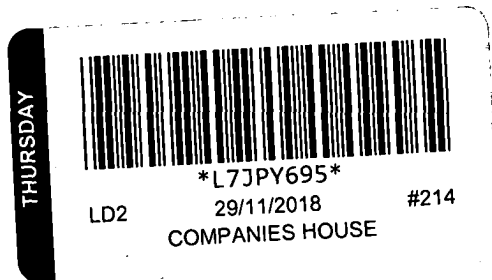


Company Registration No. 03826282 (England and Wales)

PLANET ORGANIC LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 25 AUGUST 2018



PLANET ORGANIC LIMITED

COMPANY INFORMATION

Directors	E Adatia C Fenn P Marsh S Morse A Smith B Thomson	(Appointed 28 September 2018) (Appointed 28 September 2018)
Secretary	E Adatia	
Company number	03826282	
Registered office	42 Westbourne Grove London W2 5SH United Kingdom	
Auditor	H W Fisher & Company Acre House 11-15 William Road London NW1 3ER United Kingdom	
Bankers	Lloyds Bank PLC Notting Hill Gate London W11 3JD United Kingdom	
Solicitors	Marriott Harrison Solicitors 11 Staple Inn Buildings London WC1V 7QH United Kingdom	

PLANET ORGANIC LIMITED

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PLANET ORGANIC LIMITED

STRATEGIC REPORT

FOR THE 52 WEEKS ENDED 25 AUGUST 2018

The directors present the strategic report and financial statements for the 52 weeks ended 25 August 2018.

Fair review of the business

The principal activities of the Company continue to be that of the retailing of organic food products, serving juices & hot drinks, preparing fresh organic food to eat in store and catering for the growing health and wellbeing trend in our health & bodycare departments.

The business has three main operating channels; retail stores, a transactional E commerce site and the wholesale of in house developed Branded products which are sold around the world.

All three channels have progressed satisfactorily in accordance with the Company's long term strategy.

Principal risks and uncertainties

The principal risks and uncertainties facing the Company relate to the general uncertainty as to the level of economic activity going forward, competitive businesses and the management of cash flows in the business.

Brexit is a major risk as is political uncertainty for next year. In particular, the uncertainty surrounding what form a trade deal will have means there are potential risks to margins and availability of stock. A large proportion of our employees are EU nationals and uncertainty surrounding immigration and employment is a further risk to labour turnover and wage inflation.

Given the recent post balance sheet investment in the Company, the Directors believe cash flow is strong and the Company will be in a strong financial position to weather the main risks identified.

Development and performance

The Company made a pre-tax profit of £155,525 for the 52 weeks ended 25th August 2018 on a turnover of £32,514,915. In 2017, the company made a pre-tax loss of £323,171 on a turnover of £30,665,277.

Included in other operating income are rebates totalling £201,016 resulting from a thorough review of our VAT treatment on products and loyalty programs.

At 25th August 2018 the company had net assets of £1,401,517 (2017: £1,220,400).

PLANET ORGANIC LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE 52 WEEKS ENDED 25 AUGUST 2018

Key performance indicators

The directors continually monitor various key performance indicators on a daily, weekly and monthly basis. The P&L indicators include, but are not limited to sales, margin, wastage and employment costs. Balance sheet indicators are also scrutinised, including debtor days, creditor days, cashflow and gearing. All of the indicators are used to provide management with an understanding of the development, performance and position of the business.

The primary indicators were as follows:

	2018 £000	2017 £000	change %
Turnover	32,515	30,665	+6%
EBITDA	1,062	590	+80%
Profit/(Loss) Before Tax:	156	(323)	

Turnover increased by 6%, with all growth being on a like for like basis as all our seven stores were open for the two years covered by these accounting periods. Growth has continued to be stronger than the rest of the high street and also higher than food retailing in general. Our growth is put down to internal and external factors. The UK population is more than ever aware of the need for healthy eating, wellbeing and the negative impact modern lifestyles are causing on the environment. All of these trends fit squarely with the foundation stones Planet Organic has had since it started trading 23 years ago.

The increase in turnover, together with cost control has boosted EBITDA and resulted in a return to profitability.

