

# Annual Return (AR30) form

## Section 1 – About this form

An Annual Return must be completed by all societies registered under the Co-operative and Community Benefit Societies Act 2014 ('the Act') (including any societies previously registered under the Industrial and Provident Societies Act 1965) or the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 ('the Act') (including any societies previously registered under the Industrial and Provident Societies Act 1969). The Annual Return must include:

- this form;
- a set of the society's accounts; and
- where required, an audit report or report on the accounts.

A society must submit the Annual Return within 7 months of the end of the society's financial year. Failure to submit on time is a prosecutable offence.

Please note that this form, including any details provided on the form, will be made available to the public through the Mutuels Public Register <https://mutuals.fca.org.uk>.

For guidance on our registration function for societies under the Co-operative and Community Benefit Societies Act 2014, which includes guidance on the requirement to submit an Annual Return, please see here: <https://www.fca.org.uk/publication/finalised-guidance/fq15-12.pdf>

## Section 2 – About this application

<b>Society name</b>	TRIANGLE WHOLEFOODS COLLECTIVE LIMITED
<b>Register number</b>	21975R
<b>Registered address</b>	UNIT G15, LACY WAY, LOWFIELDS BUSINESS PARK, ELLAND, WEST YORKSHIRE
<b>Postcode</b>	HX5 9DB

**2.1 What date did the financial year covered by these accounts end?**

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**Section 3 – People**

**3.1 Please provide the names of the people who were directors of the society during the financial year this return covers.** Some societies use the term 'committee member' or 'trustee' instead of 'director'. For ease of reference, we use 'director' throughout this form.

Name of director	Month and year of birth	
ELAINE HUTTON	SEPTEMBER	1965
MICHAEL ANDERSON	JUNE	1969
ADAM COLE	JULY	1977
ADAM SHEARER	MAY	1963
DEBORAH BEDFORD	SEPTEMBER	1961
RICHARD SMITH	JULY	1976
ALEX STAPPARD	JULY	1967
OLIVER BERRYMAN	SEPTEMBER	1978
KARI WALKER	NOVEMBER	1971
AMANDA TURTON	FEBRUARY	1969
JULIAN HAYHURST	NOVEMBER	1964
HEATHER CRABTREE	JANUARY	1981

Continue on to a separate sheet if necessary.

**3.2 All directors must be 16 or older. Please confirm this is this case:**

All directors are aged 16 or over ☒

**3.3 Societies are within the scope of the Company Directors Disqualification Act 1986 (CDDA). Please confirm that no director is disqualified under that Act:**

No director is disqualified ☒

**3.4 Please state any close links which any of the directors has with any society, company or authority.** 'Close links' includes any directorships or senior positions held by directors of the society in other organisations.

**NONE**

**3.5 Please provide the name of the person who was secretary at the end of the financial year this return covers.** Societies must have a secretary.

Name of secretary	Month and year of birth	
ROSS HODGSON	AUGUST	1983

## Section 4 – Financial information

### 4.1 Please confirm that:

- accounts are being submitted with this form ☒
- the accounts comply with relevant statutory and accounting requirements ☒
- the accounts are signed by two members and the secretary (3 signatures in total) ☒

**4.2 Based on the accounts, please provide the information requested below for the financial year covered by this return.**

Number of members	200
Turnover	58707235
Assets	14923912
Number of employees (if any)	303
Share capital	200
Highest rate of interest paid on shares (if any)	NONE

**4.3 What Standard Industrial Classification code best describes the society's main business?** Where more than one code applies, please select the code that you feel best describes the society's main business activity. You will find a full list of codes here: <http://resources.companieshouse.gov.uk/sic/>

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## Section 5 – Audit

Societies are required to appoint an auditor to audited unless they are small or have disappplied this requirement. For further guidance see chapter 7 of our guidance: <https://www.fca.org.uk/publication/finalised-guidance/fq15-12.pdf>

### 5.1 Please select the audit option the society has complied with:

- |                                  |                                     |
|----------------------------------|-------------------------------------|
| Full professional audit          | <input checked="" type="checkbox"/> |
| Auditor's report on the accounts | <input type="checkbox"/>            |
| Lay audit                        | <input type="checkbox"/>            |
| No audit                         | <input type="checkbox"/>            |

### 5.2 Please confirm the audit option used by the society is compliant with the society's own rules and the Act

We have complied with the audit requirements ☒

### 5.3 Please confirm any audit report (where required) is being submitted with this Annual Return

Yes ☒

Not applicable ☐

The information below impacts the level of audit required of the society's accounts. Please provide answers to the following questions.

