000.

Following acquisition, the business contributed revenue of £3,619,000 and operating profit of £177,000 to the Group for the period to 29 February 2024 at which point the trade and assets of the business and its trading subsidiary were hived up into H.B. Clark & Co (Successors) Limited, with the acquired business continuing within the trade of this Group subsidiary.

Total Foodservice Solutions Limited
On 27 March 2024, the Group acquired the entire share capital of Total Foodservice Solutions Limited for a total consideration of £21,000,000. After recognition of acquired intangible assets and associated deferred tax liabilities, the resulting goodwill of £8,944,000 was capitalised and is subject to annual impairment testing under IAS 36.

The acquisition had the following effect on the Group's assets and liabilities:

Consolidated balance sheet as at 27 March 2024

	Book value £000	Fair value adjustments £000	Fair value £000
Non-current assets			
Tangible assets	3,701	-	3,701
Intangible assets	-	4,489	4,489
Right-of-use assets	1,096	-	1,096
Investments	1	-	1
Current assets			
Inventories	1,791	-	1,791
Trade and other receivables	1,962	-	1,962
Cash and cash equivalents	4,138	-	4,138
Total assets	**12,689**	**4,489**	**17,178**
Current liabilities			
Lease liabilities	(203)	-	(203)
Trade and other payables	(2,360)	-	(2,360)
Corporation tax	(319)	-	(319)
Non-current liabilities			
Lease liabilities	(753)	-	(753)
Deferred tax	(361)	(1,126)	(1,487)
Total liabilities	**(3,996)**	**(1,126)**	**(5,122)**
Net identifiable assets and liabilities	8,693	3,363	12,056
Goodwill			8,944
Total net assets acquired			**21,000**
Purchase consideration and costs of acquisition paid in period			**21,000**
Cash acquired			(4,138)
Purchase consideration net of cash acquired			**16,862**

The business and its dormant subsidiaries were acquired as part of the Group’s growth strategy. Significant control was obtained through the acquisition of 100% of the share capital of Total Foodservice Solutions Limited.

An independent valuation was performed to identify any intangible assets on acquisition per IFRS 3. As a result of this valuation, intangible assets in relation to brand and customer relationships were identified, and recognised, with attributable fair values of

£183,000 and £4,306,000 respectively. The recognition of these intangible assets resulted in deferred tax liabilities of £46,000 for the brand intangible and £1,080,000 for the customer relationships intangible also being recognised at acquisition.

The acquired undertaking made a profit after tax of £957,000 from the beginning of its financial year on 1 May 2023 to the date of acquisition. In its previous financial year, the profit after tax was £1,544,000.

Following acquisition, the business contributed revenue of £14,350,000 and operating profit of £983,000 to the Group for year ended 31 October 2024.

If the business had been acquired at the start of the Group's financial period, being 1 November 2023, it would have added £24,215,000 to Group revenue and £666,000 to Group operating profit for the year ended 31 October 2024.

On acquisition, an assessment was made regarding the fair value of tangible assets which includes a freehold property. The result of an independent assessment was no change to the net book value held in Total Foodservice Solutions Limited's accounts.

Creed Catering Supplies Limited
On 27 September 2024, the Group acquired the entire share capital of Creed Catering Supplies Limited for a total initial consideration of £60,660,000 plus contingent consideration of up to £10,000,000. After recognition of acquired intangible assets and associated deferred tax liabilities, and fair valuation adjustments in accordance with IFRS 3, the resulting goodwill of £36,101,000 was capitalised and is subject to annual impairment testing under IAS 36.

The acquisition had the following effect on the Group's assets and liabilities:

Consolidated balance sheet as at 27 September 2024

	Book value	Fair value adjustments	Fair value
	£000	**£000**	**£000**
Non-current assets			
Tangible assets	5,712	1,461	7,173
Intangible assets	-	22,694	22,694
Right-of-use assets	7,922	-	7,922
Current assets			
Inventories	7,105	-	7,105
Trade and other receivables	16,039	-	16,039
Cash and cash equivalents	7,263	-	7,263
Total assets	**44,041**	**24,155**	**68,196**
Current liabilities			
Lease liabilities	(1,958)	-	(1,958)
Trade and other payables	(18,516)	-	(18,516)
Corporation tax	(939)	-	(939)
Non-current liabilities			
Lease liabilities	(5,964)	-	(5,964)
Deferred tax	(644)	(6,045)	(6,689)
Total liabilities	**(28,021)**	**(6,045)**	**(34,066)**
Net identifiable assets and liabilities	16,020	18,110	34,130
Goodwill			36,102
Total net assets acquired			**70,232**
Initial purchase consideration			60,660
Fair value of contingent consideration at acquisition			9,572
Total purchase consideration			**70,232**
Cash acquired			(7,263)
Fair value of contingent consideration at acquisition			(9,572)

Purchase consideration paid in the period	53,397

The business, and its trading subsidiary Creed Foodservice Limited, were acquired as part of the Group's growth strategy. Significant control was obtained through the acquisition of 100% of the share capital of Creed Catering Supplies Limited.

An independent valuation was performed to identify and intangible assets on acquisition in accordance with IFRS 3. As a result of this valuation, intangible assets in relation to brand and customer relationships were identified, and recognised, with attributable fair values of £2,415,000 and £20,279,000 respectively. The recognition of these intangible assets resulted in deferred tax liabilities of £604,000 for the brand intangible and £5,076,000 for the customer relationships intangible also being recognised at acquisition.

The purchase consideration includes two contingent payments, each for £5,000,000 payable on achievement of pre-determined criteria. The fair value of the contingent consideration has been assessed via an independent valuation in accordance with IFRS 13 as £9,572,000. Post year end a £5,000,000 cash payment has been made to the former shareholders to satisfy the first contingent consideration under the terms of the share purchase agreement following achievement of pre-determined criteria.

The acquired undertakings made a profit after tax of £3,281,000 from the beginning of its financial year on 1 January 2024 to the date of acquisition. In the previous financial year, the profit after tax of the acquired undertakings was £5,943,000**.**

Following acquisition, the business contributed revenue of £13,131,000 and operating profit of £1,058,000 to the Group for the year ended 31 October 2024.

If the business had been acquired at the start of the Group's financial period, being 1 November 2023, it would have added £134,195,000 to Group revenue and £8,027,000 to Group operating profit for year ended 31 October 2024.

On acquisition, an assessment was made regarding the fair value of tangible assets which includes two freehold properties that required a fair valuation adjustment. The result of an independent assessment of the freehold properties was an uplift in value of £1,461,000 to the net book value held in Creed Foodservice Limited's accounts and is reflected in the above table of acquired assets and liabilities. This fair valuation has created a temporary difference with the tax base of the asset resulting in the recognition of a deferred tax liability of £365,000. This value of this liability has been derived using the UK corporation tax rate that is expected to be applicable when the reversal of this timing difference occurs. No further fair valuation adjustments were identified.

3. Segmental information

The following analysis by segment is presented in accordance with IFRS 8 on the basis of those segments whose operating results are regularly reviewed by the Board of Directors (the Chief Operating Decision Maker as defined by IFRS 8) to assess performance and make strategic decisions about allocation of resources.

The Group has the following operating segments defined by products and their associated margins:

- **Ambient**: Provides delivered wholesale of ambient food, drink and tobacco products;
- **Frozen and chilled**: Provides delivered wholesale of frozen and chilled food products;
- **Foodservice**: Provides delivered wholesale of alcohol, frozen, chilled and fresh food to trade customers.

Corporate contains the central functions that are not devolved to the business units.

These segments offer different products and services to different customer types, attracting different margins. They each have separate management teams.

The segments share a commonality in service being delivered wholesale of food and drink products. The Group, therefore, benefits from a range of expertise, cross-selling opportunities and operational synergies in order to run each segment as competitively as possible.

The Group's forward-look strategy is to provide an enhanced customer service by making available the wider Group product range to its existing customer base. As a result, the Board will be assessing the segments based on customer type going forward with the customers in the Ambient and Frozen & Chilled divisions operating in the retail and wholesale channel.

