

Company Registration No. 03554199 (England and Wales)

WINDMILL ORGANICS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

WINDMILL ORGANICS LIMITED

COMPANY INFORMATION

Director	Mr N. McDonald
Secretary	Ms. D. Berger
Company number	03554199
Registered office	Mill House 6a Lower Teddington Road Kingston upon Thames Surrey KT1 4ER
Auditor	Arthur G Mead Limited Fitzrovia House 153-157 Cleveland Street London W1T 6QW
Business address	Mill House 6a Lower Teddington Road Kingston upon Thames Surrey KT1 4ER

WINDMILL ORGANICS LIMITED

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WINDMILL ORGANICS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The director presents the strategic report for the year ended 31 December 2018.

Fair review of the business

The director is disappointed with the results for the year and hopes to grow profit in the current year, he has identified numerous opportunities for the group and will seek to develop these.

Principal risks and uncertainties

The principle risk to the business are those of exchange rate risk and supplier risk, the company reduces these risks by hedging and contracting suppliers at fixed rates, the company has also forward contracted on currency to reduce the exposure to currency fluctuations. The Company is also concerned about BREXIT and plans to hedge against the EURO as far in advance as possible, the Company intends to carry higher stock levels to combat delays at ports following BREXIT this will effect profits next year.

Development and performance

The company continues to grow and exceed all forecasts, it also continues to seek new products and markets in the hope of growing turnover, results from Holland were very poor for the year and current year results are being closely monitored to see if the position has improved.

Key performance indicators

The key performance is the gross profit margin which the director is pleased with the margin achieved in 2017 cost as a percentage of turnover is also monitored.

By order of the board

Ms. D. Berger

Secretary

12 October 2019

WINDMILL ORGANICS LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The director presents his annual report and financial statements for the year ended 31 December 2018.

Principal activities

The principal activity of the company continued to be that of the wholesale of organic foodstuff.

Director

The director who held office during the year and up to the date of signature of the financial statements was as follows:

Mr N. McDonald

Results and dividends

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £1,436,388. The director does not recommend payment of a further dividend.

Auditor

The auditor, Arthur G Mead Limited, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

By order of the board

Ms. D. Berger

Secretary

12 October 2019

WINDMILL ORGANICS LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2018

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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

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

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

WINDMILL ORGANICS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF WINDMILL ORGANICS LIMITED

Opinion

We have audited the financial statements of Windmill Organics Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2018 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2018 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

WINDMILL ORGANICS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF WINDMILL ORGANICS LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director

As explained more fully in the director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the group or the parent company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

WINDMILL ORGANICS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF WINDMILL ORGANICS LIMITED

Use of our report

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

Gerard McKey (Senior Statutory Auditor)
for and on behalf of Arthur G Mead Limited

12 October 2019

Chartered Accountants
Statutory Auditor

Fitzrovia House
153-157 Cleveland Street
London
W1T 6QW

WINDMILL ORGANICS LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	2017 £
Turnover	3	54,850,665	49,477,007
Cost of sales		(35,817,232)	(32,967,405)
Gross profit		19,033,433	16,509,602
Administrative expenses		(11,191,362)	(8,848,001)
Other operating expenses		(351,740)	(87,411)
Operating profit	4	7,490,331	7,574,190
Interest receivable and similar income	7	49,722	9,996
Interest payable and similar expenses	8	(58,410)	-
Profit before taxation		7,481,643	7,584,186
Tax on profit	9	(1,519,937)	(1,490,467)
Profit for the financial year		5,961,706	6,093,719
Profit for the financial year is attributable to:			
- Owners of the parent company		5,894,681	5,840,860
- Non-controlling interests		67,025	252,859
		5,961,706	6,093,719

The profit and loss account has been prepared on the basis that all operations are continuing operations.

WINDMILL ORGANICS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 £	2017 £
Profit for the year	5,961,706	6,093,719
Other comprehensive income	-	-
Total comprehensive income for the year	5,961,706	6,093,719
Total comprehensive income for the year is attributable to:		
- Owners of the parent company	5,894,681	5,840,860
- Non-controlling interests	67,025	252,859
	5,961,706	6,093,719