**5.4 Is this society accepted by HM Revenue and Customs (HMRC) as a charity for tax purposes?**

Yes ☐

No ☒

**5.5 If the society is registered with the Office of the Scottish Charity Regulator (OSCR) please provide your OSCR registration number.**

Not applicable ☒

OSCR number:	
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**5.6 Is the society a housing association?**

No ☒ Go to **section 6**

Yes ☐ Go to question **5.7**

**5.7 Please confirm which housing regulator you are registered with, and provide the registration number they have given you:**

		Registration number
Homes and Communities Agency	<input type="checkbox"/>	
Scottish Housing Regulator	<input type="checkbox"/>	
The Welsh Ministers	<input type="checkbox"/>	
Department for Communities (Northern Ireland)	<input type="checkbox"/>	

## Section 6 – Subsidiaries

### 6.1 Is the society a subsidiary of another society?

Yes ☐

No ☒

### 6.2 Does the society have one or more subsidiaries? (As defined in sections 100 and 101 of the Act)

Yes ☐ Continue to question 6.3

No ☒ Continue to Section 7

### 6.3 If the society has subsidiaries, please provide the names of them below (or attach an additional sheet)

Registration Number	Name

### 6.4 Please provide below (or on a separate sheet) the names of subsidiaries not dealt with in group accounts (if any) and reasons for exclusions: (the society must have written authority from us to exclude a subsidiary from group accounts)

Registration Number	Name	Reason for exclusion

## Section 7– Condition for registration

All societies are registered meeting one of two conditions for registration. These are that the society is either:

- a bona fide co-operative society ('co-operative society'); **or**
- are conducting business for the benefit of the community ('community benefit society').

A society must answer the questions set out in either Section 7A or Section 7B of this form, depending on which condition of registration it meets.

If you are not sure which condition for registration applies to the society please see chapters 4 and 5 of our guidance:

<https://www.fca.org.uk/publication/finalised-guidance/fg15-12.pdf>

## Section 7A - Co-operative societies

Co-operative societies must answer the following questions in relation to the financial year covered by this return.

**7A.1 What is the business of the society?** For example, did you provide housing, manufacture goods, develop IT systems etc.

**Wholesale organic food and non-food distributors**

**7A.2 Please describe the members' common economic, social and cultural needs and aspirations.** In answering this question, please make sure it is clear what needs and aspirations members had in common.

**To provide a high quality service to customers, and a rewarding working environment for all workers, within a sustainable, ethical, cooperative business structure.  
To strive to promote a healthier lifestyle by supplying ethical eco-friendly, vegetarian products.**

**7A.3 How did the society's business meet those needs and aspirations?**

You have described the society's business answer to question 7A.1, and in question 7A.2 you have described the common needs and aspirations of members. Please now describe how during the year that business met those common needs and aspirations.

**By supplying ethical, eco-friendly and vegetarian products to our customers, working in a sustainable, cooperative environment. Workers enjoy equal pay and an equal share of any profits that are distributed.**

**7A.4 How did members democratically control the society?** For example, did the members elect a board at an annual general meeting; did all members collectively run the society.

**Through quarterly and annual general meetings and electing the members of the board.**



**7A.5 What did the society do with any surplus or profit?** For instance, did you pay a dividend to members (and if so, on what basis); did money get reinvested in the business; put into reserves; used for some other purpose?

**Mainly reinvested in the business. A small bonus paid to all employees.**

## Section 7B - Community benefit societies

Community benefit societies must answer the following questions in relation to the financial year covered by this return.

**7B.1 What is the business of the society?** For example, did you provide social housing, run an amateur sports club etc.

**7B.2 Please describe the benefits to the community the society delivered?** Here we are looking to see *what* the benefits to the community were. Community can be said to be the community at large. For example, did you relieve poverty or homelessness through the provision of social housing.

**7B.3 Please describe how the society's business delivered these benefits?** The business of the society must be conducted for the benefit of the community. Please describe *how* the society's business (as described in answer to question 7B.1) provided benefit to the community.


**7B.4 Did the society work with a specific community, and if so, please describe it here?** For instance, were the society's activities confined to a specific location; or to a specific group of people? Please note that in serving the needs of any defined community, the society should not inhibit the benefit to the community at large.

**7B.5 What did the society do with any surplus or profit?** For instance, did you donate the money; did money get reinvested in the business; put into reserves; used for some other purpose?

**7B.6 Please state any significant commercial arrangements that the society has, or had, with any other organisation that could create, or be perceived as creating, a conflict of interest.** Please tell us how you ensured that any such conflict of interest did not prevent the society from acting for the benefit of the community.

## Section 8– Declaration

The secretary of the society must complete this section.

<b>Name</b>	<b>Ross Hodgson</b>
My signature below confirms that the information in this form is accurate to the best of my knowledge	
<b>Signature</b> 	
<b>Position</b>	<b>Secretary</b>
<b>Date</b>	<b>213/20</b>

## Section 9 – Submitting this form

Please submit a signed, scanned version of this form along with your accounts and any auditor's report by email to: [mutualsannrtns@fca.org.uk](mailto:mutualsannrtns@fca.org.uk).

Or you can post the form to:

Mutual Societies  
Financial Conduct Authority  
12 Endeavour Square  
London  
E20 1JN

This form is available on the Mutuels Society Portal:

<https://societyportal.fca.org.uk>

Registered as a Limited Company in England and Wales No. 1920623. Registered office as above.

