

Company Registration No. 03554199 (England and Wales)

**WINDMILL ORGANICS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

# WINDMILL ORGANICS LIMITED

## COMPANY INFORMATION

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

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# **WINDMILL ORGANICS LIMITED**

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# **WINDMILL ORGANICS LIMITED**

## **STRATEGIC REPORT**

***FOR THE YEAR ENDED 31 DECEMBER 2019***

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The director presents the strategic report for the year ended 31 December 2019.

### **Business Promotion**

The director has always fostered good working relations with employees and encouraged them to reach their potential. The director also has established long term working relationships with suppliers and customers to their mutual benefit. The director is aware of the impact of the company on the community and the environment and where possible has sourced more environmentally friendly products and continues to aim to reduce the carbon footprint of the company.

### **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. The BREXIT deal just signed will remove a lot of the risk associated with a no deal BREXIT.

COVID has not had an adverse effect on the company.

### **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**

31 December 2020

# **WINDMILL ORGANICS LIMITED**

## **DIRECTOR'S REPORT**

***FOR THE YEAR ENDED 31 DECEMBER 2019***

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The director presents his annual report and financial statements for the year ended 31 December 2019.

### **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 £352,573. 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**

31 December 2020

## **WINDMILL ORGANICS LIMITED**

### **DIRECTOR'S RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 DECEMBER 2019***

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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

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#### 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 2019 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 2019 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**

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#### **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**

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#### **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**

31 December 2020

**Chartered Accountants**  
**Statutory Auditor**

Fourth Floor Fitzrovia House  
153-157 Cleveland Street  
London  
W1T 6QW

# WINDMILL ORGANICS LIMITED

## GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	2018 £
<b>Turnover</b>	<b>3</b>	56,281,763	54,850,665
Cost of sales		(36,042,933)	(35,817,232)
<b>Gross profit</b>		20,238,830	19,033,433
Administrative expenses		(11,937,158)	(11,191,362)
Other operating income/(expenses)		267,523	(351,740)
<b>Operating profit</b>	<b>4</b>	8,569,195	7,490,331
Interest receivable and similar income	<b>7</b>	28,206	49,722
Interest payable and similar expenses	<b>8</b>	(109,401)	(58,410)
<b>Profit before taxation</b>		8,488,000	7,481,643
Tax on profit	<b>9</b>	(1,570,803)	(1,519,937)
<b>Profit for the financial year</b>		6,917,197	5,961,706
Profit for the financial year is attributable to:			
- Owners of the parent company		6,617,739	5,894,681
- Non-controlling interests		299,458	67,025
		6,917,197	5,961,706

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 2019*

	2019 £	2018 £
Profit for the year	6,917,197	5,961,706
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>6,917,197</b>	<b>5,961,706</b>
Total comprehensive income for the year is attributable to:		
- Owners of the parent company	6,617,739	5,894,681
- Non-controlling interests	299,458	67,025
	<b>6,917,197</b>	<b>5,961,706</b>

# WINDMILL ORGANICS LIMITED

## GROUP BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Intangible assets	11	195,042		126,179	
Tangible assets	12	13,815,445		14,216,195	
		<u>14,010,487</u>		<u>14,342,374</u>	
<b>Current assets</b>					
Stocks	16	11,650,870		11,819,504	
Debtors	17	8,103,725		7,180,429	
Cash at bank and in hand		25,080,572		15,617,714	
		<u>44,835,167</u>		<u>34,617,647</u>	
<b>Creditors: amounts falling due within one year</b>	18	(10,306,322)		(6,982,212)	
<b>Net current assets</b>		<u>34,528,845</u>		<u>27,635,435</u>	
<b>Total assets less current liabilities</b>		<u>48,539,332</u>		<u>41,977,809</u>	
<b>Provisions for liabilities</b>	20	(11,081)		(14,182)	
<b>Net assets</b>		<u><u>48,528,251</u></u>		<u><u>41,963,627</u></u>	
<b>Capital and reserves</b>					
Called up share capital	22	1,000		1,000	
Profit and loss reserves		<u>47,113,161</u>		<u>40,847,995</u>	
<b>Equity attributable to owners of the parent company</b>		<u>47,114,161</u>		<u>40,848,995</u>	
<b>Non-controlling interests</b>		<u>1,414,090</u>		<u>1,114,632</u>	
		<u><u>48,528,251</u></u>		<u><u>41,963,627</u></u>	

