

Unicorn Grocery Limited
Unaudited Financial Statements
For the Year Ended
31 December 2019

Unicorn Grocery Limited
Financial Statements
Year Ended 31 December 2019

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Unicorn Grocery Limited

Legal and Administrative Details

Status

A registered society registered with the Financial Conduct Authority formed under the Industrial & Provident Societies Act 1965, now the Co-operative and Community Benefit Societies Act 2014.

Registered number: 28242R

Registered Office

89 Albany Road
Chorlton
Manchester
M21 0BN

Members

Abbie Kempson	Hannah Menzies	Michael Carroll
Ako Williamson	Helen Peart	Mijke Van Haasterecht
Alan Williams	James Trott	Musakib Hanif
Alice Rech	Jim Batty	Nick Rigg
Amy Smith	Jo Scott	Nina Gibson
Baptiste Chadeyron	Joe Haydn	Richard Redman
Ben Gould	Joel Arthur	Russell Nicholson
Britta Werner	Jon Adams	Sam Clare
Claire Holmes	John Connah	Sam Eardley
Craig Johnson	Jose Luis Roca Vasquez	Sam Taggart
Cyward Curran-Dumez	Katarina Gabonayova	Sarah Taylor
Dan Holden	Kath Taylor	Seyedeh Mohammadi
Danielle Monks	Kellie Bubble	Steve Coote
Dave Melling	Laura Marziali	Stuart Jones
Debbie Clarke	Leah de Quattro	Tauseef Humayuk
Donna Siverns	Lee Craggs	Tom Branson
Dvir Newman	Lisa McNair	Victoria Knott
Eve Davidson	Marian Culshaw	Viv Atherton
Fernanda Alvarez Prieto	Marie Boulier	Wendy Swetnam
Frith Overy-Ellis	Marta Malagon Garcia	Will Tomlinson
Gavin Meredith	Martyn Baldwin	
Gio Infantino	Matt Thompson	

Secretary

Richard Redman

Unicorn Grocery Limited

Members Report

Year Ended 31 December 2019

Risks and uncertainties

As explained in Note 24 to the financial statements, the Covid-19 outbreak and resulting measures taken by various governments to contain the virus have negatively affected our business in the second quarter of 2020. In addition to the already known effects, the macroeconomic uncertainty causes disruption to economic activity and it is unknown what the longer-term impact on our business may be. The scale and duration of the pandemic remain uncertain but are expected to further impact our business. The main risks that result from the current uncertain situation regarding Covid-19 are:

- Supply chain disruptions, specifically fresh produce, although this will be mitigated with the onset of the UK growing season
- Maintaining sales and profitability whilst continuing to operate in the safest way possible
- A second wave of Covid-19 infections significantly impacting our Members and workers and therefore our ability to trade on a daily basis.

Outlook

We have experienced a decline in sales for the first 5 months of 2020 compared to the same period in 2019 of 2%. Operating profit was initially affected, but hours have been redeployed to cover extended opening hours to help recover the decline in sales. Whether sales and profitability will improve in the remainder of 2020 is largely dependent on the extent to which government measures may be prolonged, expanded or scaled down and the ongoing macroeconomic impact of the ongoing disruption to economic activity.

Based on our current financial position and results we expect to be able to meet our current obligations and to continue to finance our ongoing operations.

Members' Responsibilities Statement

The Management Committee is responsible for preparing the financial statements in accordance with applicable laws and regulations.

The Co-operative and Community Benefit Society Act 2014 requires the Management Committee 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 the law the Management Committee 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 Society for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Society will continue in business.

The members are responsible for the maintenance and integrity of the Society's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Unicorn Grocery Limited

Members Report

Year Ended 31 December 2019

The Management Committee are responsible for keeping adequate accounting records that are sufficient to show and explain the Society's transactions and disclose with reasonable accuracy at any time the financial position of the Society. 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.

All members of the Society are Members of the Management Committee. The members are listed on page 1.