The presentation convention adopted in these financial statements is to show the three operating segments as this is how the Board of Directors has assessed performance during the year.

The following analysis shows how this development will be monitored in future periods whilst demonstrating the link to the existing segmental information.

Each segment is measured on its EBITDA, adjusted for acquisition costs and reconstruction costs, and internal management reports are reviewed monthly by the Board. This performance measure is deemed the most relevant by the Board to evaluate the results of the segments relative to entities operating in the same industry.

FY24	Ambient £000	Frozen & Chilled £000	Retail and Wholesale £000	Foodservice £000	Corporate £000	Total £000
Revenue	204,568	235,511	440,079	223,573	-	**663,652**
Inter-segment revenue	18,463	4,355	22,818	1,242	-	**24,060**

Segment revenue	**223,031**	**239,866**	**462,897**	**224,815**	**-**	**687,712**
Segment gross profit	**31,613**	**52,353**	**83,966**	**63,854**	**-**	**147,820**
Adjusted EBITDA*	**13,125**	**15,215**	**28,340**	**22,797**	**(5,908)**	**45,229**
Amortisation of intangibles	-	(74)	(74)	(6)	(50)	**(130)**
Depreciation	(2,010)	(4,781)	(6,791)	(4,118)	(159)	**(11,068)**
Adjusted operating profit*	**11,115**	**10,360**	**21,475**	**18,673**	**(6,117)**	**34,031**
Group management charge	(1,968)	(2,051)	(4,019)	(2,751)	6,770	-
Amortisation of intangible assets arising on acquisition			-	-	(1,397)	**(1,397)**
Acquisition expense	-	-	-	(447)	(1,706)	**(2,153)**
Compensation for post combination services	-	(324)	(324)	-	-	**(324)**
Share based payment expense	-	-	-	-	(1,244)	**(1,244)**
Restructuring costs	-	(103)	(103)	(6)	-	**(109)**
Interest expense	(1,099)	(1,948)	(3,047)	(1,204)	2,025	**(6,276)**
Segment profit/(loss) before tax	**8,048**	**5,934**	**13,982**	**14,265**	**(5,719)**	**22,528**
Segment assets	49,876	61,691	111,567	111,927	135,792	**359,286**
Segment liabilities	(37,363)	(58,531)	(95,894)	(79,212)	(59,635)	**(234,741)**
Segment net assets	**12,513**	**3,160**	**15,673**	**32,715**	**76,157**	**124,545**

Within Corporate segment assets is £115,717,000 of goodwill on consolidation. This is allocated to the trading segments as follows (see note 11 for further information):

Goodwill by segment	**13,516**	**12,539**	**26,055**	**79,662**	**-**	**105,717**

*For more information on alternative performance measures please see the glossary at the end of the announcement.

FY23	**Ambient £000**	**Frozen & Chilled £000**	**Retail and Wholesale £000**	**Foodservice £000**	**Corporate £000**	**Total £000**
Revenue	207,195	216,399	423,594	178,626	-	**602,220**
Inter-segment revenue	15,561	3,392	18,953	625	-	**19,578**
Segment revenue	**222,756**	**219,791**	**442,547**	**179,251**	**-**	**621,798**
Segment gross profit	**30,862**	**49,037**	**79,899**	**52,226**	**-**	**132,125**
Adjusted EBITDA*	**12,291**	**14,115**	**26,406**	**20,030**	**(5,295)**	**41,141**
Amortisation of intangibles	-	(80)	(80)	(6)	(47)	**(133)**
Depreciation	(1,773)	(4,130)	(5,903)	(2,995)	(94)	**(8,992)**
Adjusted operating profit*	**10,518**	**9,905**	**20,423**	**17,029**	**(5,436)**	**32,016**
Group management charge	(1,230)	(840)	(2,070)	(1,750)	3,820	-
Amortisation of intangible assets arising on acquisition	-	-	-	-	(842)	**(842)**

Acquisition expense	-	-	-	-	(648)	**(648)**
Compensation for post combination services	-	(199)	(199)	-	-	**(199)**
Share based payment expense	-	-	-	-	(964))	**(964)**
Interest expense	(918)	(1,344)	(2,262)	(689)	(1,554)	**(4,505)**
Segment profit before tax	**8,370**	**7,522**	**15,892**	**14,590**	**(5,624)**	**24,858**
Segment assets	43,697	56,373	100,070	44,586	64,929	**209,585**
Segment liabilities	(28,380)	(45,691)	(74,071)	(29,288)	(21,781)	**(125,140)**
Segment net assets	**15,317**	**10,682**	**25,999**	**15,298**	**43,148**	**84,445**

Within Corporate segment assets is £58,680,000 of goodwill on consolidation. This is allocated to the trading segments as follows (see note 11 for further information):

Goodwill by segment	**13,516**	**12,499**	**26,015**	**32,665**	**-**	**58,680**

*For more information on alternative performance measures please see the glossary at the end of the announcement.

An analysis of revenue by destination is given below:

Geographical information	FY24 £000	FY23 £000
United Kingdom	659,833	597,292
Overseas	3,819	4,928
Group revenue	**663,652**	**602,220**

No one customer accounts for more than 8% (FY23: 9%) of Group revenue.

4. Other operating income

	FY24 £000	FY23 £000
Net gain on disposal of fixed assets	**573**	179
Net gain on remeasurement of right-of-use assets and lease liabilities	**30**	4
	603	183

5. Expenses

	FY24 £000	FY23 £000
Included in profit/loss are the following:		
Depreciation of tangible assets		
Owned	3,052	2,253
Right-of-use assets	8,016	6,739
Amortisation of intangible assets	1,527	975
Expense relating to short term and low value assets	2,155	1,992
Impairment loss on trade receivables	-	675

The Group incurred a number of expenses not relating to the principal trading activities of the Group as follows:

	FY24 £000	FY23 £000
Exceptional expenses		
Acquisition expenses	**2,153**	648
Compensation for post combination services	**324**	199

Restructuring expenses	**109**	-
Total exceptional expenses	**2,586**	847
Share based payment expense	**1,244**	964
Total exceptional expenses and share based payments	**3,830**	1,811

The Board consider the exceptional items to be non-recurring in nature. Both exceptional and share-based payment expenses are adjusted for in the statement of profit and loss to arrive at the adjusted EBITDA. This measure provides the Board with a better understanding of the Group's operating performance.

Acquisition expenses in both periods include the legal and professional fees connected to the acquisition of WLG (Holdings) Limited, Total Foodservice Solutions Limited and Creed Catering Supplies Limited in the current year and Westcountry Food Holdings Limited in the prior year.

Compensation for post-combination services relates to the value of a liability in connection with the acquisition of the remaining share capital of Central Supplies (Brierley Hill) Ltd. This option is subject to an agreement to acquire, which can now be exercised at any time. During the year, this option was part exercised, with the Group purchasing 2% of the remaining share capital for £424,000.

Share-based payments relate to the MIP and LTIP and are non-cash expenses. For further information see note 22.

Auditor's remuneration:

	FY24 £000	**FY23 £000**
Audit of these financial statements	**105**	51
Amounts receivable by auditors and their associates in respect of:		
Audit of financial statements of subsidiaries of the Company	**488**	364
Other assurance services	**6**	5

In the current and prior years, audit and non-audit fees were paid to Grant Thornton UK LLP. In addition to the fee disclosed above, direct disbursements were paid to Grant Thornton UK LLP of £11,000 (FY23: £9,000).

6. Staff numbers and costs

The average number of persons employed by the Group (including Directors) during the year is analysed as follows:

	FY24	**FY23**
Management and administration	**261**	227
Sales	**282**	241
Warehouse	**528**	533
Distribution	**606**	508
Directors	**2**	3
	1,679	1,512

The aggregate payroll costs of these persons were as follows;

	FY24 £000	**FY23 £000**
Wages and salaries	**57,021**	49,475
Social security costs	**5,715**	4,790
Other pension costs (note 21)	**2,004**	1,066
	64,740	55,331

Staff costs accruing in the Group total £1,244,000 (FY23: £964,000) in relation to the Management Incentive Plan and Long-Term incentive plan, see note 22 for further details.