**Company Registration No. IP21975R (England and Wales)**

**TRIANGLE WHOLEFOODS COLLECTIVE  
LIMITED**

**THE BOARD'S REPORT AND FINANCIAL STATEMENTS  
FOR THE 52 WEEKS ENDED 28 SEPTEMBER 2019**

**PM+M Solutions for Business LLP  
Chartered Accountants  
New Century House  
Greenbank Technology Park  
Challenge Way  
Blackburn  
Lancashire  
BB1 5QB**

# TRIANGLE WHOLEFOODS COLLECTIVE LIMITED

## COLLECTIVE INFORMATION

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<b>The Board</b>	E Hutton A Cole D Bedford A Turton J Hayhurst R Smith O Berryman K Walker G Scott
<b>Secretary</b>	R Hodgson
<b>Registered number</b>	IP21975R
<b>Registered office</b>	Unit G15 Lowfields Business Park Lacy Way Elland West Yorkshire HX5 9DB
<b>Auditor</b>	PM+M Solutions for Business LLP New Century House Greenbank Technology Park Challenge Way Blackburn Lancashire BB1 5QB
<b>Bankers</b>	National Westminster Bank PLC PO Box 154 8 Park Row Leeds West Yorkshire LS1 1QS

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# TRIANGLE WHOLEFOODS COLLECTIVE LIMITED

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# TRIANGLE WHOLEFOODS COLLECTIVE LIMITED

## STRATEGIC REPORT

FOR THE 52 WEEKS ENDED 28 SEPTEMBER 2019

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### Introduction

The board present their strategic report for the year ended 28 September 2019.

The principal activity of the Collective is that of a wholefood wholesaler. Suma is the trading name of Triangle Wholefoods Collective Limited 'The Collective'.

During the financial year end the cooperative agreed structural management changes, the elected management committee consisting of 6 members was replaced with a board of 9 members.

### Fair review of the business

A record turnover for the Collective which represented an 8.0% increase on the previous year.

A year on year improvement in the cost of sales led to an increase in the gross profit in both actual and percentage terms.

Distribution and administrative costs were up 10% which represents long term significant investment in the employment and training of new workers plus a commitment to improving the Health & Safety and working conditions for all workers.

In response to the ongoing market uncertainties Suma has made strategic decisions to increase its current assets in the form of inventory.

Cashflow has shown an improved position year on year.

### Principal risks and uncertainties

In common with the rest of the UK economy Brexit uncertainties continue to dominate the strategic planning. Efforts continue to mitigate the pressure on key margins and control internal costs. Long term strategic planning continues to be a focal point.

### Key performance indicators

Revenue increased by 8.0%

Gross Profit increased by 12.1%

Distribution and Administrative costs increased by 10%

Operating profit increased by 105%

Total equity increased by 14.3%

### Other performance indicators

The membership increased from 179 to 200 members.

By order of the board

R Hodgson  
Secretary  
14 January 2020



D Bedford  
Member  
14 January 2020



A Cole  
Member  
14 January 2020





# TRIANGLE WHOLEFOODS COLLECTIVE LIMITED

## THE BOARD'S REPORT

### FOR THE 52 WEEKS ENDED 28 SEPTEMBER 2019

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The Board present their report and the financial statements for the 52 weeks ended 29 September 2019.

#### **The Management Committee and The Board**

During the financial year end the cooperative agreed structural management changes, the elected Management Committee consisting of 6 members was replaced with a Board of 9 members.

E Hutton, A Cole and D Bedford previously served on the MC and also served on the Board.

The Management Committee who held office up to the structural management changes were as follows:

E Hutton	(Resigned 28 January 2019)
M Anderson	(Resigned 28 January 2019)
A Cole	(Resigned 28 January 2019)
A Shearer	(Resigned 28 January 2019)
D Bedford	(Resigned 28 January 2019)
H Crabtree	(Resigned 14 December 2018)

The Board who held office subsequent to the structural management changes and for the remainder of the 52 weeks of the year were as follows:

E Hutton	(Appointed 28 January 2019)
M Anderson	(Appointed 28 January 2019 and resigned 29 January 2019)
A Cole	(Appointed 28 January 2019)
A Shearer	(Appointed 28 January 2019 and resigned 29 January 2019)
D Bedford	(Appointed 28 January 2019)
R Smith	(Appointed 28 January 2019)
A Stappard	(Appointed 28 January 2019 and resigned 9 September 2019)
O Berryman	(Appointed 28 January 2019)
K Walker	(Appointed 28 January 2019)
A Turton	(Appointed 28 January 2019)
J Hayhurst	(Appointed 28 January 2019)

#### **Results and dividends**

The results for the 52 weeks are set out on page 6.

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

#### **Employee involvement**

Suma operates an internal open data policy, where all information is available to all employees (except when in relation to personal confidentiality). Further to this, employees are given a presentation of pertinent business and financial information quarterly at a general meeting. They are given relevant information to examine beforehand, to enable them to ask questions if wanted. Members of the cooperative also vote on major business decisions, policy changes and business plans at general meetings and non-member employees can also contribute to the discussions that take place during general meetings. All Suma members are equal shareholders in the cooperative and Suma also has a bonus scheme in place to distribute profits (in certain circumstances) to eligible workers.