Our mobile phone loyalty and payment app continues to grow in popularity. 20% of transactions are now being paid this way compared to 6% twelve months ago. We will continue to develop our loyalty program during the coming years

Store sales have grown strongly. Due to the success of the Muswell Hill store the Board agreed to take up the opportunity to extend the sales area of the store and agreed a lease with the landlord for additional space in August 2018. It is expected that trading will start from the new space in November 2018.

In the year £498,235 of loans were repaid resulting in just £22,403 outstanding at year end. All Bank debt is due to be repaid by December 2018.

During 2018 the Board spent a significant amount of time seeking a suitable partner who would be able to continue the development and growth of the company. This search reached a positive outcome just after year end with Inverleith (PO) limited becoming the majority shareholder. £4,750,000 has been invested into the Company.

We have a strong desire to expand the availability of quality organic food and products throughout London thereby promoting health in the community and with our investment will do so by opening a number of additional stores over the next five years.

We will continue to be at the forefront of the growing trend towards community based shopping and to provide the opportunities for our customers to make informed and environmentally responsible decisions.

On behalf of the board



E Adatia

Director

27th November 2018

PLANET ORGANIC LIMITED

DIRECTORS' REPORT

FOR THE 52 WEEKS ENDED 25 AUGUST 2018

The directors present their annual report and financial statements for the 52 weeks ended 25 August 2018.

Principal activities

The principal activities of the company continue to be that of the retailing of organic food products, serving juices & hot drinks, preparing fresh organic food to eat in store and catering for the growing health and wellbeing trend in our health & bodycare departments.

Directors

The directors who held office during the 52 weeks and up to the date of signature of the financial statements were as follows:

E Adatia	
R Elliott	(Resigned 28 September 2018)
C Fenn	
D Krantz	(Resigned 28 September 2018)
P Marsh	
S Morse	(Appointed 28 September 2018)
A Smith	
B Thomson	(Appointed 28 September 2018)

Results and dividends

The results for the 52 weeks are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement

The company's policy is to consult and discuss with employees at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

Auditor

The auditor, H W Fisher & Company, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of post balance sheet events, research and development and likely future developments in the business of the company.

Statement of disclosure to auditor

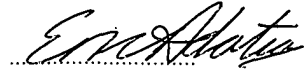
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to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

PLANET ORGANIC LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE 52 WEEKS ENDED 25 AUGUST 2018

On behalf of the board



E Adatia

Director

Date: 27th November 2018

PLANET ORGANIC LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE 52 WEEKS ENDED 25 AUGUST 2018

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

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

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

PLANET ORGANIC LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PLANET ORGANIC LIMITED

Opinion

We have audited the financial statements of Planet Organic Limited (the 'company') for the 52 weeks ended 25 August 2018 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the 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 company's affairs as at 25 August 2018 and of its profit for the 52 weeks 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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 directors are 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.

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 Directors' Report for the 52 weeks for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

PLANET ORGANIC LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF PLANET ORGANIC LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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.

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.

Helen James (Senior Statutory Auditor)
for and on behalf of H W Fisher & Company

Chartered Accountants

Statutory Auditor

Acre House
11-15 William Road
London
NW1 3ER
United Kingdom

27/11/18

PLANET ORGANIC LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE 52 WEEKS ENDED 25 AUGUST 2018

		52 weeks ended 25 August 2018 £	52 weeks ended 26 August 2017 £
	Notes		
Turnover	3	32,514,915	30,665,277
Cost of sales		(30,462,294)	(29,133,957)
Gross profit		2,052,621	1,531,320
Administrative expenses		(2,109,982)	(1,830,861)
Other operating income		214,525	31,509
Operating profit/(loss)	4	157,164	(268,032)
Interest receivable and similar income	7	5	-
Interest payable and similar expenses	8	(1,644)	(55,139)
Profit/(loss) before taxation		155,525	(323,171)
Tax on profit/(loss)	9	25,592	-
Profit/(loss) for the financial 52 weeks		181,117	(323,171)