7. Directors' remuneration

Included within staff costs (note 6) are the following amounts in respect of Directors' emoluments

	FY24 £000	**FY23 £000**

Directors' emoluments	**1,123**	1,164
Company contribution to personal pension scheme	**11**	15
	1,134	1,179

Retirement benefits are accruing to two Directors under money purchase pension schemes (FY23: three)

Amount accrued under the MIP for the two Directors was £863,000 (FY23: £863,000). Amount accrued under the LTIP schemes for the two Directors was £177,000 (FY23: £40,000)

A detailed breakdown of the Director's total emoluments is included within the Remuneration Committee report.

	FY24 £000	**FY23 £000**
Highest paid Director		
Directors' emoluments	**418**	389
Company contribution to personal pension scheme	**1**	7
	419	396

8. Finance income and expense

	FY24 £000	**FY23 £000**
Interest payable and similar charges		
Interest payable on bank loans and invoice discount facilities	**4,024**	2,842
Finance charges payable in respect of leases	**2,167**	1,656
Other interest	**85**	7
	6,276	4,505

Included in the above is £371,000 of interest accrued not paid as at 31 October 2024 in relating to the Revolving Credit Facility (FY23: £257,000).

Other interest includes £42,000 (FY23: £nil) of interest on contingent consideration in relation to the acquisition of Creed Catering Supplies Limited in accordance with IFRS 3, which is a non-cash interest cost.

9. Taxation

	FY24 £000	**FY23 £000**
UK corporation tax		
Current tax charge on income for the year	**5,847**	6,193
Adjustment in respect of prior periods	**(99)**	(39)
Total current tax	**5,748**	6,154
Deferred tax (see note 20)		
Reversal of timing differences	**(98)**	(290)
Adjustment in respect of prior periods	**160**	38
Total deferred tax charge / (credit)	**62**	(252)
Tax charge on profit on ordinary activities	**5,810**	5,902

	FY24 £000	**FY23 £000**
Current tax reconciliation		
Profit on ordinary activities after tax	**16,718**	18,956
Tax charge	**5,810**	5,902

Profit on ordinary activities before tax	**22,528**	24,858
Tax using the UK corporation tax of 25% (FY23: 23%)	**5,632**	5,631
Effect of:		
Expenses not deductible for tax purposes	**674**	455
Fixed asset differences	**(415)**	46
Income not taxable	**(13)**	(27)
Adjustments in respect of prior periods – current tax	**(156)**	(39)
Adjustment in respect of prior period – deferred tax	**160**	38
Share based payment	**(290)**	(217)
Other tax adjustments	**218**	15
Total current tax charge	**5,810**	5,902

The corporate tax rate increased from 19% to 25% on 1 April 2023. There are no known changes planned for the rate of UK corporate tax.

The deferred tax liability at 31 October 2024 has been calculated based on the 25% UK corporate tax rate, reflecting the expected timing of reversal of the related timing differences (FY23: 25%).

10. Earnings per share

Basic earnings per share
Basic earnings per share for the year ended 31 October 2024, and the previous year ended 31 October 2023 is calculated by dividing profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during each period as calculated below.

Diluted earnings per share
Diluted earnings per share for the year ended 31 October 2024, and previous year ended 31 October 2023 is calculated by dividing profit attributable to ordinary shareholders by the weighted average number of ordinary shares, adjusted for the effects of all dilutive potential ordinary shares, in this case issued equity warrants, outstanding during each period as calculated below.

Profit attributable to ordinary shareholders

	FY24 £000	**FY23 £000**
Profit attributable to all shareholders	**16,718**	18,956
	pence	pence
Basic earnings per ordinary share	**23.5**	27.1
Diluted earnings per ordinary shares	**22.5**	26.0
Weighted average number of ordinary shares		
	FY24	FY23
	Number	Number
Weighted average number of ordinary shares (basic) during the year	**71,034,498**	70,000,000
Weighted average number of ordinary shares (diluted) during the year	**74,453,758**	73,047,991

The following Alternative Performance Measure ("APM") for earnings per share is not defined or specified under the requirements of International Financial Reporting Standards. The Board believes that this APM provides the readers with important additional information regarding the earnings per share performance of the Group:

Basic underlying earnings per share
Profit attributable to the equity holders of the Group prior to exceptional items and share-based payments through the consolidated statement of profit and loss, divided by the weighted average number of ordinary shares during the financial year.

Profit attributable to ordinary shareholders

	FY24 £000	FY23 £000
Profit attributable to all shareholders	**16,718**	18,956
Exceptional and share based payment expenses net of tax*	**4,559**	2,248
Underlying profit attributable to ordinary shareholders	**21,277**	21,204
	pence	pence
Basic underlying earnings per ordinary share	**30.0**	30.3

*Exceptional expenses include restructuring fees, acquisition costs, compensation for post-combination services and amortisation of acquired intangibles, which are deemed to be non-operating costs. For full details of exceptional and share-based payment expenses, see note 5.

11. Intangible assets

Group	**Acquired intangibles £000**	**Intangible assets £000**	**Goodwill £000**	**Total £000**
Cost				
Balance at 1 November 2022	-	1,130	49,854	**50,984**
Additions	-	124	-	**124**
Recognised through business combinations	4,992	-	14,338	**19,330**
Balance at 31 October 2023	**4,992**	**1,254**	**64,192**	**70,438**
Amortisation				
Balance at 1 November 2022	-	393	5,512	**5,905**
Charge in year	842	133	-	**975**
Balance at 31 October 2023	**842**	**526**	**5,512**	**6,880**
Net book value				
At 31 October 2023	**4,150**	**728**	**58,680**	**63,558**
At 31 October 2022	**-**	**737**	**44,342**	**45,079**

Group	**Acquired intangibles £000**	**Intangible assets £000**	**Goodwill £000**	**Total £000**
Cost				
Balance at 1 November 2023	4,992	1,254	64,192	**70,438**
Additions	-	20	-	**20**
Recognised through business combinations	27,183	-	47,037	**74,220**
Balance at 31 October 2024	**32,175**	**1,274**	**111,229**	**144,678**
Amortisation				
Balance at 1 November 2023	842	526	5,512	**6,880**
Charge in year	1,397	130	-	**1,527**
Balance at 31 October 2024	**2,239**	**656**	**5,512**	**8,407**
Net book value				

At 31 October 2024	**29,936**	**618**	**105,717**	**136,271**
At 31 October 2023	**4,150**	**728**	**58,680**	**63,558**

Included in acquired intangibles are customer relationships with a net book value of £27,430,000 (2023: £4,009,000) and brands with a net book value of £2,506,000 (2023: 141,000). At the year ended 31 October 2023 both the customer relationship and brand acquired intangibles relate to the acquisition of Westcountry Food Holdings Limited. No intangibles have been recognised in respect to acquisitions in the periods prior to the financial year ended 31 October 2023.

Impairment testing

Goodwill arising on business combinations is assessed separately under IFRS 3 in the period of acquisition. Each acquisition provides the Group with an additional CGUs.

The Group allocates goodwill to groups of CGUs based on their operating segment as set out in note 3 as they leverage and share from each other's operational infrastructure, centrally negotiate supplier terms and cross-sell products to the Group's wider customer base. The operating segments therefore represent the lowest level at which goodwill is monitored by the Board.

Goodwill has been assessed as follows:

	2024 £000	2023 £000
Ambient	**13,516**	13,516
Frozen & Chilled	**12,539**	12,499
Foodservice	**79,662**	32,665
	105,717	58,680

Under IAS 36 the Group is required to test goodwill for impairment at least annually or more frequently if indicators of impairment exist. The recoverable amount of a CGU has been calculated with reference to its value in use, using financial forecasts approved by the Board covering a four-year period with the final period taken into perpetuity.

The key assumptions of this calculation are shown below:

	2024	2023
Period forecasts are based on:	**4 years**	4 years
Growth rate applied:	**2%**	2%
Discount rate applied:	**11.47%**	11.58%

Impairment testing at 31 October 2024 has considered cost inflation and its potential impact on demand and overhead costs of the CGUs. The Directors believe there is no reasonable prospect of a reduction in demand as a result of product price inflation that would result in a material impairment.