The financial statements were approved and signed by the director and authorised for issue on 31 December 2020

Mr N. McDonald  
Director

# WINDMILL ORGANICS LIMITED

## COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2019

		2019		2018	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Intangible assets	11		160,905		126,179
Tangible assets	12		4,586,506		4,453,888
Investments	13		7,328,658		11,080,316
			<u>12,076,069</u>		<u>15,660,383</u>
<b>Current assets</b>					
Stocks	16	3,202,649		3,419,738	
Debtors	17	4,421,261		4,255,320	
Cash at bank and in hand		24,668,032		15,448,376	
		<u>32,291,942</u>		<u>23,123,434</u>	
<b>Creditors: amounts falling due within one year</b>	18	(2,203,699)		(2,581,320)	
<b>Net current assets</b>			<u>30,088,243</u>		<u>20,542,114</u>
<b>Total assets less current liabilities</b>			<u>42,164,312</u>		<u>36,202,497</u>
<b>Capital and reserves</b>					
Called up share capital	22		1,000		1,000
Profit and loss reserves			42,163,312		36,201,497
<b>Total equity</b>			<u>42,164,312</u>		<u>36,202,497</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 £6,314,388 (2018 - £6,340,713 profit).

The financial statements were approved and signed by the director and authorised for issue on 31 December 2020

Mr N. McDonald  
Director

Company Registration No. 03554199

# WINDMILL ORGANICS LIMITED

## GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Share capital £	Profit and loss reserves £	Total controlling interest £	Non-controlling interest £	Total £
<b>Balance at 1 January 2018</b>		1,000	36,342,551	36,343,551	1,073,505	37,417,056
<b>Year ended 31 December 2018:</b>						
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
<b>Balance at 31 December 2018</b>		1,000	40,847,995	40,848,995	1,114,632	41,963,627
<b>Year ended 31 December 2019:</b>						
Profit and total comprehensive income for the year		-	6,617,739	6,617,739	299,458	6,917,197
Dividends	10	-	(352,573)	(352,573)	-	(352,573)
<b>Balance at 31 December 2019</b>		1,000	47,113,161	47,114,161	1,414,090	48,528,251

# WINDMILL ORGANICS LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2019

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
<b>Balance at 1 January 2018</b>		1,000	31,297,172	31,298,172
<b>Year ended 31 December 2018:</b>				
Profit and total comprehensive income for the year		-	6,340,713	6,340,713
Dividends	10	-	(1,436,388)	(1,436,388)
<b>Balance at 31 December 2018</b>		1,000	36,201,497	36,202,497
<b>Year ended 31 December 2019:</b>				
Profit and total comprehensive income for the year		-	6,314,388	6,314,388
Dividends	10	-	(352,573)	(352,573)
<b>Balance at 31 December 2019</b>		1,000	42,163,312	42,164,312

# WINDMILL ORGANICS LIMITED

## GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

		2019		2018	
	Notes	£	£	£	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	25	7,472,474		8,167,292	
Interest paid		(109,401)		(58,410)	
Income taxes paid		(1,639,197)		(1,335,894)	
<b>Net cash inflow from operating activities</b>		5,723,876		6,772,988	
<b>Investing activities</b>					
Purchase of intangible assets		(103,752)		(9,210)	
Purchase of tangible fixed assets		(793,722)		(5,743,887)	
Proceeds on disposal of tangible fixed assets		77,176		607,112	
Interest received		28,206		49,722	
<b>Net cash used in investing activities</b>		(792,092)		(5,096,263)	
<b>Financing activities</b>					
Repayment of borrowings		-		(89,000)	
Dividends paid to equity shareholders		(352,573)		(1,410,490)	
Dividends paid to non-controlling interests		-		(25,898)	
<b>Net cash used in financing activities</b>		(352,573)		(1,525,388)	
<b>Net increase in cash and cash equivalents</b>		4,579,211		151,337	
Cash and cash equivalents at beginning of year		15,617,714		15,466,377	
<b>Cash and cash equivalents at end of year</b>		20,196,925		15,617,714	
<b>Relating to:</b>					
Cash at bank and in hand		25,080,572		15,617,714	
Bank overdrafts included in creditors payable within one year		(4,883,647)		-	