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

PLANET ORGANIC LIMITED

BALANCE SHEET

AS AT 25 AUGUST 2018

	Notes	2018 £	2017 £
Fixed assets			
Tangible assets	10	2,625,746	3,083,374
Current assets			
Stocks	12	1,279,844	1,145,131
Debtors	13	1,403,386	1,304,605
Cash at bank and in hand		459,298	409,478
		3,142,528	2,859,214
Creditors: amounts falling due within one year	14	(4,022,405)	(4,314,836)
Net current liabilities		(879,877)	(1,455,622)
Total assets less current liabilities		1,745,869	1,627,752
Creditors: amounts falling due after more than one year	15	-	(26,027)
Provisions for liabilities	18	(344,352)	(381,325)
Net assets		1,401,517	1,220,400
Capital and reserves			
Called up share capital	22	2,576,078	2,576,078
Share premium account		3,270,249	3,270,249
Profit and loss reserves		(4,444,810)	(4,625,927)
Total equity		1,401,517	1,220,400

The financial statements were approved by the board of directors and authorised for issue on 27.11.18 and are signed on its behalf by:



E Adatia
Director

Company Registration No. 03826282

PLANET ORGANIC LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE 52 WEEKS ENDED 25 AUGUST 2018

	Share capital	Share premium account	Profit and loss reserves	Total
Notes	£	£	£	£
Balance at 28 August 2016	2,573,693	3,269,295	(4,302,756)	1,540,232
Period ended 26 August 2017:				
Loss and total comprehensive income for the period	-	-	(323,171)	(323,171)
Issue of share capital	2,385	954	-	3,339
Balance at 26 August 2017	2,576,078	3,270,249	(4,625,927)	1,220,400
Period ended 25 August 2018:				
Profit and total comprehensive income for the period	-	-	181,117	181,117
Balance at 25 August 2018	2,576,078	3,270,249	(4,444,810)	1,401,517

PLANET ORGANIC LIMITED

STATEMENT OF CASH FLOWS

FOR THE 52 WEEKS ENDED 25 AUGUST 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash generated from operations	27	1,016,173		581,921	
Interest paid		(1,644)		(55,139)	
Income taxes refunded		13,459		-	
Net cash inflow from operating activities		<u>1,027,988</u>		<u>526,782</u>	
Investing activities					
Purchase of tangible fixed assets		(448,556)		(516,907)	
Proceeds on disposal of tangible fixed assets		3,483		-	
Interest received		5		-	
Net cash used in investing activities		<u>(445,068)</u>		<u>(516,907)</u>	
Financing activities					
Proceeds from issue of shares		-		3,339	
Repayment of bank loans		(498,235)		(953,503)	
Payment of finance leases obligations		(34,865)		(32,944)	
Net cash used in financing activities		<u>(533,100)</u>		<u>(983,108)</u>	
Net increase/(decrease) in cash and cash equivalents		<u>49,820</u>		<u>(973,233)</u>	
Cash and cash equivalents at beginning of 52 weeks		409,478		1,382,711	
Cash and cash equivalents at end of 52 weeks		<u><u>459,298</u></u>		<u><u>409,478</u></u>	

PLANET ORGANIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 52 WEEKS ENDED 25 AUGUST 2018

1 Accounting policies

Company information

Planet Organic Limited is a private company limited by shares incorporated in England and Wales. The registered office is 42 Westbourne Grove, London, W2 5SH, United Kingdom.

1.1 Accounting convention

The accounts have been prepared under the historic cost convention and on the going concern basis.

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 certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

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

1.3 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.

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.

1.4 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.

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:

Short leasehold improvements	Over the period of the lease
Plant and machinery	3 - 12 years straight line
Fixtures, fittings & equipment	6 years straight line

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 credited or charged to profit or loss.

PLANET ORGANIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 52 WEEKS ENDED 25 AUGUST 2018

1 Accounting policies

(Continued)

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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 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.

1.6 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.

1.7 Cash and cash equivalents

Cash at bank and in hand 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.

1.8 Financial instruments

The company 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 company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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.

PLANET ORGANIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 52 WEEKS ENDED 25 AUGUST 2018

1 Accounting policies

(Continued)

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, such as forward exchange contracts, 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 company 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 company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, and bank loans 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.