Frith Overy-Ellis
Chair

Richard Redman
Secretary

Registered office:
89 Albany Road
Chorlton
Manchester
M21 0BN

Unicorn Grocery Limited

Independent Chartered Accountants Review Report to the Members of Unicorn Grocery Limited

Year Ended 31 December 2019

We have reviewed the financial statements of Unicorn Grocery Limited for the year ended 31 December 2019 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and the related notes 1 to 24. The financial reporting framework that has been applied in their preparation is applicable law and the 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).

This report is made solely to the company's members, as a body, in accordance with the terms of our engagement letter dated 31 January 2020. Our review has been undertaken so that we may state to the company's members, as a body, those matters we have agreed with them in our engagement letter and for no other purpose. To the fullest extent permitted by law, we do not accept or assume any responsibility to anyone other than the company and the company's members, as a body, for our work, for this report or the conclusions we have formed.

Members Responsibility for the Financial Statements

As explained more fully in the members responsibilities statement, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Accountants Responsibility

Our responsibility is to express a conclusion based on our review of the financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical Financial Statements, and ICAEW Technical Release TECH 09/13AAF. ISRE 2400 also requires us to comply with the ICAEW Code of Ethics.

Scope of Assurance Review

A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. We have performed additional procedures to those required under a compilation engagement. These primarily consist of making enquiries of management and others within the entity, as appropriate, applying analytical procedures and evaluating the evidence obtained. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (UK and Ireland). Accordingly, we do not express an audit opinion on these financial statements.

Unicorn Grocery Limited

Independent Chartered Accountants Review Report to the Members of Unicorn Grocery Limited *(continued)*

Year Ended 31 December 2019

Conclusion

Based on our review, nothing has come to our attention that causes us to believe the financial statements have not been prepared:

- so as to give a true and fair view of the state of the company's affairs as at 31 December 2019, and of its profit for the year then ended;
- in accordance with the 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); and
- in accordance with the requirements of the Cooperative and Community Benefit Societies Act 2014.

BEEVER AND STRUTHERS
Chartered accountants

St. George's House
215 - 219 Chester Road
Manchester
M15 4JE

Unicorn Grocery Limited
Statement of Comprehensive Income
Year Ended 31 December 2019

	Note	2019 £	2018 £
Turnover	4	8,003,769	7,759,156
Cost of sales		<u>5,265,834</u>	5,174,816
Gross profit		2,737,935	2,584,340
Distribution costs		62,665	50,367
Administrative expenses		2,467,233	2,327,591
Other operating income	5	<u>9,916</u>	<u>9,494</u>
Operating profit	6	217,953	215,876
Other interest receivable and similar income	9	5,926	5,616
Interest payable and similar expenses	10	<u>613</u>	<u>713</u>
Profit before taxation		223,266	220,779
Tax on profit	11	<u>60,912</u>	<u>60,105</u>
Profit for the financial year and total comprehensive income		<u>162,354</u>	<u>160,674</u>

All the activities of the company are from continuing operations.

The notes on pages 11 to 21 form part of these financial statements.

Unicorn Grocery Limited

Statement of Financial Position

31 December 2019

	Note	2019		2018	
		£	£	£	£
Fixed assets					
Tangible assets	12		915,614		941,774
Investments	13		95,360		60,351
			<u>1,010,974</u>		<u>1,002,125</u>
Current assets					
Stocks	14	375,123		324,788	
Debtors	15	35,521		31,455	
Cash at bank and in hand		1,175,782		1,103,597	
		<u>1,586,426</u>		<u>1,459,840</u>	
Creditors: Amounts Falling due Within One Year	16	364,348		383,982	
Net current assets			<u>1,222,078</u>		<u>1,075,858</u>
Total assets less current liabilities			<u>2,233,052</u>		<u>2,077,983</u>
Creditors: Amounts Falling due after More than One Year	17		17,200		24,594
Provisions					
Taxation including deferred tax	18		13,126		13,015
Net assets			<u><u>2,202,726</u></u>		<u><u>2,040,374</u></u>
Capital and reserves					
Called up share capital	21		62		64
Profit and loss account	22		2,202,664		2,040,310
Members funds			<u><u>2,202,726</u></u>		<u><u>2,040,374</u></u>

For the year ending 31 December 2019 the Society was entitled to exemption from audit under section 84 of the Amended Cooperative and Community Benefit Societies Act 2014.