WINDMILL ORGANICS LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018		2017	
		£	£	£	£
Fixed assets					
Intangible assets	11		126,179		144,897
Tangible assets	12		14,216,195		10,047,336
			<u>14,342,374</u>		<u>10,192,233</u>
Current assets					
Stocks	16	11,819,504		11,266,190	
Debtors	17	7,180,429		7,346,943	
Cash at bank and in hand		15,617,714		15,466,377	
		<u>34,617,647</u>		<u>34,079,510</u>	
Creditors: amounts falling due within one year	18	(6,982,212)		(6,765,687)	
Net current assets			<u>27,635,435</u>		<u>27,313,823</u>
Total assets less current liabilities			41,977,809		37,506,056
Creditors: amounts falling due after more than one year	19		-		(89,000)
Provisions for liabilities	21		(14,182)		-
Net assets			<u>41,963,627</u>		<u>37,417,056</u>
Capital and reserves					
Called up share capital	23		1,000		1,000
Profit and loss reserves			40,847,995		36,342,551
Equity attributable to owners of the parent company			<u>40,848,995</u>		<u>36,343,551</u>
Non-controlling interests			1,114,632		1,073,505
			<u>41,963,627</u>		<u>37,417,056</u>

The financial statements were approved and signed by the director and authorised for issue on 12 October 2019

Mr N. McDonald
Director

WINDMILL ORGANICS LIMITED

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2018

		2018		2017	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	11		126,179		144,897
Tangible assets	12		4,453,888		378,709
Investments	13		11,080,316		10,810,956
			<u>15,660,383</u>		<u>11,334,562</u>
Current assets					
Stocks	16	3,419,738		2,887,000	
Debtors	17	4,255,320		4,232,291	
Cash at bank and in hand		15,448,376		14,757,480	
		<u>23,123,434</u>		<u>21,876,771</u>	
Creditors: amounts falling due within one year	18	(2,581,320)		(1,913,161)	
Net current assets			<u>20,542,114</u>		<u>19,963,610</u>
Total assets less current liabilities			<u>36,202,497</u>		<u>31,298,172</u>
Capital and reserves					
Called up share capital	23		1,000		1,000
Profit and loss reserves			36,201,497		31,297,172
Total equity			<u>36,202,497</u>		<u>31,298,172</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £6,340,713 (2017 - £5,082,820 profit).

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and signed by the director and authorised for issue on 12 October 2019

Mr N. McDonald
Director

Company Registration No. 03554199

WINDMILL ORGANICS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Share capital £	Profit and loss reserves £	Total controlling interest £	Non-controlling interest £	Total £
Balance at 1 January 2017		1,000	30,501,691	30,502,691	819,479	31,322,170
Year ended 31 December 2017:						
Profit and total comprehensive income for the year		-	5,840,860	5,840,860	252,859	6,093,719
Acquisition of subsidiary		-	-	-	1,167	1,167
Balance at 31 December 2017		1,000	36,342,551	36,343,551	1,073,505	37,417,056
Year ended 31 December 2018:						
Profit and total comprehensive income for the year		-	5,894,681	5,894,681	67,025	5,961,706
Dividends	10	-	(1,410,490)	(1,410,490)	(25,898)	(1,436,388)
Change in accounting policy and dividend to Minority Interest		-	21,253	21,253	-	21,253
Balance at 31 December 2018		1,000	40,847,995	40,848,995	1,114,632	41,963,627

WINDMILL ORGANICS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
Balance at 1 January 2017		1,000	26,214,352	26,215,352
Year ended 31 December 2017:				
Profit and total comprehensive income for the year		-	5,082,820	5,082,820
Balance at 31 December 2017		1,000	31,297,172	31,298,172
Year ended 31 December 2018:				
Profit and total comprehensive income for the year		-	6,340,713	6,340,713
Dividends	10	-	(1,436,388)	(1,436,388)
Balance at 31 December 2018		1,000	36,201,497	36,202,497

WINDMILL ORGANICS LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash generated from operations	25	8,167,292		7,488,279	
Interest paid		(58,410)		-	
Income taxes paid		(1,335,894)		(2,226,955)	
Net cash inflow from operating activities		6,772,988		5,261,324	
Investing activities					
Purchase of intangible assets		(9,210)		(46,103)	
Purchase of tangible fixed assets		(5,743,887)		(3,827,853)	
Proceeds on disposal of tangible fixed assets		607,112		-	
Proceeds on disposal of investment property		-		399	
Proceeds on disposal of subsidiaries		-		1,167	
Interest received		49,722		9,996	
Net cash used in investing activities		(5,096,263)		(3,862,394)	
Financing activities					
Repayment of borrowings		(89,000)		4,000	
Dividends paid to equity shareholders		(1,410,490)		-	
Dividends paid to non-controlling interests		(25,898)		-	
Net cash (used in)/generated from financing activities		(1,525,388)		4,000	
Net increase in cash and cash equivalents		151,337		1,402,930	
Cash and cash equivalents at beginning of year		15,466,377		14,063,447	
Cash and cash equivalents at end of year		15,617,714		15,466,377	