#### **Post reporting date events**

There have been no significant events affecting the Collective since the year end.

# TRIANGLE WHOLEFOODS COLLECTIVE LIMITED

## THE BOARD'S REPORT

FOR THE 52 WEEKS ENDED 28 SEPTEMBER 2019

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### Auditor

The auditors, PM+M Solutions for Business LLP, will be proposed for reappointment in accordance with section 485 of the Cooperative and Community Benefit Society Act 2014.

### The Board's responsibilities statement

The Board are responsible for preparing the Strategic Report, the Board Report and the financial statements in accordance with applicable law and regulations.

The Cooperative and Community Benefit Society Act 2014 requires the Board to prepare financial statements for each financial year. Under that act the Board elected to prepare the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under that act the Board 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 Collective and of the profit or loss of the Collective for that period. In preparing these financial statements, the Board 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 Collective will continue in business.

The Board are responsible for keeping adequate accounting records that are sufficient to show and explain the Collective's transactions and disclose with reasonable accuracy at any time the financial position of the Collective and enable them to ensure that the financial statements comply with the Cooperative and Community Benefit Society Act 2014. They are also responsible for safeguarding the assets of the Collective and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Statement of disclosure to auditor


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

By order of the board

R Hodgson  
**Secretary**  
14 January 2020



A Cole  
**Member**  
14 January 2020



D Bedford  
**Member**  
14 January 2020



# TRIANGLE WHOLEFOODS COLLECTIVE LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF TRIANGLE WHOLEFOODS COLLECTIVE LIMITED

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#### Opinion

We have audited the financial statements of Triangle Wholefoods Collective Limited for the 52 weeks ended 28 September 2019 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 Collective's affairs as at 28 September 2019 and of its income and expenditure 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 Co-operative and Community Benefit Societies Act 2014.

#### 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 Collective 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 Board's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The Board have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Collective'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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Board are responsible for the other information. Our opinion on the financial statements does not cover the other information and 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 Board'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 Board's report have been prepared in accordance with applicable legal requirements

# TRIANGLE WHOLEFOODS COLLECTIVE LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF TRIANGLE WHOLEFOODS COLLECTIVE LIMITED

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#### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Cooperative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained; or
- the society has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we require for our audit.

#### Responsibilities of The Board

As explained more fully in The Board's responsibilities statement, the Board 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 Board 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 Board are responsible for assessing the collective'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 Board either intend to liquidate the Collective or to cease operations, or have no realistic alternative but to do so.

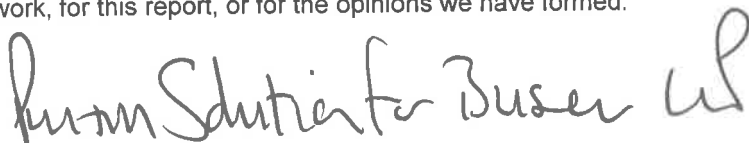
#### Auditor's responsibilities for the audit of the financial statements

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.

#### Use of our report

This report is made solely to the Collective, in accordance with Section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Collective those matters we are required to state to it 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 Collective, for our audit work, for this report, or for the opinions we have formed.



PM+M Solutions for Business LLP

11 February 2020

Chartered Accountants  
Statutory Auditor

New Century House  
Greenbank Technology Park  
Challenge Way  
Blackburn  
Lancashire  
BB1 5QB

# TRIANGLE WHOLEFOODS COLLECTIVE LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE 52 WEEKS ENDED 28 SEPTEMBER 2019

	Notes	2019 £	2018 £
Turnover	3	58,707,235	54,341,735
Cost of sales		(42,231,025)	(39,649,137)
<b>Gross profit</b>		<b>16,476,210</b>	<b>14,692,598</b>
Distribution costs		(2,133,596)	(1,831,570)
Administrative expenses		(13,579,074)	(12,488,505)
<b>Operating profit</b>	4	<b>763,540</b>	<b>372,523</b>
Interest receivable and similar income	7	791	2,571
Interest payable and similar expenses	8	(41,390)	(42,935)
<b>Profit before taxation</b>		<b>722,941</b>	<b>332,159</b>
Tax on profit	9	(128,586)	(90,296)
<b>Profit for the 52 weeks (2018 - Profit for the 53 weeks)</b>		<b>594,355</b>	<b>241,863</b>