A 2% growth rate assumption has been made on the terminal value in the impairment calculation. There is a demonstrable link between consumer spending on food and drink and GDP trends. The Group has demonstrated year-on-year growth, with existing operations delivering 5.0% revenue growth in FY24.

The discount rate is per the Group's current weighted average cost of capital adjusted to reflect the pre-tax rate at 25% corporation tax, a risk premium and leverage ratio from comparable listed entities in order to reflect a market participant discount rate in line with IAS 36.

A specific risk premium has not been applied to each CGU as they all operate in the wholesale of food and drinks materially within the UK and are therefore exposed to the same macroeconomic risks. This would be reassessed if the discount rate indicated potential impairment of any individual CGU.

The reduction in the discount rate from prior year is due to the reduction in the risk-free rate and the cost of debt as the interest rates have reduced in the year. Additionally, the change in the market participant capital structure, with an increase in debt as a proportion of debt and equity, has reduced the discount rate.

Other than changes to the discount or growth rate the key assumption in the forecast model is the gross margin generated by each CGU. The sensitivities vary by CGU but no reasonable sensitivity would result in impairment on any CGU.

Each of the CGUs has significant headroom under the annual impairment review. The Directors believe that no reasonable change in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

12. Tangible assets

Group	Freehold property	Leasehold improvements	Fixtures & fittings	Motor vehicles	Plant & machinery	Total

	£000	£000	£000	£000	£000	£000
Cost						
Balance at 1 November 2022	5,725	2,246	6,178	2,261	8,572	24,982
Additions	95	271	772	1,459	1,191	3,788
Disposals	-	(40)	(113)	(167)	(49)	(369)
Transferred from Right-of-use assets	-	673	-	778	-	1,451
Acquired through business combinations	1,270	-	135	186	247	1,838
Balance at 31 October 2023	**7,090**	**3,150**	**6,972**	**4,517**	**9,961**	**31,690**
Depreciation						
Balance at 1 November 2022	212	1,014	4,544	1,155	5,020	11,945
Charge in year	171	171	558	624	729	2,253
Disposals	-	-	(88)	(59)	(4)	(151)
Transferred from right-of-use assets	-	359	-	670	-	1,029
Balance at 31 October 2023	**383**	**1,544**	**5,014**	**2,390**	**5,745**	**15,076**
Net book value						
At 31 October 2023	**6,707**	**1,606**	**1,958**	**2,127**	**4,216**	**16,614**
At 31 October 2022	**5,513**	**1,232**	**1,634**	**1,106**	**3,552**	**13,037**

Group	**Freehold property**	**Leasehold improvements**	**Fixtures & fittings**	**Motor vehicles**	**Plant & machinery**	**Total**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**
Cost						
Balance at 1 November 2023	7,090	3,150	6,972	4,517	9,961	**31,690**
Additions	281	1,841	906	967	3,260	**7,255**
Disposals	(2,801)	(30)	(1,649)	(2,136)	(4,720)	**(11,336)**
Transferred from Right-of-use	-	-	-	337	98	**435**
Acquired through business combinations	7,083	147	196	1,534	2,007	**10,967**
Balance at 31 October 2024	**11,653**	**5,108**	**6,425**	**5,219**	**10,606**	**39,011**
Depreciation						
Balance at 1 November 2023	383	1,544	5,014	2,390	5,745	**15,076**
Charge in year	180	314	625	937	996	**3,052**
Disposals	(273)	(30)	(1,643)	(1,849)	(4,622)	**(8,417)**
Transferred from right-of-use	-	-	-	141	63	**204**

Balance at 31 October 2024	**290**	**1,828**	**3,996**	**1,619**	**2,182**	**9,915**
Net book value						
At 31 October 2024	**11,363**	**3,280**	**2,429**	**3,600**	**8,424**	**29,096**
At 31 October 2023	**6,707**	**1,606**	**1,958**	**2,127**	**4,216**	**16,614**

13. Right-of-use assets

Group	**Leasehold property £000**	**Motor vehicles £000**	**Plant & Machinery £000**	**Total £000**
Cost				
Balance at 1 November 2022	24,212	16,125	2,510	**42,847**
Additions	1,922	7,704	402	**10,028**
Transferred to tangible assets	(673)	(778)	-	**(1,451)**
Disposals	(683)	(2,131)	(692)	**(3,506)**
Loss on remeasurement	(133)	(167)	(36)	**(336)**
Acquired through business combinations	242	307	20	**569**
Balance at 31 October 2023	**24,887**	**21,060**	**2,204**	**48,151**
Depreciation				
Balance at 1 November 2022	5,672	9,567	1,156	**16,395**
Charge in year	2,113	4,161	465	**6,739**
Transferred to tangible assets	(359)	(670)	-	**(1,029)**
Disposals	(683)	(2,055)	(692)	**(3,430)**
Loss on remeasurement	(107)	(111)	(22)	**(240)**
At 31 October 2023	**6,636**	**10,892**	**907**	**18,435**
Net book value				
At 31 October 2023	**18,251**	**10,168**	**1,297**	**29,716**
At 31 October 2022	**18,540**	**6,558**	**1,354**	**26,452**

Group	**Leasehold property £000**	**Motor vehicles £000**	**Plant & Machinery £000**	**Total £000**
Cost				
Balance at 1 November 2023	24,887	21,060	2,204	**48,151**
Additions	6,919	12,951	542	**20,412**
Transferred to tangible assets	-	(337)	(98)	**(435)**
Disposals	(277)	(4,058)	(256)	**(4,591)**
Loss on remeasurement	(469)	(38)	-	**(507)**
Acquired through business combinations	2,116	6,936	208	**9,260**
Balance at 31 October 2024	**33,176**	**36,514**	**2,600**	**72,290**
Depreciation				
Balance at 1 November 2023	6,636	10,892	907	**18,435**
Charge in year	2,105	5,494	417	**8,016**
Transferred to tangible assets	-	(141)	(63)	**(204)**
Disposals	(277)	(4,038)	(256)	**(4,571)**
Loss on remeasurement	(235)	(20)	-	**(255)**
Balance at 31 October 2024	**8,229**	**12,187**	**1,005**	**21,421**
Net book value				

At 31 October 2024	**24,947**	**24,327**	**1,595**	**50,869**
At 31 October 2023	**18,251**	**10,168**	**1,297**	**29,716**

14. Investments

Group	Unlisted investments	
	2024 **£000**	**2023** **£000**
Cost and net book value		
At beginning of year	**45**	35
Additions	**-**	3
Acquired on business combinations	**16**	7
Disposals	**(19)**	-
At end of year	**42**	45

Company	Shares in Group undertakings	
	2024 **£000**	**2023** **£000**
Cost and net book value		
At beginning and end of year	**12,993**	12,993

The Company has the following investments in subsidiaries

Subsidiary undertaking	**Country of incorporation**	**Class of shares held**	**Ownership 2024**	**Ownership 2023**
Kitwave Investments Limited	UK	Ordinary	100%	100%
Kitwave One Limited*	UK	Ordinary	100%	100%
Kitwave Limited*	UK	Ordinary	100%	100%
M&M Value Limited*	UK	Ordinary	100%	100%
Turner & Wrights Limited*	UK	Ordinary	100%	100%
FW Bishop & Son Limited*	UK	Ordinary	100%	100%
Westone Wholesale Limited*	UK	Ordinary	100%	100%
Automatic Retailing (Northern) Limited*	UK	Ordinary	100%	100%
Teatime Tasties Limited*	UK	Ordinary	100%	100%
TG Foods Limited*	UK	Ordinary	100%	100%
Eden Farm Limited*	UK	Ordinary	100%	100%
Squirrels UK Limited*	UK	Ordinary	100%	100%
Thurston’s Food’s Limited*	UK	Ordinary	100%	100%
David Miller Frozen Foods Limited*	UK	Ordinary	100%	100%
HB Clark Holdings Limited*	UK	Ordinary	100%	100%
HB Clark & Co (Successors) Limited*	UK	Ordinary	100%	100%
Clarks Fine Wines Limited*	UK	Ordinary	100%	100%
FAM Soft Drinks Limited*	UK	Ordinary	100%	100%
Central Supplies (Brierley Hill) Ltd	UK	Ordinary	97%	95%
M.J. Baker Foodservice Limited	UK	Ordinary	100%	100%
Westcountry Food Holdings Limited*	UK	Ordinary	100%	100%
Westcountry Fruit Sales Limited*	UK	Ordinary	100%	100%
WLG Holdings Limited*	UK	Ordinary	100%	0%
WLG Limited*	UK	Ordinary	100%	0%
Total Foodservice Solutions Limited*	UK	Ordinary	100%	0%
Nextbuy Limited*	UK	Ordinary	100%	0%