PLANET ORGANIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 52 WEEKS ENDED 25 AUGUST 2018

1 Accounting policies

(Continued)

Other financial liabilities

Derivatives, including 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 company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

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

1.10 Taxation

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

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 company'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 when the company has 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.

1.11 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

PLANET ORGANIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 52 WEEKS ENDED 25 AUGUST 2018

1 Accounting policies

(Continued)

1.12 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.

1.13 Retirement benefits

The company made monthly payments into the company pension schemes on behalf of 2 directors and the employees. Contributions are charged to the profit and loss account as they become payable.

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rental payments under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.15 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.

1.16 Share based payments

Equity based incentive schemes are an integral part of the remuneration package of certain executive directors and employees (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised if material, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the company's estimate of the number of equity instruments that will ultimately vest. The profit and loss account expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

1.17 Comparatives

The comparative period relates to the 52 week period ending 26th August 2017.

PLANET ORGANIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 52 WEEKS ENDED 25 AUGUST 2018

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are 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.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Deferred tax

The deferred tax asset for trade losses is recognised to the extent that it is probable that it will be recovered against future taxable profits. The value of taxable profits in the foreseeable future is estimated as sufficient to use the value of the deferred tax asset recognised. Future taxable profits are an estimate by the directors based on their assumptions of the future trade of the Company.

Impairments of stocks

Stocks are held at the lower of cost and estimated selling price less costs to complete. When stocks become old or obsolete, an estimate is made of their net realisable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision is applied according to the inventory type and the degree of ageing or obsolescence, based on historical selling prices.

At the reporting date, the carrying value of stocks amounted to £1,279,844 (2017: £1,145,131). During the year, amounts of £Nil (2017: £Nil) were recognised in profit and loss in respect of provisions against stock.

Useful economic lives of property, plant and equipment

Depreciation of assets is charged so as to write down the value of those assets to their residual value over their respective estimated useful lives. The Directors are required to assess the useful economic lives and residual values of the assets so that depreciation is charged on a systematic and proportionate basis to the current carrying amount.

At the reporting date, the net book value of total assets amounted to £2,625,746 (2017: £3,083,374). During the year, amounts of £904,444 (2017: £857,683) were recognised in profit and loss in respect of depreciation.

3 Turnover and other revenue

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

	2018	2017
	£	£
Turnover		
Sales	32,514,915	30,665,277

PLANET ORGANIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 52 WEEKS ENDED 25 AUGUST 2018

3 Turnover and other revenue

(Continued)

Turnover analysed by geographical market

	2018 £	2017 £
United Kingdom	32,249,768	30,326,174
Rest of the world	265,147	339,103
	<u>32,514,915</u>	<u>30,665,277</u>

4 Operating profit/(loss)

	2018 £	2017 £
Operating profit/(loss) for the period is stated after charging/(crediting):		
Exchange losses/(gains)	6,472	(106,238)
Fees payable to the company's auditor for the audit of the company's financial statements	20,500	19,850
Depreciation of owned tangible fixed assets	883,473	834,747
Depreciation of tangible fixed assets held under finance leases	20,971	22,936
(Profit)/loss on disposal of tangible fixed assets	(1,743)	938
Cost of stocks recognised as an expense	19,761,930	18,814,983
Operating lease charges	1,339,903	1,345,465
	<u>19,999,536</u>	<u>19,827,786</u>

5 Employees

The average monthly number of persons (including directors) employed by the company during the 52 weeks was:

	2018 Number	2017 Number
Selling and distribution	277	276
Administration	39	35
	<u>316</u>	<u>311</u>

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	6,601,270	6,298,891
Social security costs	565,994	529,820
Pension costs	64,423	41,277
	<u>7,231,687</u>	<u>6,869,988</u>

PLANET ORGANIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 52 WEEKS ENDED 25 AUGUST 2018

6 Directors' remuneration

	2018 £	2017 £
Remuneration for qualifying services	332,691	333,835
Company pension contributions to defined contribution schemes	6,350	6,350
	<u>339,041</u>	<u>340,185</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2017 - 2).

The number of directors who exercised share options during the 52 weeks was 0 (2017 - 1).