# WINDMILL ORGANICS LIMITED

## COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

		2019		2018	
	Notes	£	£	£	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	26	7,234,123		6,779,637	
Income taxes paid		(1,514,662)		(1,147,499)	
<b>Net cash inflow from operating activities</b>		<b>5,719,461</b>		<b>5,632,138</b>	
<b>Investing activities</b>					
Purchase of intangible assets		(69,615)		(9,210)	
Purchase of tangible fixed assets		(314,427)		(4,752,524)	
Proceeds on disposal of tangible fixed assets		-		607,112	
Loan repaid or advanced		3,751,658		(269,360)	
Interest received		485,152		878,306	
Dividends received		-		40,822	
<b>Net cash generated from/(used in) investing activities</b>		<b>3,852,768</b>		<b>(3,504,854)</b>	
<b>Financing activities</b>					
Dividends paid to equity shareholders		(352,573)		(1,436,388)	
<b>Net cash used in financing activities</b>		<b>(352,573)</b>		<b>(1,436,388)</b>	
<b>Net increase in cash and cash equivalents</b>		<b>9,219,656</b>		<b>690,896</b>	
Cash and cash equivalents at beginning of year		15,448,376		14,757,480	
<b>Cash and cash equivalents at end of year</b>		<b>24,668,032</b>		<b>15,448,376</b>	

# WINDMILL ORGANICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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### **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 2019. 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 2019

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### 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; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

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 2019

### 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 2019

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### 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 2019

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### 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 2019

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### 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 2019

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### 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 in the period are included in profit or loss.

### 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 2019

### 3 Turnover and other revenue

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

	2019 £	2018 £
<b>Turnover analysed by class of business</b>		
Food Products	56,281,763	54,850,665
	<u>56,281,763</u>	<u>54,850,665</u>
	2019 £	2018 £
<b>Other significant revenue</b>		
Interest income	28,206	49,722
	<u>28,206</u>	<u>49,722</u>
	2019 £	2018 £
<b>Turnover analysed by geographical market</b>		
UK & Rest of Europe	56,281,763	54,850,665
	<u>56,281,763</u>	<u>54,850,665</u>

### 4 Operating profit

	2019 £	2018 £
Operating profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	(267,523)	351,740
Depreciation of owned tangible fixed assets	1,129,523	1,107,573
Profit on disposal of tangible fixed assets	(12,227)	(76,787)
Amortisation of intangible assets	34,889	27,928
	<u>884,662</u>	<u>1,402,454</u>

### 5 Auditor's remuneration

	2019 £	2018 £
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	36,000	36,000
	<u>36,000</u>	<u>36,000</u>

# WINDMILL ORGANICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 6 Employees

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

	Group 2019 Number	2018 Number	Company 2019 Number	2018 Number
Administration	35	33	21	20
Production	55	54	-	-
Total	90	87	21	20

Their aggregate remuneration comprised:

	Group 2019 £	2018 £	Company 2019 £	2018 £
Wages and salaries	4,074,942	4,080,218	554,109	473,046
Social security costs	41,384	40,710	41,384	40,710
Pension costs	11,753	6,491	11,753	6,491
	4,128,079	4,127,419	607,246	520,247

### 7 Interest receivable and similar income

	2019 £	2018 £
<b>Interest income</b>		
Interest on bank deposits	28,206	49,722

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	28,206	49,722
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### 8 Interest payable and similar expenses

	2019 £	2018 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Other interest on financial liabilities	109,401	58,410

# WINDMILL ORGANICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 9 Taxation

	2019 £	2018 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	1,453,019	1,475,147
Foreign current tax on profits for the current period	117,784	44,790
Total current tax	1,570,803	1,519,937

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:

	2019 £	2018 £
Profit before taxation	8,488,000	7,481,643
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	1,612,720	1,421,512
Permanent capital allowances in excess of depreciation	(44,977)	(31,125)
Amortisation on assets not qualifying for tax allowances	22,189	21,219
Other permanent differences	-	40
Foreign exchange differences	(19,129)	108,291
Taxation charge	1,570,803	1,519,937

### 10 Dividends

	2019 £	2018 £
Interim paid	352,573	1,436,388

### 11 Intangible fixed assets

Group	Goodwill £	Brands £	Total £
<b>Cost</b>			
At 1 January 2019	310,000	279,283	589,283
Additions	-	103,752	103,752
At 31 December 2019	310,000	383,035	693,035
<b>Amortisation and impairment</b>			
At 1 January 2019	310,000	153,104	463,104
Amortisation charged for the year	-	34,889	34,889
At 31 December 2019	310,000	187,993	497,993