Fred Lawson (Clitheroe) Limited*	UK	Ordinary	100%	0%
Opaledge Limited*	UK	Ordinary	100%	0%
Howarth Foodservice Limited*	UK	Ordinary	100%	0%
Creed Catering Supplies Limited*	UK	Ordinary	100%	0%
Creed Foodservice Limited*	UK	Ordinary	100%	0%
Andersons (Wholesale) Limited**	UK	Ordinary	0%	100%
Angelbell Limited**	UK	Ordinary	0%	100%
Phoenix Fine Foods Limited**	UK	Ordinary	0%	100%
MAS Frozen Foods Limited**	UK	Ordinary	0%	100%
Supplytech Limited**	UK	Ordinary	0%	100%
Churnet Valley Drinks Limited**	UK	Ordinary	0%	100%
Thorne Licence Wholesale Limited**	UK	Ordinary	0%	100%
Alpine Fine Foods Limited**	UK	Ordinary	0%	100%
Veggies & More Limited *	UK	Ordinary	0%	100%
Westcountry Fine Foods Limited*	UK	Ordinary	0%	100%

*held indirectly through Kitwave Investments Limited and its subsidiaries.
**relates to dormant entities voluntarily struck off the companies register during the year that were previously held indirectly through Kitwave Investments Limited and its subsidiaries.

The registered office of all the above companies is: Unit S3 Narvik Way, Tyne Tunnel Trading Estate, North Shields, Tyne and Wear, NE29 7XJ.

15. Inventories

	Group		Company	
	2024 £000	**2023 £000**	**2024 £000**	**2023 £000**
Goods for resale	47,749	35,410	-	-
	47,749	35,410	**-**	-

Goods for resale recognised as cost of sales in the year amount to £515,832,000 (FY23: £470,095,000).

16. Trade and other receivables

	Group		Company	
	2024 £000	**2023 £000**	**2024 £000**	**2023 £000**
Trade receivables	**70,888**	50,985	**-**	-
Amounts owed by Group undertakings	**-**	-	**93,188**	59,958
Other debtors	**1,569**	1,383	**-**	-
Prepayments and accrued income	**18,665**	11,201	**71**	75
	91,122	63,569	**93,259**	60,033
Due within one year	**90,250**	62,692	**93,259**	60,033
Due after more than one year	**872**	877	**-**	-
	91,122	63,569	**93,259**	60,033

£22,301,000 (2023: £7,539,000) of Group trade receivables are used as security against invoice discounting advances (note 19).

17. Cash and cash equivalents

	Group		Company	
	2024	**2023**	**2024**	**2023**

	£000	£000	£000	£000
Cash at bank and in hand	**4,137**	673	**259**	3
Cash and cash equivalents	**4,137**	673	**259**	3

18. Trade and other payables: amounts falling due within one year

	Group		Company	
	2024	**2023**	**2024**	**2023**
	£000	**£000**	**£000**	**£000**
Trade payables	**69,520**	45,679	**-**	-
Other creditors	**10,514**	6,773	**-**	-
Contingent consideration	**9,614**	-	**-**	-
Accruals	**12,435**	11,144	**101**	57
Amounts owed to Group undertakings	**-**	-	**37**	37
	102,083	63,596	**138**	94

19. Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Group's loans and borrowings. For more information about the Group's exposure to interest rate and foreign currency risk, see note 25.

	Group		Company	
	2024	**2023**	**2024**	**2023**
Non-current liabilities	**£000**	**£000**	**£000**	**£000**
Lease liabilities	**43,323**	26,267	-	-
Revolving Credit Facility	**40,000**	20,000	-	-
	83,323	46,267	-	-

	Group		Company	
	2024	**2023**	**2024**	**2023**
Current liabilities	**£000**	**£000**	**£000**	**£000**
Lease liabilities	**10,244**	6,402	-	-
Invoice discounting advances	**20,071**	6,405	-	-
Trade loan	**7,750**	-	-	-
	38,065	12,807	-	-

	Group		Company	
	2024	**2023**	**2024**	**2023**
Lease liabilities	**£000**	**£000**	**£000**	**£000**
Lease liabilities payable as follows:				
Within one year	**10,244**	6,402	-	-
In the second to fifth years	**26,051**	14,106	-	-
Over five years	**17,272**	12,161	-	-
	53,567	32,669	-	-

Terms and debt repayment schedule

	Currency	**Nominal interest rate**	**Year of maturity**	**2024 Face value £000**	**2024 Carrying value £000**	**2023 Face value £000**	**2023 Carrying value £000**
Lease liabilities	Sterling	4.0% -11.0%	2024-2041	**68,682**	**53,567**	41,333	32,669
Invoice discounting advances	Sterling	1.75% + Base	2028	**20,071**	**20,071**	6,405	6,405

Bank trade loans	Sterling	2.65% + Base	2025	**7,750**	**7,750**	-	-
Revolving Credit Facility	Sterling	2.40% + SONIA	2028	**40,000**	**40,000**	20,000	20,000
				136,503	**121,388**	67,738	59,074

Changes in liabilities from financing activities	**Loans and borrowings**	**Lease liabilities**	**Total**
	£000	**£000**	**£000**
Total debt at 31 October 2022	**20,354**	**28,749**	**49,103**
Changes from financing cash flows			
Repayment of borrowings	(13,949)	-	**(13,949)**
Payment of lease liabilities	-	(6,555)	**(6,555)**
Interest paid	(2,585)	(1,656)	**(4,241)**
Total changes from financing cash flows	**(16,534)**	**(8,211)**	**(24,745)**
Other changes			
New borrowing	20,000	10,025	**30,025**
Interest expense	2,585	1,656	**4,241**
Remeasurement of lease liabilities	-	(99)	**(99)**
Added through business combination	-	549	**549**
Total other changes	**22,585**	**12,131**	**34,716**
Total debt at 31 October 2023	**26,405**	**32,669**	**59,074**
Changes from financing cash flows			
Repayment of borrowings	-	-	**-**
Payment of lease liabilities	-	(8,327)	**(8,327)**
Interest paid	(4,024)	(2,167)	**(6,191)**
Total changes from financing cash flows	**(4,024)**	**(10,494)**	**(14,518)**
Other changes			
New borrowing	41,416	20,393	**61,809**
Interest expense	3,911	2,167	**6,078**
Interest included in accruals at year end	113	-	**113**
Remeasurement of lease liability	-	(282)	**(282)**
Added through business combinations	-	9,114	**9,114**
Total other changes	**45,440**	**31,392**	**76,832**
Total debt at 31 October 2024	**67,821**	**53,567**	**121,388**

All borrowings are denominated in Sterling.

Bank trade loans are secured by means of debenture and cross guarantees over the assets of all Group undertakings. These are generally repayable within 35 days of drawdown and form an integral part of the Group's day to day short term cash management.

Receipts and payments from trade loans are disclosed on a net basis in the cash flow statement under IAS 7 22(b) on the basis they are short maturity.

The invoice discounting advances are secured against trade receivables (note 16). These are repayable within 90 days of the date of the invoice and carry interest at a margin of 1.75%. This is a committed facility due to expire September 2028 and the Group has an option to extend this by one year to September 2029.

Under this arrangement trade customers remit cash directly to the Group companies and the Group companies use the trade receivables as security to draw down funds from finance providers. Cash receipts and cash payments with the finance provider are disclosed on a net basis in the cashflow statement as allowed under IAS 7 22(b) on the basis that they are short maturity.