Members' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 84;
- The members acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The statement of financial position
continues on the following page.

The notes on pages 11 to 21 form part of these financial statements.

Unicorn Grocery Limited

Statement of Financial Position *(continued)*

31 December 2019

These financial statements were approved by the board of directors and authorised for issue on 20 July 2020, and are signed on behalf of the board by:

Frith Overy-Ellis
Chair

Fernanda A Prieto
Member and Treasurer

Richard Redman
Secretary

Company registration number: 28242R

The notes on pages 11 to 21 form part of these financial statements.

Unicorn Grocery Limited
Statement of Changes in Equity
Year Ended 31 December 2019

	Called up share capital £	Profit and loss account £	Total £
At 1 January 2018	68	1,879,636	1,879,704
Profit for the year	—	160,674	160,674
Total comprehensive income for the year	—	160,674	160,674
Issue of shares	2	—	2
Cancellation of subscribed capital	(6)	—	(6)
Total investments by and distributions to owners	(4)	—	(4)
At 31 December 2018	64	2,040,310	2,040,374
Profit for the year	—	162,354	162,354
Total comprehensive income for the year	—	162,354	162,354
Issue of shares	5	—	5
Cancellation of subscribed capital	(7)	—	(7)
Total investments by and distributions to owners	(2)	—	(2)
At 31 December 2019	<u>62</u>	<u>2,202,664</u>	<u>2,202,726</u>

The notes on pages 11 to 21 form part of these financial statements.

Unicorn Grocery Limited

Statement of Cash Flows

Year Ended 31 December 2019

	2019	2018
	£	£
Cash flows from operating activities		
Profit for the financial year	162,354	160,674
<i>Adjustments for:</i>		
Depreciation of tangible assets	68,587	60,812
Other interest receivable and similar income	(5,926)	(5,616)
Interest payable and similar expenses	613	713
Tax on profit	60,912	60,105
Accrued (income)/expenses	(20,369)	1,991
<i>Changes in:</i>		
Stocks	(50,335)	(14,079)
Trade and other debtors	(4,066)	1,884
Trade and other creditors	(5,277)	24,924
Cash generated from operations	206,493	291,408
Interest paid	(613)	(713)
Interest received	5,926	5,616
Tax paid	(54,789)	(55,628)
Net cash from operating activities	157,017	240,683
Cash flows from investing activities		
Purchase of tangible assets	(42,427)	(58,829)
Purchases of other investments	(35,009)	(244)
Net cash used in investing activities	(77,436)	(59,073)
Cash flows from financing activities		
Proceeds from issue of ordinary shares	5	2
Purchase of own shares	(7)	(6)
Proceeds from borrowings	(7,394)	(7,263)
Net cash used in financing activities	(7,396)	(7,267)
Net increase in cash and cash equivalents	72,185	174,343
Cash and cash equivalents at beginning of year	1,103,597	929,254
Cash and cash equivalents at end of year	1,175,782	1,103,597

The notes on pages 11 to 21 form part of these financial statements.

Unicorn Grocery Limited
Notes to the Financial Statements
Year Ended 31 December 2019

1. General Information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 89 Albany Road, Chorlton, Manchester, M21 0BN.

2. Statement of Compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting Policies

Basis of Preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in £ sterling, which is the functional currency of the entity.

Judgements and Key Sources of Estimation Uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgements

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

- Determination of whether there are indicators of impairment of the company's tangible fixed assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

- Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- Monetary assets and liabilities denominated in foreign exchange are retranslated at the rate of exchange ruling at the balance sheet date.
- Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell.
- Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Unicorn Grocery Limited

Notes to the Financial Statements *(continued)*

Year Ended 31 December 2019

3. Accounting Policies *(continued)*

Revenue Recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of discounts and of Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer, the amount of revenue can be measured reliably, it is probable that the associated economic benefits will flow to the entity, and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Income Tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Tangible Assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Land and buildings	-	2% straight line
Plant, equipment & fixtures	-	20 - 33% straight line

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Unicorn Grocery Limited

Notes to the Financial Statements *(continued)*

Year Ended 31 December 2018

3. Accounting Policies *(continued)*

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Foreign currencies

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign exchange are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Unicorn Grocery Limited

Notes to the Financial Statements *(continued)*

Year Ended 31 December 2019

3. Accounting Policies *(continued)*

Financial Instruments

Financial assets and financial liabilities are measured at transaction price initially, plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

At the end of each reporting period, financial instruments are measured as follows, without any deduction for transaction costs the entity may incur on sale or other disposal:

Debt instruments that meet the conditions in paragraph 11.8(b) of FRS 102 are measured at amortised cost using the effective interest method, except where the arrangement constitutes a financing transaction. In this case the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt.