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

# TRIANGLE WHOLEFOODS COLLECTIVE LIMITED

## BALANCE SHEET

AS AT 28 SEPTEMBER 2019

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Intangible assets	10		538,038		583,858
Tangible assets	11		2,129,571		1,146,307
Investments	12		35,301		35,212
			<u>2,702,910</u>		<u>1,765,377</u>
<b>Current assets</b>					
Stocks	14	5,872,117		5,543,699	
Debtors	15	5,922,940		5,754,157	
Cash at bank and in hand		425,945		201,238	
		<u>12,221,002</u>		<u>11,499,094</u>	
<b>Creditors: amounts falling due within one year</b>	16	(8,706,616)		(8,335,002)	
<b>Net current assets</b>			<u>3,514,386</u>		<u>3,164,092</u>
<b>Total assets less current liabilities</b>			<u>6,217,296</u>		<u>4,929,469</u>
<b>Creditors: amounts falling due after more than one year</b>	17		(1,027,091)		(441,589)
<b>Provisions for liabilities</b>	20		(442,102)		(334,153)
<b>Net assets</b>			<u>4,748,103</u>		<u>4,153,727</u>
<b>Capital and reserves</b>					
Called up share capital	23		200		179
Profit and loss reserves			4,747,903		4,153,548
<b>Total equity</b>			<u>4,748,103</u>		<u>4,153,727</u>

The financial statements were approved by the Board and authorised for issue on 14 January 2020 and are signed on its behalf by:

A Cole  
Member



D Bedford  
Member



Collective Registration No. IP21975R

# TRIANGLE WHOLEFOODS COLLECTIVE LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE 52 WEEKS ENDED 28 SEPTEMBER 2019

	Notes	Share capital £	Profit and loss reserves £	Total £
<b>Balance at 25 September 2017</b>		162	3,911,685	3,911,847
<b>Period ended 29 September 2018:</b>				
Profit and total comprehensive income for the 53 weeks		-	241,863	241,863
Issue of share capital	23	17	-	17
<b>Balance at 29 September 2018</b>		179	4,153,548	4,153,727
<b>Period ended 28 September 2019:</b>				
Profit and total comprehensive income for the 52 weeks		-	594,355	594,355
Issue of share capital	23	21	-	21
<b>Balance at 28 September 2019</b>		200	4,747,903	4,748,103

# TRIANGLE WHOLEFOODS COLLECTIVE LIMITED

## STATEMENT OF CASH FLOWS

FOR THE 52 WEEKS ENDED 28 SEPTEMBER 2019

	Notes	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	25	1,539,254		489,921	
Interest paid		(41,390)		(42,935)	
Income taxes paid		(96,874)		(83,578)	
<b>Net cash inflow from operating activities</b>		<b>1,400,990</b>		<b>363,408</b>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(302,239)		(141,529)	
Proceeds on disposal of tangible fixed assets		13,930		4,220	
Proceeds on disposal of fixed asset investments		(89)		84	
Interest received		791		2,571	
<b>Net cash used in investing activities</b>		<b>(287,607)</b>		<b>(134,654)</b>	
<b>Financing activities</b>					
Proceeds from issue of shares	21			17	
Repayment of borrowings	(1,667)			(2,346)	
Payment of finance lease obligations	(512,543)			(206,164)	
<b>Net cash used in financing activities</b>		<b>(514,189)</b>		<b>(208,493)</b>	
<b>Net increase in cash and cash equivalents</b>		<b>599,194</b>		<b>20,261</b>	
Cash and cash equivalents at the beginning of 52 weeks		(173,249)		(193,510)	
<b>Cash and cash equivalents at the end of 52 weeks</b>		<b>425,945</b>		<b>(173,249)</b>	
<b>Relating to:</b>					
Cash at bank and in hand		425,945		201,238	
Bank overdrafts included in creditors payable within one year		-		(374,487)	



# TRIANGLE WHOLEFOODS COLLECTIVE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 28 SEPTEMBER 2019

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### 1 Accounting policies

#### Collective information

The Collective is an Industrial and Provident Society, limited by shares, registered with the Financial Conduct Authority in England under number IP21975R. The registered office is noted on page 1 of these financial statements.

The principal activity is that of a wholefood wholesaler.

#### 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 Cooperative and Community Benefit Society Act 2014.

The financial statements are prepared in sterling. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention with the exception of fixed asset investments. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements the members have a reasonable expectation that the Collective has adequate resources to continue in operational existence for the foreseeable future. Thus The Board 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 Research and development expenditure

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

# TRIANGLE WHOLEFOODS COLLECTIVE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 52 WEEKS ENDED 28 SEPTEMBER 2019

---

### 1 Accounting policies

(Continued)

#### 1.5 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.

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

At the year end the intangible asset has not been brought into use therefore no amortisation has been applied.

#### 1.6 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 term leasehold property	over the period of the lease
Plant & machinery	3-15 years
Cars	5 years
Trucks	6 years to 9% residual value
Office equipment	3-5 years

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.

#### 1.7 Fixed asset investments

Investments in unlisted company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on measurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

#### 1.8 Impairment of fixed assets

At each reporting period end date, the Collective 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 Collective estimates the recoverable amount of the cash-generating unit to which the asset belongs.

#### 1.9 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.

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.

# TRIANGLE WHOLEFOODS COLLECTIVE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 52 WEEKS ENDED 28 SEPTEMBER 2019

### 1 Accounting policies

(Continued)

#### 1.10 Cash at bank and in hand

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.

#### 1.11 Financial instruments

The Collective 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 collective's balance sheet when the Collective 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.