An extended £40,000,000 Revolving Credit Facility ("RCF") was entered into in September 2024 as part of the funding for the Creed Catering Supplies Limited acquisition. The permitted use of the RCF is to fund acquisitions and it is not part of the Group's working capital finance. The facility is in place until September 2028 and the Group has an option to extend this by one year to September 2029. The interest margin is based on leverage and at the year end the interest margin was 2.40% over SONIA.

The Bank trade loans, invoice discounting and RCF advances rank pari passu and without preference between them in priority of payment.

20. Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Group

	Assets		Liabilities	
	2024	**2023**	**2024**	**2023**
	£000	**£000**	**£000**	**£000**
Property, plant and equipment	**125**	208	**(2,911)**	(1,224)
Intangible assets arising on acquisition	**-**	-	**(7,859)**	(1,477)
Tax value of loss carry forwards	**-**	-	**(342)**	-
Share based payment expense	**804**	514	-	-
IFRS 16 timing differences	**40**	103	-	-
Tax assets / (liabilities)	**969**	825	**(11,112)**	(2,701)

Movement in deferred tax during the period:

Group

	31 October 2023	**Amounts arising from business combinations**	**Recognised in income**	**31 October 2024**
	£000	**£000**	**£000**	**£000**
Property, plant and equipment	(1,244)	(910)	(862)	**(2,786)**
Intangible assets arising on acquisition	(1,477)	(7,171)	789	**(7,859)**
Capital gains	-	(124)	(218)	**(342)**
Share based payment expense	514	-	290	**804**
IFRS 16 timing differences	101	-	(61)	**40**
Tax liabilities	**(1,876)**	**(8,205)**	**(62)**	**(10,143)**

Company

	Assets		Liabilities	
	2024 £000	**2023 £000**	**2024 £000**	**2023 £000**
Share based payment expense	**804**	514	-	-
Tax assets	**804**	514	**-**	**-**

Company

Movement in deferred tax during the period:

	31 October 2023	**Amounts arising from business combinations**	**Recognised in income**	**31 October 2024**
	£000	**£000**	**£000**	**£000**
Share based payment	514	-	290	804
Tax assets	**514**	**-**	**290**	**804**

21. Employee benefits

Defined contribution plans

The Group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Group to the scheme and to other personal pensions schemes and amounted to £2,004,000 (FY23: £1,066,000).

22. Employee share schemes

The Group has in place a MIP and a LTIP scheme whereby the options are expected to be equity-settled. The charge for the year in respect of the schemes, excluding NIC costs in relation to the LTIP scheme for which there has been two awards as follows:

	2024 £000	2023 £000
MIP	**863**	863
LTIP	**335**	89
	1,198	952

The MIP is accounted for as a share-based payment under IFRS 2 and is capable of being settled by the delivery of Company shares to the participants upon exercise of the MIP put option.

Group and Company	Date of grant	Employees entitled	Number of shares granted	Principal vesting conditions	Contractual life
Management Incentive Plan	July 2021	Selected senior employees	Nil	Service during vesting period EPS performance hurdle Market capitalisation hurdle	3 years, 6 months
Long term Incentive Plan 2023	March 2023	Selected senior employees	Nil	Service during vesting period EPS performance hurdle Total Shareholder return hurdle	3 years,
Long term Incentive Plan 2024	March 2024	Selected senior employees	Nil	Service during vesting period EPS performance hurdle Total Shareholder Return hurdle	3 years

MIP	2024 Weighted average exercise price £	2024 Number of options	2023 Weighted average exercise price £	2023 Number of options
Outstanding at the beginning of the year	-	10,000	-	10,000
Granted during the year	-	-	-	-
Outstanding at the end of the year	**-**	**10,000**	**-**	**10,000**

Under the MIP, Growth shares were issued in Kitwave Limited with a subscription price of £5.24 per option paid on subscription. The 10,000 growth shares in Kitwave Limited are exchangeable for shares in the Company subject to achieving the principal vesting conditions. The maximum number of Company shares that are currently exchangeable under the MIP based on the Company's issued share capital as at the balance sheet date is 3,217,559.

LTIP 2023	2024 Weighted average exercise price £	2024 Number of options	2023 Weighted average exercise price £	2023 Number of option
Outstanding at the beginning of the year	-	225,000	-	-
Granted during the year	-	-	-	225,000
Outstanding at the end of the year	**-**	**225,000**	**-**	**-**

LTIP 2024	2024 Weighted average exercise price £	2024 Number of options	2023 Weighted average exercise price £	2023 Number of option

Outstanding at the beginning of the year	-	-	-	-
Granted during the year	-	338,000	-	-
Outstanding at the end of the year	**-**	**338,000**	**-**	**-**

Under both the LTIP schemes, the participants are offered the opportunity to acquire shares in Kitwave Group plc at nil cost subject to achieving the principal vesting conditions.

The LTIP scheme granted in 2024 has a three-year performance period ending March 2027. The scheme comprises two separate conditions for awarding shares: one for achieving an earnings per share ("EPS") hurdle; and the other is for achieving a total shareholder return ("TSR") hurdle. The share price at grant date was 353 pence. The risk-free rate adopted was 4% being the ten-year UK government bond yield at grant date. Volatility based on the Group's daily share price volatility was 36%. Adopting a Monte Carlo option valuation model the grant date fair value of the EPS hurdle award was 355 pence and the grant date fair value of the TSR award was 112 pence.

The LTIP schemes have incurred an expense under employee expenses of £381,000 (FY23: £101,000). Of this expenditure, £335,000 has been taken to the share-based payment reserve, the other £46,000 representing an accrual of employer NIC on the value of the options has been recognised through the statement of profit and loss.

The share-based payment reserve represents the accumulation of the cost of the MIP and LTIP in accordance with the treatment of equity-settled share-based payment expense under IFRS 2. As at 31 October 2024, the balance on this reserve is £3,240,000 (2023: £2,042,000).

23. Called up share capital

Group and Company	**2024 £000**	**2023 £000**
Authorised, called up and fully paid		
80,438,979 (2023: 70,000,000) ordinary shares of £0.01 each	804	700
	804	700

Share premium
The share premium account increased by £31,563,000 representing the premium paid on the new shares issued over their nominal value. Under IAS 32 the transaction costs associated with the issuance of new equity of the Company have been deducted from the share premium account, being a total of £1,561,000.

24. Contingent liabilities

Group bank borrowings (including invoice discounting advances) are subject to cross guarantee and debenture agreements over Group companies.

The Company is party to a cross guarantee and debenture agreement to secure the £20,071,000 (2023: £6,405,000) bank borrowings of its subsidiary companies.

25. Financial Instruments

25 (a) Fair values of financial instruments

The carrying value of all financial assets and financial liabilities by class, are shown below. The carrying value is in line with each asset and liability's fair value:

Group

	2024 £000	**2023 £000**
Financial assets that are debt instruments held at amortised cost		
Trade receivables	**70,888**	50,985
Cash and cash equivalents	**4,137**	673
	75,025	51,658
Financial liabilities measured at fair value through the statement of profit and loss		
Contingent consideration	**9,614**	-
	9,614	-
Financial liabilities measured at amortised cost		
Trade payables	**69,520**	45,679

Accruals	**12,435**	11,144
Invoice discounting advances	**20,071**	6,405
Trade loan	**7,750**	-
Obligations under lease liabilities	**53,567**	32,669
RCF Facility	**40,000**	20,000
	203,343	115,897

The Group holds a financial asset instrument, being trade receivables.

The trade receivables are held at amortised cost. The objective of the business model for realising trade receivables is by collecting contractual cash flows for genuine debts. The considerations of Solely Principal Payments and Interest ("SPPI") have also been considered and the criteria met for holding at amortised cost as the trade receivables are for fixed payments due by fixed dates with no variable element of payment required.

The standard requires impairment of trade receivables held at amortised cost is considered by reference to the expected credit loss method, discussed in the credit risk section of the financial information.