Financial instruments held by the Society are classified as follows:

- Financial assets such as cash and receivables are classified as loans and receivables and held at amortised cost using the effective interest method;
- Financial liabilities such as loans are held at amortised cost using the effective interest method.

Impairment of Financial Assets

Financial assets are assessed at each reporting date to determine whether there is any objective evidence that a financial asset or group of financial assets is impaired. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

The following financial instruments are assessed for impairment:

- (a) All equity instruments regardless of significance; and
- (b) Other financial assets that are individually significant.

Other financial instruments are assessed for impairment either individually or grouped on the basis of similar credit risk characteristics.

An impairment loss is measured on the following instruments measured at cost or amortised cost as shown below:

- (a) For an instrument measured at amortised cost, the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate; and
- (b) For an instrument measured at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that the entity would receive for the asset if it were to be sold at the reporting date.

If, in a subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed either directly or by adjusting an allowance account. The reversal cannot result in a carrying amount (net of any allowance account) which exceeds what the carrying amount would have been had the impairment not previously been recognised. The amount of the reversal is recognised in profit or loss immediately.

Unicorn Grocery Limited

Notes to the Financial Statements *(continued)*

Year Ended 31 December 2019

3. Accounting Policies *(continued)*

Defined Contribution Plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

4. Turnover

Turnover arises from:

	2019	2018
	£	£
Sale of goods	<u>8,003,769</u>	<u>7,759,156</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. Other Operating Income

	2019	2018
	£	£
Rental income	3,065	3,067
Other operating income	<u>6,851</u>	<u>6,427</u>
	<u>9,916</u>	<u>9,494</u>

6. Operating Profit

Operating profit or loss is stated after charging:

	2019	2018
	£	£
Depreciation of tangible assets	<u>68,587</u>	<u>60,812</u>

Unicorn Grocery Limited

Notes to the Financial Statements *(continued)*

Year Ended 31 December 2019

7. Staff Costs

The average number of persons employed by the company during the year, including the members, amounted to:

	2019 No.	2018 No.
Members and probationary workers	66	71
Casual workers	<u>10</u>	<u>9</u>
	<u>76</u>	<u>80</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2019 £	2018 £
Wages and salaries	1,666,609	1,647,992
Social security costs	129,967	127,980
Other pension costs	100,660	73,819
	<u>1,897,230</u>	<u>1,849,791</u>

Key management personnel remuneration totalled £1,672,074 in the year ended 31 December 2019 (2018: £1,604,102).

8. Members' Remuneration

The members' aggregate remuneration in respect of qualifying services was:

	2019 £	2018 £
Remuneration	<u>1,672,074</u>	<u>1,446,570</u>

9. Other Interest Receivable and Similar Income

	2019 £	2018 £
Interest on cash and cash equivalents	5,025	4,234
Other interest receivable	<u>901</u>	<u>1,382</u>
	<u>5,926</u>	<u>5,616</u>

10. Interest Payable and Similar Expenses

	2019 £	2018 £
Interest on banks loans and overdrafts	<u>613</u>	<u>713</u>

Unicorn Grocery Limited

Notes to the Financial Statements *(continued)*

Year Ended 31 December 2019

11. Tax on Profit

Major components of tax expense

	2019 £	2018 £
Current tax:		
UK current tax expense	60,801	54,789
Deferred tax:		
Origination and reversal of timing differences	111	5,316
Tax on profit	60,912	60,105

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2018: higher than) the standard rate of corporation tax in the UK of 19% (2018: 19%).