##### **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.

##### **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.

# TRIANGLE WHOLEFOODS COLLECTIVE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 52 WEEKS ENDED 28 SEPTEMBER 2019

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### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, 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.

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.

#### **Derecognition of financial liabilities**

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

#### **1.12 Equity instruments**

Equity instruments issued by the Collective 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 company.

#### **1.13 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 Collective'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 Collective 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.

# TRIANGLE WHOLEFOODS COLLECTIVE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 52 WEEKS ENDED 28 SEPTEMBER 2019

### 1 Accounting policies

(Continued)

#### 1.14 Provisions

Provisions are recognised when the Collective has a legal or constructive present obligation as a result of a past event, it is probable that the collective 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.

#### 1.15 Employee benefits

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

#### 1.16 Retirement benefits

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

#### 1.17 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 profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leases asset are consumed.

#### 1.18 Foreign exchange

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

### 2 Judgements and key sources of estimation uncertainty

In the application of the Collective's accounting policies, The Board 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. The main areas of judgement are in relation to stock, provisions for liabilities and debtor provisions, and useful economic lives of the Collective's fixed assets.

# TRIANGLE WHOLEFOODS COLLECTIVE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 52 WEEKS ENDED 28 SEPTEMBER 2019

### 3 Turnover and other revenue

	2019 £	2018 £
Other revenue		
Interest income	791	2,571
	<u>791</u>	<u>2,571</u>
	2019 £	2018 £
Turnover analysed by geographical market		
United Kingdom	54,380,494	49,949,789
Rest of Europe	3,345,278	3,344,958
Rest of world	981,463	1,046,988
	<u>58,707,235</u>	<u>54,341,735</u>

### 4 Operating profit

	2019 £	2018 £
Operating profit for the period is stated after charging/(crediting):		
Exchange losses	9,490	11,758
Fees payable to the Collective's auditor for the audit of the Collective's financial statements	18,000	17,500
Depreciation of owned tangible fixed assets	337,065	280,583
Depreciation of tangible fixed assets held under finance leases	213,696	215,061
Profit on disposal of tangible fixed assets	(13,192)	(3,938)
Cost of stocks recognised as an expense	41,605,302	39,043,849
Operating lease charges	552,072	457,356
	<u>42,502,433</u>	<u>40,169,045</u>

### 5 Staff cost

The average number of persons (including The Board) employed by the Collective during the year was:

	2019 Number	2018 Number
Employees	303	273
	<u>303</u>	<u>273</u>

Their aggregate remuneration comprised:

	2019 £	2018 £
Wages and salaries	9,591,042	8,677,228
Social security costs	970,038	886,194
Pension costs	771,246	686,858
	<u>11,332,326</u>	<u>10,250,280</u>

# TRIANGLE WHOLEFOODS COLLECTIVE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 52 WEEKS ENDED 28 SEPTEMBER 2019

### 6 Board members' remuneration

	2019 £	2018 £
Remuneration for qualifying services	259,565	211,411
Collective pension contributions to defined contribution schemes	22,111	11,646
	<u>281,676</u>	<u>223,057</u>

The number of Board members for whom retirement benefits are accruing under defined contribution schemes amounted to 9 (2018 - 6).

Remuneration disclosed above includes the following amounts paid to the highest paid Board member:

	2019 £	2018 £
Remuneration for qualifying services	38,188	35,652
Company pension contributions to defined contribution schemes	2,249	2,120
	<u></u>	<u></u>

### 7 Interest receivable and similar income

	2019 £	2018 £
<b>Interest income</b>		
Interest on bank deposits	90	14
Other interest income	701	2,557
	<u>791</u>	<u>2,571</u>
Total income		

### 8 Interest payable and similar expenses

	2019 £	2018 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	4,520	3,225
Interest on finance leases and hire purchase contracts	22,838	17,754
Dividends on redeemable preference shares not classified as equity	1	20
Other interest on financial liabilities	14,031	21,936
	<u>41,390</u>	<u>42,935</u>

# TRIANGLE WHOLEFOODS COLLECTIVE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 52 WEEKS ENDED 28 SEPTEMBER 2019

### 9 Taxation

	2019 £	2018 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	26,657	96,874
<b>Deferred tax</b>		
Origination and reversal of timing differences	101,929	(6,578)
<b>Total tax charge</b>	<b>128,586</b>	<b>90,296</b>

The actual charge for the 52 weeks 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	722,941	332,159
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	137,359	63,110
Tax effect of expenses that are not deductible in determining taxable profit	1,817	25,302
Permanent capital allowances in excess of depreciation	1,402	1,109
Adjust opening and closing deferred tax to average rate	(11,992)	775
<b>Taxation charge for the period</b>	<b>128,586</b>	<b>90,296</b>



# TRIANGLE WHOLEFOODS COLLECTIVE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 52 WEEKS ENDED 28 SEPTEMBER 2019

### 9 Taxation

(Continued)

#### Tax policy

Our commitment to ensuring we pay all the taxes we owe.

We are committed to paying all the taxes that we owe in accordance with the spirit of all tax laws that apply to our operations. We believe that paying our taxes in this way is the clearest indication we can give of being responsible participants in society.