# WINDMILL ORGANICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

11	Intangible fixed assets	(Continued)		
	<b>Carrying amount</b>			
	At 31 December 2019	-	195,042	195,042
	At 31 December 2018	-	126,179	126,179
	<b>Company</b>	<b>Goodwill</b>	<b>Brands</b>	<b>Total</b>
		£	£	£
	<b>Cost</b>			
	At 1 January 2019	310,000	279,283	589,283
	Additions	-	69,615	69,615
	At 31 December 2019	310,000	348,898	658,898
	<b>Amortisation and impairment</b>			
	At 1 January 2019	310,000	153,104	463,104
	Amortisation charged for the year	-	34,889	34,889
	At 31 December 2019	310,000	187,993	497,993
	<b>Carrying amount</b>			
	At 31 December 2019	-	160,905	160,905
	At 31 December 2018	-	126,179	126,179

# WINDMILL ORGANICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 12 Tangible fixed assets

Group	Land and buildings Freehold £	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost</b>						
At 1 January 2019	10,595,349	16,384	6,695,101	584,126	6,200	17,897,160
Additions	50,438	-	428,857	314,427	-	793,722
Disposals	-	-	(117,220)	-	-	(117,220)
At 31 December 2019	10,645,787	16,384	7,006,738	898,553	6,200	18,573,662
<b>Depreciation and impairment</b>						
At 1 January 2019	822,509	16,384	2,610,788	225,650	5,634	3,680,965
Depreciation charged in the year	281,241	-	748,369	99,772	141	1,129,523
Eliminated in respect of disposals	-	-	(52,271)	-	-	(52,271)
At 31 December 2019	1,103,750	16,384	3,306,886	325,422	5,775	4,758,217
<b>Carrying amount</b>						
At 31 December 2019	9,542,037	-	3,699,852	573,131	425	13,815,445
At 31 December 2018	9,772,840	-	4,084,313	358,476	566	14,216,195
<b>Company</b>		Land and buildings Freehold £	Land and buildings Leasehold £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost</b>						
At 1 January 2019		4,248,102	16,384	584,126	6,200	4,854,812
Additions		-	-	314,427	-	314,427
At 31 December 2019		4,248,102	16,384	898,553	6,200	5,169,239
<b>Depreciation and impairment</b>						
At 1 January 2019		153,256	16,384	225,650	5,634	400,924
Depreciation charged in the year		81,896	-	99,772	141	181,809
At 31 December 2019		235,152	16,384	325,422	5,775	582,733
<b>Carrying amount</b>						
At 31 December 2019		4,012,950	-	573,131	425	4,586,506
At 31 December 2018		4,094,846	-	358,476	566	4,453,888

# WINDMILL ORGANICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 13 Fixed asset investments

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Investments in subsidiaries	14	-	-	6,997	6,997
Loans to subsidiaries	14	-	-	7,321,661	11,073,319
		-	-	7,328,658	11,080,316

### Movements in fixed asset investments Company

	Shares in group undertakings	Loans to group undertakings	Total
	£	£	£
<b>Cost or valuation</b>			
At 1 January 2019	6,997	11,073,319	11,080,316
Repaid	-	(3,751,658)	(3,751,658)
At 31 December 2019	6,997	7,321,661	7,328,658
<b>Carrying amount</b>			
At 31 December 2019	6,997	7,321,661	7,328,658
At 31 December 2018	6,997	11,073,319	11,080,316

### 14 Subsidiaries

Details of the company's subsidiaries at 31 December 2019 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Machandel BV	Holland	Ordinary Shares	60.00
Windmill BV	Holland	Ordinary Shares	100.00

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

### 15 Financial instruments

	Group 2019 £	2018 £	Company 2019 £	2018 £
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### 16 Stocks

	Group 2019 £	2018 £	Company 2019 £	2018 £
Finished goods and goods for resale	11,650,870	11,819,504	3,202,649	3,419,738

# WINDMILL ORGANICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 17 Debtors

	Group 2019	2018	Company 2019	2018
	£	£	£	£
<b>Amounts falling due within one year:</b>				
Trade debtors	7,589,462	6,480,927	4,259,961	3,932,341
Amounts owed by group undertakings	-	-	137,042	-
Other debtors	490,005	670,320	-	293,797
Prepayments and accrued income	24,258	29,182	24,258	29,182
	<u>8,103,725</u>	<u>7,180,429</u>	<u>4,421,261</u>	<u>4,255,320</u>