	2019 £	2018 £
Profit on ordinary activities before taxation	223,265	220,779
Profit on ordinary activities by rate of tax	42,420	41,948
Effect of expenses not deductible for tax purposes	23,670	23,548
Effect of capital allowances and depreciation	(119)	(690)
Other timing differences	(5,059)	(4,701)
Tax on profit	60,912	60,105

12. Tangible Assets

	Land and buildings £	Plant and machinery £	Total £
Cost			
At 1 January 2019	1,371,891	381,431	1,753,322
Additions	–	42,427	42,427
Disposals	–	(44,049)	(44,049)
At 31 December 2019	1,371,891	379,809	1,751,700
Depreciation			
At 1 January 2019	523,344	288,204	811,548
Charge for the year	24,344	44,243	68,587
Disposals	–	(44,049)	(44,049)
At 31 December 2019	547,688	288,398	836,086
Carrying amount			
At 31 December 2019	824,203	91,411	915,614
At 31 December 2018	848,547	93,227	941,774

Unicorn Grocery Limited

Notes to the Financial Statements *(continued)*

Year Ended 31 December 2019

13. Investments

	Other investments other than loans £
Cost	
At 1 January 2019	60,351
Additions	35,009
At 31 December 2019	<u>95,360</u>
Impairment	
At 1 January 2019 and 31 December 2019	<u>–</u>
Carrying amount	
At 31 December 2019	<u>95,360</u>
At 31 December 2018	<u>60,351</u>

14. Stocks

	2019 £	2018 £
Raw materials and consumables	371,234	309,852
Payments on account	3,889	14,936
	<u>375,123</u>	<u>324,788</u>

15. Debtors

	2019 £	2018 £
Trade debtors	328	770
Prepayments and accrued income	17,217	17,792
Other debtors	17,976	12,893
	<u>35,521</u>	<u>31,455</u>

16. Creditors: Amounts Falling due Within One Year

	2019 £	2018 £
Bank loans and overdrafts	7,289	7,289
Trade creditors	190,299	188,696
Accruals and deferred income	56,590	76,959
Corporation tax	60,801	54,789
Social security and other taxes	9,439	39,561
Loan stock	10,430	10,430
Other creditors	29,500	6,258
	<u>364,348</u>	<u>383,982</u>

The bank loan is secured by a charge over the freehold property.

Unicorn Grocery Limited

Notes to the Financial Statements *(continued)*

Year Ended 31 December 2019

17. Creditors: Amounts Falling due after More than One Year

	2019	2018
	£	£
Bank loans and overdrafts	<u>17,200</u>	<u>24,594</u>

The bank loan is secured by a charge over the freehold property.

18. Provisions

	Deferred tax (note 19) £
At 1 January 2019	13,015
Charge against provision	<u>111</u>
At 31 December 2019	<u>13,126</u>

19. Deferred Tax

The deferred tax included in the statement of financial position is as follows:

	2019	2018
	£	£
Included in provisions (note 18)	<u>13,126</u>	<u>13,015</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2019	2018
	£	£
Accelerated capital allowances	14,165	14,173
Deferred tax - other timing differences	<u>(1,039)</u>	<u>(1,158)</u>
	<u>13,126</u>	<u>13,015</u>

20. Employee Benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £100,660 (2018: £73,819).

Unicorn Grocery Limited

Notes to the Financial Statements *(continued)*

Year Ended 31 December 2019

21. Called Up Share Capital

Issued, called up and fully paid

	2019		2018	
	No.	£	No.	£
Ordinary shares of £1 each	<u>62</u>	<u>62.00</u>	<u>64</u>	<u>64.00</u>

Share movements

	No.	£
Ordinary		
At 1 January 2019	64	64
Issue of shares	5	5
Shares cancelled	(7)	(7)
At 31 December 2019	<u>62</u>	<u>62</u>

During the year seven ordinary £1 shares were cancelled.

22. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

23. Related Party Transactions

During the year the following related party transactions took place:

Co-operatives UK Limited, a company that Britta Werner is a director, purchased goods totalling £3,811 (2018: £4,537).

The Kindling Trust Limited, a company that Debbie Clarke is a director, purchased goods totalling £6,399 (2018: £1,289).