Financial instruments measured at fair value through the statement of profit and loss IFRS 9 analyses financial instruments into a fair value hierarchy based on the valuation technique used to determine fair value.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

All financial instruments other than contingent consideration for the year ended 31 October 2024 were categorised as level 1. The following table shows the valuation techniques used for contingent consideration, which is categorised as level 3 as well as the significant unobservable inputs to fair value the instrument through the statement of profit and loss:

Level 3 liability	Valuation technique	Significant unobservable inputs
Contingent consideration	The fair value of the contingent consideration is based on two pre-determined earn out requirements relating to the future trade of Creed Foodservice Limited	Discount rate of 5.4% Forecast operating profit

25 (b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

The Group has a well-established and diverse portfolio of customers including a large number of customers paying direct debit and cash on delivery. Management do not believe there is a significant concentration risk as evidenced with no one customer accounting for more than 8% of Group revenue.

All customers who wish to trade on credit terms are subject to credit verification procedures.

The Group establishes an allowance for impairment that represents its estimate of incurred losses which is based on historical levels of impairment and assessment of the quality of the receivable book to calculate a forward-looking estimate. The following table shows the ageing of trade receivables from invoice date and the allocation of the bad debt provision.

2024	**Gross £000**	**Impairment £000**	**Net £000**
Current	57,176	-	57,176
31-60 days from invoice	12,122	-	12,122
61-90 days from invoice	1,822	(232)	1,590
90+ days	1,215	(1,215)	-
	72,335	**(1,447)**	**70,888**

The maximum Group exposure to credit risk in the period ended 31 October 2024 was £70,888,000 (2023: £50,985,000) being the total carrying amount of trade receivables and other receivables net of provision.

The Directors assess the risk to trade receivables by reviewing the ageing of debt. The expected credit loss on invoices less than 90 days old is not material or significant.

The utilisation of provision for the year ended was 0.14% of Group revenue. The average annual bad debt expense of the prior two financial years was 0.14%, therefore applying the historic bad debt expense factor would result in a year end provision of c.£913,000 for the year ended 31 October 2024.

Whilst the Directors are confident no single trade receivable will have a material impact on the Group's cash flow, they continue to take a prudent approach in relation to provisioning as seen in FY24. There have been no significant increases in the incidence of bad debt expense from prior years.

Trade receivables are reviewed regularly by dedicated credit control teams within each division and information from credit rating agencies is often used to assess a customer's ability to meet its obligations.

If there is significant doubt regarding a receivable a specific provision is created. In addition, a provision is created to account for the estimated losses that may be incurred in future periods. The Directors consider the level of provisioning to be materially correct based on these factors.

Movement in bad debt provision

	2024 £000	2023 £000
At beginning of the year	**2,154**	2,088
Provided during the year	**-**	675
Added on acquisition	**206**	107
Utilised during the year	**(913)**	(716)
At the end of the year	**1,447**	2,154

25 (c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group manages its liquidity risk by monitoring existing facilities and cash flows against forecast requirements based on a rolling cash forecast.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the effect of netting agreements:

2024

	Carrying amount £000	Contractual cashflow £000	1 year or less £000	1-2 years £000	2-5 years £000	More than 5 years £000
Financial liabilities						
Trade payables	**69,520**	69,520	69,520	-	-	-
Accruals	**12,435**	12,435	12,435	-	-	-
Contingent consideration	**9,614**	10,000	10,000	-	-	-
Lease liabilities	**53,567**	68,682	13,195	11,667	21,091	22,729
Invoice discounting advances*	**20,071**	20,071	20,071	-	-	-
Bank trade loans*	**7,750**	7,750	7,750	-	-	-
RCF*	**40,000**	40,000	-	-	40,000	-
	212,957	228,458	132,971	11,667	61,091	22,729

2023

	Carrying amount £000	Contractual cashflow £000	1 year or less £000	1-2 years £000	2-5 years £000	More than 5 years £000
Financial liabilities						
Trade payables	**45,679**	45,679	45,679	-	-	-

Accruals	**11,144**	11,144	11,144	-	-	-
Lease liabilities	**32,669**	41,333	7,775	6,140	11,548	15,870
Invoice discounting advances*	**6,405**	6,405	6,405	-	-	-
RCF*	**20,000**	20,000	-	20,000	-	-
	115,897	124,561	71,003	26,140	11,548	15,870

*The invoice discounting, Revolving Credit Facility ("RCF") and bank trade loan facilities are all revolving facilities.

The invoice discounting facility is available to draw down up to a limit of £55,000,000 and is available until September 2028, with an option for the Group to extend it for a further year to September 2029. The trade loan facility is for £8,000,000 and operates on a revolving basis, with balances repayable within 35 days of drawdown. Once repaid the facility is immediately available for draw down up to the facility limit. Both the invoice discounting and trade loan facility form an integral part of the Group's day-to-day short-term cash management.

The RCF is available up to £40,000,000 and is committed until September 2028, with an option for the Group to extend it for a further year to September 2029. The permitted use of the RCF is to fund acquisitions and it is presently fully drawn following the acquisition of Creed Catering Supplies Limited in September 2024.

25 (d) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments.

The Group has an immaterial exposure to currency risk on purchases denominated in a currency other than the functional currency of the Group since the balance owed to non-UK business is immaterial at each period end.

The Group is exposed to interest rate risk principally where its borrowings are at variable interest rates.

At the balance sheet date the interest rate profile of the Group's interest-bearing financial instruments was:

	Group	
	2024	**2023**
Fixed rate instruments	**£000**	**£000**
Financial liabilities	**(53,567)**	(32,669)
	(53,567)	(32,669)
	2024	**2023**
Variable rate instruments	**£000**	**£000**
Financial liabilities	**(67,821)**	(26,405)
	(67,821)	(26,405)

Sensitivity analysis

An increase of 25 basis points in interest rates throughout the period would have affected the statement of profit and loss by the amounts shown below. This calculation assumes that the charge occurred at all points in the period and had been applied to the average risk exposures throughout the period:

	2024	**2023**
	£000	**£000**
Profit or loss decreases	**(170)**	(66)

The above assumes the rate change is applicable on financial liabilities accruing interest on base rate and SONIA and effects them in the same way.

25 (e) Capital management

The primary objective of the Group is to manage its capital to ensure it is able to continue as a going concern, whilst maximising shareholder value.

The capital structure of the Group consists of debt, which includes leasing related borrowings of £53,567,000 (2023: £32,669,000), a cash position of £4,137,000 (2023: £673,000), an invoice discounting facility with a limit of £55,000,000 drawn at £20,071,000 (2023: £6,405,000), a trade loan facility with a limit of £8,000,000 draw at £7,750,000 (2023: £nil), a revolving credit facility drawn at £40,000,000 (2023: £20,000,000) and equity attributable to the equity holders of the Group of £124,545,000 (2023: £84,445,000).

The capital structure is reviewed regularly by the Directors. The Group's policy is to maintain gearing at levels appropriate to the business and its funders. The Directors take consideration of gearing by reference to the leverage calculation including IFRS 16 lease liability and without. The Group produces annual forecasts to enable the Board to assess the level of working capital needed in the business, taking careful account of working capital cycles, which are predictable, and the Board have significant experience of managing them.

The Group has headroom on its working capital facilities of £35,179,000 at the year end (2023: £39,600,000).

26. Related party transactions

Kitwave One Limited, Kitwave Investments Limited, Kitwave Limited, Turner & Wrights Limited, FW Bishop & Son Limited, M & M Value Limited, Westone Wholesale Limited, Teatime Tasties Limited, TG Foods Limited, Eden Farm Limited, Squirrels UK Limited, Thurston's Food's Limited, David Miller Frozen Foods Limited, Automatic Retailing (Northern) Limited, H B Clark (Successors) Limited, H B Clark Holdings Limited, F.A.M Soft Drinks Limited, M.J. Baker Foodservice Limited, Westcountry Food Holdings Limited, Westcountry Fruit Sales Limited, WLG Holdings Limited, WLG Limited, Total Foodservice Solutions Limited, Nextbuy Limited, Fred Lawson (Clitheroe) Limited, Opaledge Limited, Howarth Foodservice Limited, Creed Catering Supplies Limited and Creed Foodservice Limited are all 100% owned subsidiaries of this Company.