### 18 Creditors: amounts falling due within one year

	Notes	Group 2019	2018	Company 2019	2018
		£	£	£	£
Bank loans and overdrafts	19	4,883,647	-	-	-
Trade creditors		4,010,254	4,796,319	1,076,232	1,707,251
Amounts owed to group undertakings		-	-	343,200	-
Corporation tax payable		722,028	787,321	713,993	775,636
Other taxation and social security		169,184	218,027	34,382	62,522
Other creditors		-	6	-	6
Accruals and deferred income		521,209	1,180,539	35,892	35,905
		<u>10,306,322</u>	<u>6,982,212</u>	<u>2,203,699</u>	<u>2,581,320</u>

### 19 Loans and overdrafts

	Group 2019	2018	Company 2019	2018
	£	£	£	£
Bank overdrafts	<u>4,883,647</u>	<u>-</u>	<u>-</u>	<u>-</u>
Payable within one year	<u>4,883,647</u>	<u>-</u>	<u>-</u>	<u>-</u>

# WINDMILL ORGANICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 20 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 2019 £	Liabilities 2018 £
<b>Group</b>		
Accelerated capital allowances	11,081	14,182

The company has no deferred tax assets or liabilities.

	Group 2019 £	Company 2019 £
<b>Movements in the year:</b>		
Liability at 1 January 2019	14,182	-
Credit to profit or loss	(3,101)	-
Liability at 31 December 2019	11,081	-

### 21 Retirement benefit schemes

	2019 £	2018 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	11,753	6,491

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.

### 22 Share capital

	Group and company 2019 £	2018 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
1,000 Ordinary of £1 each	1,000	1,000

### 23 Events after the reporting date

The outbreak of coronavirus (COVID-19) in early 2020 has effected business and economic activity around the world. The eventual severity and length of the economic disruption is impossible to forecast. The directors believe they have a robust plan in place to mitigate the effect of the disruption on the business.



# WINDMILL ORGANICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 24 Directors' transactions

Dividends totalling £211,544 (2018 - £861,833) were paid in the year in respect of shares held by the company's directors.

### 25 Cash generated from group operations

	2019 £	2018 £
Profit for the year after tax	6,917,197	5,961,706
<b>Adjustments for:</b>		
Taxation charged	1,570,803	1,519,937
Finance costs	109,401	58,410
Investment income	(28,206)	(49,722)
Gain on disposal of tangible fixed assets	(12,227)	(76,787)
Amortisation and impairment of intangible assets	34,889	27,928
Depreciation and impairment of tangible fixed assets	1,129,523	1,107,573
Decrease in provisions	-	(41,617)
<b>Movements in working capital:</b>		
Decrease/(increase) in stocks	168,634	(553,314)
(Increase)/decrease in debtors	(923,296)	166,514
(Decrease)/increase in creditors	(1,494,244)	46,664
<b>Cash generated from operations</b>	<b>7,472,474</b>	<b>8,167,292</b>

### 26 Cash generated from operations - company

	2019 £	2018 £
Profit for the year after tax	6,314,388	6,340,713
<b>Adjustments for:</b>		
Taxation charged	1,453,019	1,475,147
Investment income	(485,152)	(919,128)
Gain on disposal of tangible fixed assets	-	(76,787)
Amortisation and impairment of intangible assets	34,889	27,928
Depreciation and impairment of tangible fixed assets	181,809	147,020
<b>Movements in working capital:</b>		
Decrease/(increase) in stocks	217,089	(532,738)
Increase in debtors	(165,941)	(23,029)
(Decrease)/increase in creditors	(315,978)	340,511
<b>Cash generated from operations</b>	<b>7,234,123</b>	<b>6,779,637</b>

## WINDMILL ORGANICS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

**27 Analysis of changes in net funds - group**

	1 January 2019	Cash flows	31 December 2019
	£	£	£
Cash at bank and in hand	15,617,714	9,462,858	25,080,572
Bank overdrafts	-	(4,883,647)	(4,883,647)
	<u>15,617,714</u>	<u>4,579,211</u>	<u>20,196,925</u>

**28 Analysis of changes in net funds - company**

	1 January 2019	Cash flows	31 December 2019
	£	£	£
Cash at bank and in hand	15,448,376	9,219,656	24,668,032
	<u>15,448,376</u>	<u>9,219,656</u>	<u>24,668,032</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.