At the balance sheet date no amounts for the companies listed above were outstanding.

The Society provides gym, bicycle and financial loans to Members. During the year loans of £18,358 were advanced to members and at the balance sheet date £13,101 (2018: £7,823) remains outstanding.

Unicorn Grocery Limited

Notes to the Financial Statements *(continued)*

Year Ended 31 December 2019

24. Events after the reporting period

The Covid-19 outbreak has developed rapidly in 2020 with a significant number of infections both in the UK and in other European countries with whom we trade. Measures taken by various governments to contain the virus has affected economic activity. We have taken a number of measures to monitor and prevent the effects of Covid-19, such as implementing health and safety measures for our Members, workers and the wider public (i.e. social distancing and working from home) and securing a continuous supply of European fresh produce during the period known as the 'Hungry Gap'. We will continue to follow the various instituted policies and advice and in parallel will continue our operations in the safest way possible.

At this stage, the impact on our business and results is limited. Sales are only 2% down compared to the same period in 2019. Due to social distancing measures the number of customers being able to enter the premises, since the end of March 2020, has been restricted but this has been significantly offset by the average basket. Opening hours have been extended and a queuing app employed to help alleviate the impact of social distancing on the business. The business has been able to redeploy excess hours to extended opening hours whilst supporting Members to work from home wherever possible. The business has significant cash reserves to be able to fulfil its current obligations and finance its ongoing operations.

Whilst uncertainty exists, we do not believe that the impact of Covid-19 will have a material adverse effect on our financial condition or liquidity.

Unicorn Grocery Limited
Management Information
Year Ended 31 December 2019

The Following Pages Do Not Form Part of the Financial Statements.

Unicorn Grocery Limited
Detailed Income Statement
Year Ended 31 December 2019

	2019	2018
	£	£
Turnover	8,003,769	7,759,156
Cost of sales		
Purchases	5,265,834	5,174,816
Gross profit	<u>2,737,935</u>	<u>2,584,340</u>
Overheads		
Distribution costs	62,665	50,367
Administrative expenses	2,467,233	2,327,591
	<u>2,529,898</u>	<u>2,377,958</u>
Other operating income	9,916	9,494
Operating profit	<u>217,953</u>	<u>215,876</u>
Other interest receivable and similar income	5,926	5,616
Interest payable and similar expenses	(613)	(713)
Profit before taxation	<u><u>223,266</u></u>	<u><u>220,779</u></u>

Unicorn Grocery Limited

Notes to the Detailed Income Statement

Year Ended 31 December 2019

	2019	2018
Distribution costs		
Packaging and labelling	<u>62,665</u>	<u>50,367</u>
Administrative expenses		
Wages	1,666,609	1,647,992
Staff national insurance contributions	129,967	127,980
Staff pension contributions - defined contribution	100,660	73,819
Light, heat, rates and water	62,600	52,846
Insurance	20,458	26,038
Repairs and maintenance	110,423	55,558
Cleaning and pest control	11,438	10,256
Land costs	1,382	3,733
Telephone and internet	8,401	9,338
Office and computer supplies	15,921	12,005
Training	27,965	21,463
Members' events	5,495	3,927
Recruitment	-	182
Sundry expenses	1,160	1,107
Charitable donations (allowable)	98,486	89,505
Shop supplies, canteen and workwear	14,363	12,547
Subscriptions and certification	13,991	14,654
Waste management	18,466	12,916
Education and marketing	24,131	18,064
Legal and professional fees (allowable)	5,869	8,776
Accountancy fees	4,214	3,066
Depreciation of tangible assets	68,587	60,812
Bank charges	56,647	61,007
	<u>2,467,233</u>	<u>2,327,591</u>
Other operating income		
Operating lease rental income (non-contingent)	3,065	3,067
Other income	6,851	6,427
	<u>9,916</u>	<u>9,494</u>
Other interest receivable and similar income		
Interest on cash and cash equivalents	5,025	4,234
Other interest receivable	901	1,382
	<u>5,926</u>	<u>5,616</u>
Interest payable and similar expenses		
Interest on bank loans and overdrafts	<u>613</u>	<u>713</u>