We fulfil our commitment by seeking to pay the right amount of tax (but no more), at the right rate, in the right place and at the right time. We aim to do this by ensuring that we report our tax affairs in ways that reflect the economic reality of the transactions we actually undertake in the course of our trade.

We will never seek to use those options made available by tax law or the allowances and reliefs that it provides in ways that are contrary to the spirit of the law. Nor will we undertake specific transactions with the sole or main aim of securing tax advantages that would otherwise not be available to us, based on the reality of the trade that we undertake.

As a result the Collective will never undertake transactions that would require notification to HM Revenue & Customs under the Disclosure of Tax Avoidance Schemes Regulations or participate in any arrangement to which it might be reasonably anticipated that the UK's General Anti-Abuse Rule might apply.

We believe tax havens undermine the UK's tax system. As a result whilst we will trade with customers and suppliers genuinely located in places considered to be tax havens we will not make use of those places to secure a tax advantage, and nor will we take advantage of the secrecy that many such jurisdictions provide for transactions recorded within them.

Our accounts will be prepared in compliance with this policy and will seek to provide all information that users, including HM Revenue & Customs, might need to properly appraise our tax position.

The Treasurer and the Finance Officer shall be responsible for overseeing the application of this policy.

The Financial sub-committee will review the policy on behalf of the board, to ensure it is complied with.

### 10 Intangible fixed assets

	Computer software and development costs £
<b>Cost</b>	
At 30 September 2018	583,858
Disposals	(45,820)
	<hr/>
At 28 September 2019	538,038
	<hr/>
<b>Amortisation and impairment</b>	
At 30 September 2018 and 28 September 2019	-
	<hr/>
<b>Carrying amount</b>	
At 28 September 2019	538,038
	<hr/>
At 29 September 2018	583,858
	<hr/>

# TRIANGLE WHOLEFOODS COLLECTIVE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 52 WEEKS ENDED 28 SEPTEMBER 2019

### 11 Tangible fixed assets

	Short term leasehold property £	Plant and equipment £	Office Equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At 30 September 2018	323,716	1,609,044	805,885	1,851,181	4,589,826
Additions	31,030	240,714	157,294	1,105,725	1,534,763
Disposals	-	(88,347)	(3,923)	(270,948)	(363,218)
At 28 September 2019	354,746	1,761,411	959,256	2,685,958	5,761,371
<b>Depreciation and impairment</b>					
At 30 September 2018	252,197	1,313,493	672,870	1,204,959	3,443,519
Depreciation charged in the 52 weeks	34,372	173,434	112,544	230,411	550,761
Eliminated in respect of disposals	-	(87,514)	(4,018)	(270,948)	(362,480)
At 28 September 2019	286,569	1,399,413	781,396	1,164,422	3,631,800
<b>Carrying amount</b>					
At 28 September 2019	68,177	362,000	177,860	1,521,536	2,129,571
At 29 September 2018	71,519	295,551	133,015	646,222	1,146,307

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

	2019 £	2018 £
Motor vehicles	1,445,874	632,116
Other Fixed Assets	157,986	666,724
	1,603,860	1,298,840
Depreciation charge for the 52 weeks in respect of leased assets	213,696	215,061

### 12 Fixed asset investments

	2019 £	2018 £
Unlisted investments	35,301	35,212

# TRIANGLE WHOLEFOODS COLLECTIVE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 52 WEEKS ENDED 28 SEPTEMBER 2019

### 12 Fixed asset investments

(Continued)

#### Movements in fixed asset investments

	Investments other than loans £
<b>Cost or valuation</b>	
At 30 September 2018	35,212
Valuation changes	89
At 28 September 2019	35,301
<b>Carrying amount</b>	
At 28 September 2019	35,301
At 29 September 2018	35,212

### 13 Financial instruments

	2019 £	2018 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	5,416,778	5,415,372
Equity instruments measured at cost less impairment	35,301	35,212
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	9,485,024	8,453,917

### 14 Stocks

	2019 £	2018 £
Finished goods and goods for resale	5,872,117	5,543,699

### 15 Debtors

	2019 £	2018 £
<b>Amounts falling due within one year:</b>		
Trade debtors	5,416,778	5,415,372
Other debtors	25,377	28,025
Prepayments and accrued income	480,785	291,051
	5,922,940	5,734,448
Deferred tax asset (note 21)	-	19,709
	5,922,940	5,754,157

# TRIANGLE WHOLEFOODS COLLECTIVE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 52 WEEKS ENDED 28 SEPTEMBER 2019

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

	Notes	2019 £	2018 £
Bank loans and overdrafts	18	-	374,487
Obligations under finance leases	19	509,201	374,722
Other borrowings	18	32,637	34,304
Trade creditors		7,180,261	6,470,080
Corporation tax		26,657	96,874
Other taxation and social security		222,026	225,800
Other creditors		28,738	34,252
Accruals and deferred income		707,096	724,483
		<u>8,706,616</u>	<u>8,335,002</u>

Trade creditors include an amount of £4,886,916 (2018 - £5,895,089) in respect of goods for which ownership will not pass until payment is made.