WINDMILL ORGANICS LIMITED

COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

		2018		2017	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	26	6,779,637		5,096,209	
Income taxes paid		(1,147,499)		(1,596,735)	
Net cash inflow from operating activities		<u>5,632,138</u>		<u>3,499,474</u>	
Investing activities					
Purchase of intangible assets		(9,210)		(46,103)	
Purchase of tangible fixed assets		(4,752,524)		(6,736)	
Proceeds on disposal of tangible fixed assets		607,112		-	
Proceeds on disposal of investment property		-		399	
Proceeds on disposal of subsidiaries		(269,360)		(2,865,553)	
Interest received		878,306		497,252	
Dividends received		40,822		-	
Net cash used in investing activities		<u>(3,504,854)</u>		<u>(2,420,741)</u>	
Financing activities					
Dividends paid to equity shareholders		(1,436,388)		-	
Net cash used in financing activities		<u>(1,436,388)</u>		<u>-</u>	
Net increase in cash and cash equivalents		<u>690,896</u>		<u>1,078,733</u>	
Cash and cash equivalents at beginning of year		<u>14,757,480</u>		<u>13,678,747</u>	
Cash and cash equivalents at end of year		<u><u>15,448,376</u></u>		<u><u>14,757,480</u></u>	

WINDMILL ORGANICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

Company information

Windmill Organics Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Mill House, 6a Lower Teddington Road, Kingston upon Thames, Surrey, KT1 4ER.

The group consists of Windmill Organics Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

The consolidated financial statements incorporate those of Windmill Organics Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 December 2018. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates. In the group financial statements, associates are accounted for using the equity method.

WINDMILL ORGANICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. In the group financial statements, joint ventures are accounted for using the equity method.

1.3 Going concern

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 5 Years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably.

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

Brands

Over the legal life of the asset

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

WINDMILL ORGANICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

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

Land and buildings Freehold	2% Reducing balance
Land and buildings Leasehold	Over term of lease
Plant and machinery	20% Reducing balance
Fixtures, fittings & equipment	15% Reducing balance
Motor vehicles	25% Reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.8 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

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

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

WINDMILL ORGANICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.9 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.11 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

WINDMILL ORGANICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.12 Financial instruments

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

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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

WINDMILL ORGANICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

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

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.13 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.14 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.15 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

WINDMILL ORGANICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.16 Employee benefits

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

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

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.17 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.18 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Judgements and key sources of estimation uncertainty

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

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

WINDMILL ORGANICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2018 £	2017 £
Turnover analysed by class of business		
Food Products	54,850,665	49,477,007
	<u>54,850,665</u>	<u>49,477,007</u>
	2018 £	2017 £
Other significant revenue		
Interest income	49,722	9,996
	<u>49,722</u>	<u>9,996</u>
	2018 £	2017 £
Turnover analysed by geographical market		
UK & Rest of Europe	54,850,665	49,477,007
	<u>54,850,665</u>	<u>49,477,007</u>

4 Operating profit

	2018 £	2017 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses	351,740	87,411
Depreciation of owned tangible fixed assets	1,107,573	1,153,381
Profit on disposal of tangible fixed assets	(76,787)	-
Profit on disposal of investment property	-	(399)
Amortisation of intangible assets	27,928	31,599
Cost of stocks recognised as an expense	34,258,594	31,436,716
	<u>34,258,594</u>	<u>31,436,716</u>

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £351,740 (2017 - £87,411).

5 Auditor's remuneration

	2018 £	2017 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	36,000	36,874
	<u>36,000</u>	<u>36,874</u>

WINDMILL ORGANICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2018 Number	2017 Number	Company 2018 Number	2017 Number
Administration	33	33	20	17
Production	54	57	-	-
	<u>87</u>	<u>90</u>	<u>20</u>	<u>17</u>

Their aggregate remuneration comprised:

	Group 2018 £	2017 £	Company 2018 £	2017 £
Wages and salaries	4,080,218	4,129,851	473,046	367,531
Social security costs	40,710	33,507	40,710	33,507
Pension costs	6,491	2,732	6,491	2,732
	<u>4,127,419</u>	<u>4,166,090</u>	<u>520,247</u>	<u>403,770</u>

7 Interest receivable and similar income

	2018 £	2017 £
Interest income		
Interest on bank deposits	49,722	9,996
	<u>49,722</u>	<u>9,996</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	49,722	9,996
	<u>49,722</u>	<u>9,996</u>