Central Supplies (Brierley Hill) Ltd is a 97% owned subsidiary of this Company.

Key management personnel

Total compensation of key management personnel in the period amounts to £1,156,000 (FY23: £1,179,000) in respect of short-term employment benefits, £nil (FY23: £nil) in respect of past-employment benefits and £nil (FY23: £nil) in respect of termination benefits.

27. Ultimate controlling party

The Company is listed on the Alternative Investment Market of the London Stock Exchange. Material shareholders are detailed within the Directors' report. There is no ultimate controlling party of the Group.

28. Post balance sheet events

Post year end a £5,000,000 cash payment has been made to the former shareholders of Creed Catering Supplies Limited following achievement of pre-determined criteria under the terms of the acquisition that requires contingent consideration to be discharged.

ALTERNATIVE PERFORMANCE MEASURE GLOSSARY

This report provides alternative performance measures ("APMs"), which are note defined or specified under the requirements of International Financial Reporting Standards. The Board believes that these APMs provide readers with important additional information on the Group.

Alternative performance measure	Definition and purpose
Adjusted operating profit	Represents the operating profit prior to exceptional (income) / expenses and share based payment expenses. This measure is consistent with how the Group measures performance and is reported to the Board.

	Note	FY24 £000	FY23 £000
Total operating profit		**28,804**	29,363
Amortisation of intangible assets arising on acquisition	3	**1,397**	842
Acquisition expenses	5	**2,153**	648
Compensation for post combination services	5	**324**	199
Share based payment expense	5	**1,244**	964
Restructuring expenses	5	**109**	-
Adjusted operating profit		**34,031**	32,016

Alternative performance measure	Definition and purpose
Adjusted EBITDA	Represents the operating profit prior to exceptional expenses, share based payment expenses, fixed asset depreciation and intangible amortisation. This measure is consistent with how the Group measures trading and cash generative performance and is reported to the Board.

	Note	FY24 £000	FY23 £000
Total operating profit		**28,804**	29,363
Amortisation of intangible assets	11	**1,527**	975
Depreciation	12,13	**11,068**	8,992
Acquisition expenses	5	**2,153**	648
Compensation for post combination services	5	**324**	199
Share based payment expense	5	**1,244**	964
Restructuring expenses	5	**109**	-
Adjusted EBITDA		**45,229**	41,141

Alternative performance measure	Definition and purpose
Pre tax operational cash conversion	Represents the cash generated from operating activities pre tax as a proportion of cash flow from operating activities pre movements in working capital and tax. This measure informs the Board of the Group's cash conversion from operating activities, is used to monitor liquidity and is reported to the Board.

	FY24 £000	FY23 £000
Net cash inflow from operating activities	**31,403**	30,298
Tax paid	6,612	6,075
Cash flow from operating activities pre tax and compensation for post combination services (1)	**38,015**	36,373
Movement in working capital	4,349	3,937
Cash flow from operating activities pre tax and compensation for post combination services and movement in working capital (2)	**42,364**	40,310
Pre tax operational cash conversion (1) divided by (2)	**90%**	90%

Alternative performance measure	**Definition and purpose**
After tax return on invested capital	Represents adjusted profit after tax as a proportion of invested capital. This measure informs the Board of how effective the Group is in generating returns from the capital invested.

	FY24 £000	**FY23 £000**
Adjusted operating profit	**34,031**	32,016
Lease interest	**(2,167)**	(1,656)
	31,864	30,360
Tax charge at effective rate of tax of 25% (FY23: 23%)	**(7,966)**	(6,831)
Adjusted operating profit after tax (1)	**23,898**	23,529
Invested capital comprising:		
Invoice discounting advances	**20,071**	6,405
Lease liabilities	**53,567**	32,669
Revolving Credit Facility	**40,000**	20,000
Trade loan	**7,750**	-
Share capital	**804**	700
Share premium	**94,185**	64,183
Cash at bank and in hand	**(4,137)**	(673)
Total invested capital (2)	**212,240**	123,284
After tax return on invested capital (1) divided by (2)	**11%**	19%

Return on net assets	Represents adjusted profit after tax as a proportion of the Group's investment in fixed assets and working capital. This measure informs the Board of how effective the Group is in generating returns from its fixed assets and net working capital.

	FY24 £000	**FY23 £000**
Adjusted operating profit	**34,031**	32,016
Tax charge at effective rate of tax of 25% (FY23: 23%)	**(8,508)**	(7,204)
Adjusted operating profit after tax (1)	**25,523**	24,812
Invested capital comprising:		
Intangible assets*	618	728
Fixed assets	29,096	16,614
Right-of-use assets	50,869	29,716
Investments	42	45
Inventories	47,749	35,410
Trade and other receivables	91,122	63,569
Trade and other payables	(102,083)	(63,596)
Liability for post combination services**	906	1,006
Total invested capital (2)	**118,319**	83,492
After tax return on invested capital (1) divided by (2)	**22%**	30%

Alternative performance measure	Definition and purpose
Leverage	Management assess leverage by reference to adjusted EBITDA against net debt including and excluding IFRS 16 lease liabilities and including the liability for post combination services held within other creditors. This indicates how much income is available to service debt before interest, tax, depreciation and amortisation.

	FY24 £000	FY23 £000
Adjusted EBITDA (1)	**45,229**	41,141
Invoice discounting advances	**20,071**	6,405
Lease liabilities	**53,567**	32,669
Revolving Credit Facility	**40,000**	20,000
Trade Loan	**7,750**	-
Liability for post combination services	**906**	1,006
Contingent consideration	**9,614**	-
Cash at bank and in hand	**(4,137)**	(673)
Net debt	**127,771**	59,407
Leverage (including IFRS 16 debt)	**2.8**	1.4
IFRS 16 lease liabilities	**43,151**	26,197
Net debt excluding IFRS 16 lease liabilities	**84,620**	33,210
Leverage (excluding IFRS 16 lease debt)	**1.9**	0.8

Basic underlying earnings per share	Profit attributable to the equity holders of the Group prior to exceptional items and share based payments through the consolidated statement of profit and loss, divided by the weighted average number of ordinary shares during the financial year.

	FY24 £000	FY23 £000
Profit attributable to all shareholders	**16,718**	18,956
Amortisation of intangible assets arising on acquisition	**1,397**	842
Acquisition expenses	**2,153**	648
Compensation for post combination services	**324**	199
Share based payment expense	**1,244**	964
Restructuring expenses	**109**	-
Tax effect of exceptional items and share based payments	**(668)**	(405)
Underlying profit attributable to ordinary shareholders	**21,277**	21,204

	Number	Number
Weighted average number of ordinary shares (basic) during the year	**71,034,498**	70,000,000
	pence	pence
Basic underlying earnings per ordinary share	**30.0**	30.3

Reconciliation between existing and acquired operating profit for the year	**Consolidated statement of profit and loss and other comprehensive income**

	Note	Existing operations 2024 £000	Acquisitions 2024 £000	Year ended 31 October	Year ended 31 October

				2024 £000	2023 £000
Revenue	3	632,550	31,102	**663,652**	602,220
Cost of sales		(493,717)	(22,115)	**(515,832)**	(470,095)
Gross profit		138,833	8,987	**147,820**	132,125
Other operating income / (expense)	4	577	26	**603**	183
Distribution expenses		(59,979)	(3,494)	**(63,473)**	(54,570)
Administrative expenses		(52,847)	(3,299)	**(56,146)**	(48,375)
Operating profit		26,584	2,220	**28,804**	29,363
Analysed as:					
Adjusted EBITDA		42,370	2,859	**45,229**	41,141
Amortisation of intangible assets	11	(1,527)	-	**(1,527)**	(975)
Depreciation	12,13	(10,429)	(639)	**(11,068)**	(8,992)
Acquisition expenses	5	(2,153)	-	**(2,153)**	(648)
Compensation for post combination services	5	(324)	-	**(324)**	(199)
Share based payment expense	5	(1,244)	-	**(1,244)**	(964)
Restructuring expenses	5	(109)	-	**(109)**	-
Total operating profit		26,584	2,220	**28,804**	29,363