The number of directors who are entitled to receive shares under long term incentive schemes during the 52 weeks was 2 (2017 - 2).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2018 £	2017 £
Remuneration for qualifying services	<u>201,124</u>	<u>201,750</u>

The highest paid director has been entitled to receive shares under a long term incentive scheme during the 52 weeks.

7 Interest receivable and similar income

	2018 £	2017 £
Interest income		
Other interest income	<u>5</u>	<u>-</u>

8 Interest payable and similar expenses

	2018 £	2017 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	407	50,996
Other interest on financial liabilities	<u>1,237</u>	<u>4,143</u>
	<u>1,644</u>	<u>55,139</u>

PLANET ORGANIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 52 WEEKS ENDED 25 AUGUST 2018

9 Taxation

The actual (credit)/charge for the 52 weeks can be reconciled to the expected (credit)/charge for the 52 weeks based on the profit or loss and the standard rate of tax as follows:

	2018 £	2017 £
Profit/(loss) before taxation	155,525	(323,171)
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.59%)	29,550	(63,309)
Tax effect of expenses that are not deductible in determining taxable profit	1,957	(15,635)
Tax effect of income not taxable in determining taxable profit	(332)	-
Permanent capital allowances in excess of depreciation	33,445	48,429
Depreciation on assets not qualifying for tax allowances	27,071	-
Other permanent differences	-	484
Movement in tax losses	(91,691)	39,297
Research and development claim	(25,592)	(9,266)
Tax (income) for the period	(25,592)	-

10 Tangible fixed assets

	Short leasehold improvements £	Plant and machinery £	Fixtures, fittings & equipment £	Total £
Cost				
At 27 August 2017	547,923	1,735,361	4,681,703	6,964,987
Additions	32,083	214,515	201,958	448,556
Disposals	-	(8,975)	-	(8,975)
At 25 August 2018	580,006	1,940,901	4,883,661	7,404,568
Depreciation and impairment				
At 27 August 2017	272,152	1,196,594	2,412,867	3,881,613
Depreciation charged in the 52 weeks	59,650	247,157	597,637	904,444
Eliminated in respect of disposals	-	(7,235)	-	(7,235)
At 25 August 2018	331,802	1,436,516	3,010,504	4,778,822
Carrying amount				
At 25 August 2018	248,204	504,385	1,873,157	2,625,746
At 26 August 2017	275,771	538,767	2,268,836	3,083,374

PLANET ORGANIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 52 WEEKS ENDED 25 AUGUST 2018

10 Tangible fixed assets

(Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2018 £	2017 £
Plant and machinery	35,047	53,547
Fixtures, fittings & equipment	7,063	9,534
	<u>42,110</u>	<u>63,081</u>
Depreciation charge for the 52 weeks in respect of leased assets	<u>20,971</u>	<u>22,936</u>

11 Financial instruments

	2018 £	2017 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	<u>183,954</u>	<u>210,735</u>
Carrying amount of financial liabilities		
Measured at amortised cost	<u>3,734,030</u>	<u>4,120,783</u>

Forward Exchange Contracts

During the 52 weeks ended 25 August 2018; the Company entered into a forward foreign currency contract, which at 25 August 2018 had a value of £22,276, which is to be settled between August 2018 and November 2018. In the previous 52 week period, the Company entered into forward foreign currency contracts, which at 26 August 2017 had a value of £132,027 which were settled at various dates between August 2017 and May 2018.

12 Stocks

	2018 £	2017 £
Finished goods and goods for resale	<u>1,279,844</u>	<u>1,145,131</u>

PLANET ORGANIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 52 WEEKS ENDED 25 AUGUST 2018

13 Debtors

	2018	2017
	£	£
Amounts falling due within one year:		
Trade debtors	56,215	81,983
Corporation tax recoverable	12,133	-
Other debtors	127,739	128,752
Prepayments and accrued income	872,299	758,870
	<u>1,068,386</u>	<u>969,605</u>
Deferred tax asset (note 19)	335,000	335,000
	<u>1,403,386</u>	<u>1,304,605</u>

Other debtors includes £126,875 (2017: £126,875) in respect of rental deposits, all of which are due to be repaid at the end of the lease term.