8 Interest payable and similar expenses

	2018 £	2017 £
Interest on financial liabilities measured at amortised cost:		
Other interest on financial liabilities	58,410	-
	<u>58,410</u>	<u>-</u>

WINDMILL ORGANICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

9 Taxation

	2018 £	2017 £
Current tax		
UK corporation tax on profits for the current period	1,475,147	1,223,259
Foreign current tax on profits for the current period	44,790	267,208
Total current tax	1,519,937	1,490,467

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2018 £	2017 £
Profit before taxation	7,481,643	7,584,186
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 20.00%)	1,421,512	1,516,837
Permanent capital allowances in excess of depreciation	(31,125)	(1,347)
Amortisation on assets not qualifying for tax allowances	21,219	(7,529)
Other permanent differences	40	(29,081)
Foreign exchange differences	108,291	11,587
Taxation charge	1,519,937	1,490,467

10 Dividends

	2018 £	2017 £
Interim paid	1,436,388	-

11 Intangible fixed assets

Group	Goodwill £	Brands £	Total £
Cost			
At 1 January 2018	310,000	270,073	580,073
Additions - separately acquired	-	9,210	9,210
At 31 December 2018	310,000	279,283	589,283
Amortisation and impairment			
At 1 January 2018	310,000	125,176	435,176
Amortisation charged for the year	-	27,928	27,928
At 31 December 2018	310,000	153,104	463,104

WINDMILL ORGANICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

11	Intangible fixed assets	(Continued)		
	Carrying amount			
	At 31 December 2018	-	126,179	126,179
	At 31 December 2017	-	144,897	144,897
	Company	Goodwill	Brands	Total
		£	£	£
	Cost			
	At 1 January 2018	310,000	270,073	580,073
	Additions - separately acquired	-	9,210	9,210
	At 31 December 2018	310,000	279,283	589,283
	Amortisation and impairment			
	At 1 January 2018	310,000	125,176	435,176
	Amortisation charged for the year	-	27,928	27,928
	At 31 December 2018	310,000	153,104	463,104
	Carrying amount			
	At 31 December 2018	-	126,179	126,179
	At 31 December 2017	-	144,897	144,897

WINDMILL ORGANICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

12 Tangible fixed assets

Group	Land and buildings Freehold £	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost						
At 1 January 2018	6,306,551	16,384	6,110,586	243,877	6,200	12,683,598
Additions	4,819,123	-	584,515	340,249	-	5,743,887
Disposals	(530,325)	-	-	-	-	(530,325)
At 31 December 2018	10,595,349	16,384	6,695,101	584,126	6,200	17,897,160
Depreciation and impairment						
At 1 January 2018	502,148	16,384	1,949,898	162,386	5,446	2,636,262
Depreciation charged in the year	320,361	-	723,760	63,264	188	1,107,573
Change in Depreciation Rate	-	-	(62,870)	-	-	(62,870)
At 31 December 2018	822,509	16,384	2,610,788	225,650	5,634	3,680,965
Carrying amount						
At 31 December 2018	9,772,840	-	4,084,313	358,476	566	14,216,195
At 31 December 2017	5,804,403	-	4,160,688	81,491	754	10,047,336
Company						
	Land and buildings Freehold £	Land and buildings Leasehold £	Fixtures, fittings & equipment £	Motor vehicles £	Total £	
Cost						
At 1 January 2018	366,152	16,384	243,877	6,200	632,613	
Additions	4,412,275	-	340,249	-	4,752,524	
Disposals	(530,325)	-	-	-	(530,325)	
At 31 December 2018	4,248,102	16,384	584,126	6,200	4,854,812	
Depreciation and impairment						
At 1 January 2018	69,688	16,384	162,386	5,446	253,904	
Depreciation charged in the year	83,568	-	63,264	188	147,020	
At 31 December 2018	153,256	16,384	225,650	5,634	400,924	
Carrying amount						
At 31 December 2018	4,094,846	-	358,476	566	4,453,888	
At 31 December 2017	296,464	-	81,491	754	378,709	

WINDMILL ORGANICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

13 Fixed asset investments

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Investments in subsidiaries	14	-	-	6,997	6,997
Loans to subsidiaries	14	-	-	11,073,319	10,803,959
		-	-	11,080,316	10,810,956

Movements in fixed asset investments Company

	Shares in group undertakings	Loans to group undertakings	Total
	£	£	£
Cost or valuation			
At 1 January 2018	6,997	10,803,959	10,810,956
Additions	-	269,360	269,360
At 31 December 2018	6,997	11,073,319	11,080,316
Carrying amount			
At 31 December 2018	6,997	11,073,319	11,080,316
At 31 December 2017	6,997	10,803,959	10,810,956

14 Subsidiaries

Details of the company's subsidiaries at 31 December 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect
Machandel BV	Holland	Food Production	Ordinary Shares	60.00
Windmill BV	Holland	Property Investment	Ordinary Shares	100.00

The results of the subsidiaries are included in these consolidated results.