Obligations under finance leases and hire purchase contracts are secured on the assets to which they relate.

### 17 Creditors: amounts falling due after more than one year

	Notes	2019 £	2018 £
Obligations under finance leases	19	<u>1,027,091</u>	<u>441,589</u>

Obligations under finance leases and hire purchase contracts are secured on the assets to which they relate.

### 18 Loans and overdrafts

	2019 £	2018 £
Bank loans	-	374,487
Other loans	32,637	34,304
	<u>32,637</u>	<u>408,791</u>
Payable within one year	<u>32,637</u>	<u>408,791</u>

# TRIANGLE WHOLEFOODS COLLECTIVE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 52 WEEKS ENDED 28 SEPTEMBER 2019

### 19 Finance lease obligations

	2019 £	2018 £
Future minimum lease payments due under finance leases:		
Within one year	509,201	374,722
In two to five years	1,027,091	441,589
	<u>1,536,292</u>	<u>816,311</u>

### 20 Provisions for liabilities

	Notes	2019 £	2018 £
Provision for leaving bonus		100,694	97,853
Dilapidation provision		259,188	236,300
		<u>359,882</u>	<u>334,153</u>
Deferred tax liabilities	21	82,220	-
		<u>442,102</u>	<u>334,153</u>

Movements on provisions apart from retirement benefits and deferred tax liabilities:

	Provision for leaving bonus £	Dilapidation provision £	Total £
At 30 September 2018	97,853	236,300	334,153
Additional provisions in the year	5,681	22,888	28,569
Utilisation of provision	(2,840)	-	(2,840)
At 28 September 2019	<u>100,694</u>	<u>259,188</u>	<u>359,882</u>

#### Provision for leaving bonus

For many years the Collective has operated an informal arrangement whereby members have been awarded a bonus of up to 4 weeks wages upon their leaving. The arrangement is not reflected in any contractual or membership agreement but it is operated consistently on an informal basis such that it constitutes a constructive obligation on the part of the Collective and the members have a valid expectation that they will receive a bonus on leaving. During 2017 the Collective agreed to change this arrangement with only members who have completed 20 years service being entitled to the bonus upon their leaving, this has been communicated to all members. The amount of the provision reflects The Board's estimate of the liability that exists at the period end in respect of the bonus arrangement.

#### Dilapidation provision

The Board feel it is appropriate to assess the level of dilapidations payable on exiting the leasehold properties and have made a provision for dilapidation costs expected on the properties.

# TRIANGLE WHOLEFOODS COLLECTIVE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 52 WEEKS ENDED 28 SEPTEMBER 2019

### 21 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2019 £	Liabilities 2018 £	Assets 2019 £	Assets 2018 £
<b>Balances:</b>				
Accelerated capital allowances	103,261	-	-	(2,522)
Short term timing difference	(21,041)	-	-	22,231
	<u>82,220</u>	<u>-</u>	<u>-</u>	<u>19,709</u>
<b>Movements in the 52 weeks:</b>				2019 £
Liability/(Asset) at 30 September 2018				(19,709)
Charge to profit or loss				101,929
Liability at 28 September 2019				<u>82,220</u>

The deferred tax liability on the balance sheet is comprised of a £103,261 liability arising from timing differences on fixed assets and a £21,042 asset arising from timing differences on provisions. The liability has increased significantly in the year due to the capital expenditure on qualifying assets. These assets have benefited from 100% tax relief due to the availability of the annual investment allowance. The liability is likely to gradually impact the Collective's tax bill over the life of the qualifying assets as they are depreciated in the accounts and no further tax relief is due

### 22 Retirement benefit schemes

	2019 £	2018 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>771,246</u>	<u>686,858</u>

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

### 23 Share capital

	2019 £	2018 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
200 (2018 - 179) Ordinary shares of £1 each	<u>200</u>	<u>179</u>

# TRIANGLE WHOLEFOODS COLLECTIVE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 52 WEEKS ENDED 28 SEPTEMBER 2019

### 24 Operating lease commitments

#### Lessee

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

	2019 £	2018 £
Within one year	472,567	362,567
Between two and five years	392,875	334,159
In over five years	-	57,842
	<u>865,442</u>	<u>754,568</u>

### 25 Cash generated from operations

	2019 £	2018 £
Profit for the 52 weeks after tax	594,355	241,863
<b>Adjustments for:</b>		
Taxation charged	128,586	90,296
Finance costs	41,390	42,935
Investment income	(791)	(2,571)
Gain on disposal of tangible fixed assets	(13,192)	(3,938)
Depreciation and impairment of tangible fixed assets	550,761	495,644
Net increase in provisions	25,729	32,533
<b>Movements in working capital:</b>		
(Increase) in stocks	(328,418)	(670,063)
(Increase)/decrease in debtors	(188,492)	169,220
Increase/(decrease) in creditors	729,326	94,002
<b>Cash generated from operations</b>	<u>1,539,254</u>	<u>489,921</u>