14 Creditors: amounts falling due within one year

	Notes	2018	2017
		£	£
Bank loans and overdrafts	16	22,403	498,235
Obligations under finance leases	17	3,624	34,865
Trade creditors		2,996,771	2,861,401
Other taxation and social security		288,375	220,080
Other creditors		461,514	438,627
Accruals and deferred income		249,718	261,628
		<u>4,022,405</u>	<u>4,314,836</u>

15 Creditors: amounts falling due after more than one year

	Notes	2018	2017
		£	£
Bank loans and overdrafts	16	-	22,403
Obligations under finance leases	17	-	3,624
		<u>-</u>	<u>26,027</u>

PLANET ORGANIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 52 WEEKS ENDED 25 AUGUST 2018

16 Loans and overdrafts

	2018 £	2017 £
Bank loans	22,403	520,638
Payable within one year	22,403	498,235
Payable after one year	-	22,403

On 5 December 2014, a new loan of £250,000 was taken out. Interest is payable on this bank loan at 4.02%. The loan is payable in monthly instalments ending December 2018. As at 25 August 2018, £22,403 (2017: £87,853) was outstanding on this loan.

On 26 February 2015, a new loan of £406,000 was taken out which was partly used to repay an old loan balance of £202,114. Interest is payable on this bank loan at 3.83%. The loan is payable in monthly instalments ending February 2018. As at 25 August 2018, £nil (2017: £82,625) was outstanding on this loan.

Interest is payable on an outstanding loan of £nil (2017: £50,160) at 4.23%. The loan was fully repaid in May 2018.

During the 52 weeks ended 25 August 2018, the Company drew down £nil (2017: £600,000) from its revolving credit facility of £2,000,000, of which £300,000 (2017: £1,300,000) was also repaid during the period. Interest was payable on the balance drawn down at 3.37% and on the remaining balance at 1.2%. The revolving credit facility expired in September 2017 and was replaced by a £1m overdraft facility. The overdraft facility is available until the end of November 2018.

Bank borrowings are secured by way of an unlimited debenture dated 27th August 1999 from Planet Organic Limited.

Lloyds TSB Bank PLC holds a fixed and floating charge over all property and assets of the company present and future. This includes book debts, inventories, and property, plant and equipment.

17 Finance lease obligations

	2018 £	2017 £
Future minimum lease payments due under finance leases:		
Within one year	3,624	34,865
In two to five years	-	3,624
	3,624	38,489

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

PLANET ORGANIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 52 WEEKS ENDED 25 AUGUST 2018

18 Provisions for liabilities

	2018 £	2017 £
Lease incentives	344,352	381,325
Movements on provisions:		
		Lease incentives £
At 27 August 2017		381,325
Reversal of provision		(36,973)
At 25 August 2018		344,352

19 Deferred taxation

Deferred tax assets and liabilities are offset where the 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:

	Assets 2018 £	Assets 2017 £
Balances:		
Accelerated capital allowances	(69,415)	(99,043)
Other timing differences	4,438	4,409
Tax losses available	442,884	524,924
Unrecognised deferred tax assets	(42,907)	(95,290)
	335,000	335,000

The company has not recognised any deferred tax movements in the period.

The deferred tax asset set out above is expected to reverse in future periods and relates to the utilisation of tax losses against future expected profits of the same period.

As at 25 August 2018 the company has tax losses carried forward of £2,605,200 (2017: £3,086,657).

PLANET ORGANIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 52 WEEKS ENDED 25 AUGUST 2018

20 Retirement benefit schemes

	2018	2017
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	64,423	41,277
	<u> </u>	<u> </u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

21 Share-based payment transactions

The company has share schemes whereby options over Ordinary shares are granted to directors and employees. The options are valid for 10 years from the date of issue.