WINDMILL ORGANICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

15 Financial instruments

	Group 2018 £	2017 £	Company 2018 £	2017 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	6,801,640	6,928,139	15,299,457	15,012,500
Carrying amount of financial liabilities				
Measured at amortised cost	5,976,864	5,815,128	1,743,162	1,425,255

16 Stocks

	Group 2018 £	2017 £	Company 2018 £	2017 £
Finished goods and goods for resale	11,819,504	11,266,190	3,419,738	2,887,000

17 Debtors

	Group 2018 £	2017 £	Company 2018 £	2017 £
Amounts falling due within one year:				
Trade debtors	6,480,927	6,898,168	3,932,341	4,208,541
Other debtors	670,320	425,025	293,797	-
Prepayments and accrued income	29,182	23,750	29,182	23,750
	7,180,429	7,346,943	4,255,320	4,232,291

18 Creditors: amounts falling due within one year

	Group 2018 £	2017 £	Company 2018 £	2017 £
Trade creditors	4,796,319	4,266,047	1,707,251	1,388,673
Corporation tax payable	787,321	617,460	775,636	447,988
Other taxation and social security	218,027	422,099	62,522	39,918
Other creditors	6	4,699	6	4,699
Accruals and deferred income	1,180,539	1,455,382	35,905	31,883
	6,982,212	6,765,687	2,581,320	1,913,161

WINDMILL ORGANICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

19 Creditors: amounts falling due after more than one year

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Other borrowings	20	-	89,000	-	-
		<u> </u>	<u> </u>	<u> </u>	<u> </u>

20 Loans and overdrafts

		Group 2018 £	2017 £	Company 2018 £	2017 £
Other loans		-	89,000	-	-
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Payable after one year		-	89,000	-	-
		<u> </u>	<u> </u>	<u> </u>	<u> </u>

21 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2018 £	Liabilities 2017 £
Group		
Accelerated capital allowances	14,182	-
	<u> </u>	<u> </u>

The company has no deferred tax assets or liabilities.

	Group 2018 £	Company 2018 £
Movements in the year:		
Asset at 1 January 2018	-	-
Charge to profit or loss	14,182	-
	<u> </u>	<u> </u>
Liability at 31 December 2018	14,182	-
	<u> </u>	<u> </u>

WINDMILL ORGANICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

22 Retirement benefit schemes

	2018	2017
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	6,491	2,732

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

23 Share capital

	Group and company	
	2018	2017
	£	£
Ordinary share capital		
Issued and fully paid		
1,000 Ordinary of £1 each	1,000	1,000

24 Directors' transactions

Dividends totalling £861,833 (2017 - £0) were paid in the year in respect of shares held by the company's directors.

25 Cash generated from group operations

	2018	2017
	£	£
Profit for the year after tax	5,961,706	6,093,718
Adjustments for:		
Taxation charged	1,519,937	1,490,467
Finance costs	58,410	-
Investment income	(49,722)	(9,996)
Gain on disposal of tangible fixed assets	(76,787)	-
Gain on disposal of investment property	-	(399)
Amortisation and impairment of intangible assets	27,928	31,599
Depreciation and impairment of tangible fixed assets	1,107,573	1,153,381
Decrease in provisions	(41,617)	-
Movements in working capital:		
Increase in stocks	(553,314)	(2,825,533)
Decrease/(increase) in debtors	166,514	(594,135)
Increase in creditors	46,664	2,149,177
Cash generated from operations	8,167,292	7,488,279

WINDMILL ORGANICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

26 Cash generated from operations - company

	2018 £	2017 £
Profit for the year after tax	6,340,713	5,082,820
Adjustments for:		
Taxation charged	1,475,147	1,223,259
Investment income	(919,128)	(497,252)
Gain on disposal of tangible fixed assets	(76,787)	-
Gain on disposal of investment property	-	(399)
Amortisation and impairment of intangible assets	27,928	31,599
Depreciation and impairment of tangible fixed assets	147,020	20,680
Movements in working capital:		
Increase in stocks	(532,738)	(267,000)
Increase in debtors	(23,029)	(701,800)
Increase in creditors	340,511	204,302
Cash generated from operations	<u>6,779,637</u>	<u>5,096,209</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.