REGISTERED NUMBER: 04022675 (England and Wales)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

FOR

THE ORGANIC PHARMACY LIMITED

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THE ORGANIC PHARMACY LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2020

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COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2020

DIRECTORS:	G Di Camerati R Sedgwick M Marrone
REGISTERED OFFICE:	Units 7 & 8 Vision Industrial Park Kendal Avenue Acton London W3 0AF
REGISTERED NUMBER:	04022675 (England and Wales)
AUDITORS:	Haines Watts Chartered Accountants and Statutory Auditors Advantage 87 Castle Street Reading Berkshire RG1 7SN

BALANCE SHEET
31 DECEMBER 2020

	Notes	2020 £	2020 £	2019 £	2019 £
FIXED ASSETS					
Intangible assets	4		78,931		72,500
Tangible assets	5		326,691		311,403
			405,622		383,903
CURRENT ASSETS					
Stocks		1,012,983		1,084,060	
Debtors	6	2,247,708		2,157,601	
Cash at bank and in hand		571,306		290,358	
		3,831,997		3,532,019	
CREDITORS					
Amounts falling due within one year	7	749,475		809,217	
NET CURRENT ASSETS			3,082,522		2,722,802
TOTAL ASSETS LESS CURRENT LIABILITIES			3,488,144		3,106,705
CREDITORS					
Amounts falling due after more than one year	8		(45,834)		-
PROVISIONS FOR LIABILITIES	11		(40,910)		(28,703)
NET ASSETS			3,401,400		3,078,002
CAPITAL AND RESERVES					
Called up share capital	12		70,000		70,000
Retained earnings			3,331,400		3,008,002
SHAREHOLDERS' FUNDS			3,401,400		3,078,002

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

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved and authorised for issue by the Board of Directors and authorised for issue on .....17/05/2021..... and were signed on its behalf by:

.....
M Marrone - Director

The notes form part of these financial statements

1. STATUTORY INFORMATION

The Organic Pharmacy Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements
The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Going Concern
The financial statements have been prepared on a going concern basis. The Directors have reviewed and considered relevant information, including the annual budget and future cash flows in making their assessment. In particular, in response to the COVID-19 pandemic, the Directors have tested their cash flow analysis to take into account the impact on their business of possible scenarios brought on by the impact of COVID-19, alongside the measures that they can take to mitigate the impact. Based on these assessments, given the measures that could be undertaken to mitigate the current adverse conditions, and the current resources available, the Directors have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts.

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

Sale of goods
Revenue from the sale of goods is recognised when all of the following conditions are satisfied:
- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services
Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2. ACCOUNTING POLICIES - continued

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

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

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

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

The estimated useful lives range as follows:

Leasehold property improvements - Over the period of the lease
Plant & machinery - 3 years
Fixtures & fittings - 2 - 3 years
Office equipment - 3 years

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Profit and loss account.

Stocks
Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

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

2. ACCOUNTING POLICIES - continued

Cash and cash equivalents
Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.
Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

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

Provisions for liabilities
Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Profit and loss account in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

Financial instruments
The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

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

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

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

2. ACCOUNTING POLICIES - continued

Dividends
Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Current and deferred taxation
The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and loss account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:
- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met. profits.

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

Research and development
Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies
Foreign currency translation
Functional and presentation currency
The Company's functional and presentational currency is GBP.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and loss account except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Profit and loss account within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Profit and loss account within 'other operating income'.

2. ACCOUNTING POLICIES - continued

Operating leases
Rentals paid under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

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

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

The contributions are recognised as an expense in the Profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

Interest income
Interest income is recognised in the Profit and loss account using the effective interest method.

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

Borrowing costs
All borrowing costs are recognised in the Profit and loss account in the year in which they are incurred.

Government grants
The company receives government grants in respect of the job retention scheme and the Retail, Hospitality and Leisure Grant Fund. These grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the company will comply with conditions attaching to them and the grants will be received using the accrual model.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 52 (2019 - 57).

4. INTANGIBLE FIXED ASSETS

	Trademarks £	Development costs £	Totals £
COST			
At 1 January 2020	21,958	75,000	96,958
Additions	-	21,431	21,431
At 31 December 2020	21,958	96,431	118,389
AMORTISATION			
At 1 January 2020	21,958	2,500	24,458
Amortisation for year	-	15,000	15,000
At 31 December 2020	21,958	17,500	39,458
NET BOOK VALUE			
At 31 December 2020	-	78,931	78,931
At 31 December 2019	-	72,500	72,500

5. TANGIBLE FIXED ASSETS

	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 January 2020	654,600	261,444	921,247	137,421	1,974,712
Additions	-	5,000	150,754	5,890	161,644
Disposals	(202,450)	(656)	-	-	(203,106)
At 31 December 2020	452,150	265,788	1,072,001	143,311	1,933,250
DEPRECIATION					
At 1 January 2020	593,970	178,718	808,519	82,102	1,663,309
Charge for year	29,250	19,402	37,110	30,406	116,168
Eliminated on disposal	(172,918)	-	-	-	(172,918)
At 31 December 2020	450,302	198,120	845,629	112,508	1,606,559
NET BOOK VALUE					
At 31 December 2020	1,848	67,668	226,372	30,803	326,691
At 31 December 2019	60,630	82,726	112,728	55,319	311,403

The net book value of land and buildings may be further analysed as follows:

	2020 £	2019 £
Short leasehold	1,848	60,630

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade debtors	433,793	266,583
Amounts owed by group undertakings	1,674,173	1,503,011
Other debtors	139,742	388,007
	2,247,708	2,157,601

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Bank loans	4,166	-
Trade creditors	515,341	398,502
Taxation and social security	59,256	254,841
Other creditors	170,712	155,874
	749,475	809,217

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020	2019
	£	£
Bank loans	45,834	-

9. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2020	2019
	£	£
Within one year	105,833	540,160
Between one and five years	30,000	388,375
	135,833	928,535

10. SECURED DEBTS

The following secured debts are included within creditors:

	2020	2019
	£	£
Bank loans	50,000	-

The bank loan is secured by a guarantee from the government.

11. PROVISIONS FOR LIABILITIES

	2020	2019
	£	£
Deferred tax	40,910	28,703

	Deferred tax
	£
Balance at 1 January 2020	28,703
Provided during year	12,207
Balance at 31 December 2020	40,910

12. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2020 £	2019 £
2,800	Ordinary	£25	70,000	70,000

13. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

Peter Wright BSc FCA (Senior Statutory Auditor)
for and on behalf of Haines Watts

14. RELATED PARTY DISCLOSURES

The Company has taken advantage of the exemption under paragraph 33.1A of FRS102 not to disclose transactions with other wholly owned group members.

15. ULTIMATE CONTROLLING PARTY

The Company is a wholly owned subsidiary of the Istituto Ganassini S.P.A. Di Ricerche Biochimiche.