PLANET ORGANIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 52 WEEKS ENDED 25 AUGUST 2018

21 Share-based payment transactions

(Continued)

	Number of share options		Weighted average exercise price	
	2018 Number	2017 Number	2018 £	2017 £
Outstanding at 27 August 2017	3,613,054	3,396,904	0.13	0.12
Granted	100,000	250,000	0.22	0.22
Exercised	-	(23,850)	-	0.14
Waived or lapsed during the year	-	(10,000)	-	0.38
Outstanding at 25 August 2018	3,713,054	3,613,054	0.13	0.13
Exercisable at 25 August 2018	238,500	238,500	0.14	0.14

During the period options over 100,000 Ordinary shares were granted as follows:

Granted	Number of shares	Exercise Price	Exercisable*
18 October 2017	100,000	£0.220	18/09/27 - 17/10/27
	100,000		

*Other than the exercise dates stated, the options are also exercisable on occurrence of an exit event as defined in the option scheme rules.

Outstanding options in existence at 25 August 2018 over Ordinary shares are exercisable between the dates set out below:

Number of shares	Subscription Price	Exercisable*
1,687,128	£0.100	04/01/20 - 03/02/20
678,189	£0.105	12/03/21 - 11/04/21
338,500	£0.140	02/08/23 - 01/09/23
259,237	£0.105	12/03/21 - 11/04/21
200,000	£0.220	29/04/25 - 28/05/25
200,000	£0.220	11/11/25 - 10/12/25
200,000	£0.220	23/10/26 - 22/11/26
50,000	£0.220	23/12/26 - 22/01/27
100,000	£0.220	18/09/27 - 17/10/27
3,713,054		

*Other than the exercise dates stated, the options are also exercisable on occurrence of an exit event as defined in the option scheme rules.

PLANET ORGANIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 52 WEEKS ENDED 25 AUGUST 2018

21 Share-based payment transactions

(Continued)

The share options issued in the 52 week period ended 25 August 2018 were valued using a Black Scholes valuation model in accordance with the requirements of FRS102. No charge in respect of the options was recognised in the accounts, as the potential charge is not material.

22 Share capital

	2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
25,760,780 Ordinary shares of 10p each	2,576,078	2,576,078

23 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018 £	2017 £
Within one year	1,463,123	1,387,623
Between two and five years	4,418,878	4,908,045
In over five years	6,142,450	6,242,384
	12,024,451	12,538,052

In addition to the minimum lease commitments disclosed above, rent payable for one store includes 5.75% of turnover, the minimum amount being the annual rate of the basic rent for each period of 52 consecutive weeks.

24 Related party transactions

Transactions with related parties

During the 52 week period, Indie Ecology Limited, with whom P Marsh is a non-executive director, provided refuse disposal services to Planet Organic totalling £31,867 excluding VAT (2017: £27,722) under normal trade conditions of which £142 (2017: £540) was outstanding as at 25th August 2018. During the 52 week period, Planet Organic paid for services totalling £6,693 excluding VAT (2017: £5,100) provided by Toby Marsh Creative Limited whose director is related to P Marsh.

PLANET ORGANIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 52 WEEKS ENDED 25 AUGUST 2018

25 Controlling party

There is no ultimate controlling party.

26 Events after the reporting date

On the 28th September 2018 the company raised £4,750,000 in new equity by the issue of 10,072,095 10p ordinary shares at a price of 47.16p. On the same date all 3,713,054 share options were exercised at a cost of £479,533. Fees totalling £662,959 excluding VAT were incurred, of which £47,557 are included as prepayments in the balance sheet at 25th August 2018. Inverleith (PO) Limited will now be the controlling party owning 54.6% of the issued share capital.

On 10 October 2018, new ten year leases for the Westbourne Grove store and Head Office were signed and the old leases surrendered.

27 Cash generated from operations

	2018 £	2017 £
Profit/(loss) for the 52 weeks after tax	181,117	(323,171)
Adjustments for:		
Taxation credited	(25,592)	-
Finance costs	1,644	55,139
Investment income	(5)	-
(Gain)/loss on disposal of tangible fixed assets	(1,743)	938
Depreciation and impairment of tangible fixed assets	904,444	857,683
(Decrease) in provisions	(36,973)	(36,974)
Movements in working capital:		
(Increase)/decrease in stocks	(134,713)	117,587
(Increase) in debtors	(86,648)	(59,020)
Increase/(decrease) in creditors	214,642	(30,261)
Cash generated from operations	<u>1,016,173</u>	<u>581,921</u>