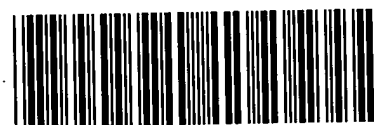


STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2014
FOR
WEBBS GARDEN CENTRES LIMITED

MONDAY



A476QUU1

A13

11/05/2015

#44

COMPANIES HOUSE

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2014

	Page
Company Information	1
Strategic Report	2
Report of the Directors	3
Report of the Independent Auditors	5
Profit and Loss Account	6
Statement of Total Recognised Gains and Losses	7
Balance Sheet	8
Cash Flow Statement	9
Notes to the Cash Flow Statement	10
Notes to the Financial Statements	12
Trading and Profit and Loss Account	25

WEBBS GARDEN CENTRES LIMITED

COMPANY INFORMATION

FOR THE YEAR ENDED 31ST DECEMBER 2014

DIRECTORS:

Edward Alexander Broughton Webb
Richard Hammond Brown

SECRETARY:

Richard Hammond Brown

REGISTERED OFFICE:

Wychbold
Droitwich
Worcestershire
WR9 0DG

REGISTERED NUMBER:

00777596

AUDITORS:

John Yelland and Company
Chartered Accountants and
Statutory Auditors
22 Sansome Walk
Worcester
Worcestershire
WR1 1LS

STRATEGIC REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2014

The directors present their strategic report for the year ended 31st December 2014.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

2013's decision to cease trading at Ryton and strengthen our core business at Wychbold and West Hagley have been emphasised by 2014's excellent profit and sales growth. Footfall to both stores grew through the year with clement Spring & Summer weather and a continued commitment to delivering a regionally dominant Christmas offer. Sensible investment in the store estate has allowed us to replace old glasshouse roofs and paint interiors improving customer environment for the future.

The balance sheet at 31 December 2014 shows an improved position with an increase of £5,836,567 in net assets from the prior year and an increase of £398,777 in net current assets from the prior year. A significant element of the increase in net assets is due to the property revaluation carried out at the year end.

PRINCIPAL RISKS AND UNCERTAINTIES

The directors consider that the principal risk and uncertainty facing the company is that of reduced turnover directly related to extended poor weather conditions. Uncertainty over interest rates, VAT charges and public sector cuts may also have an adverse effect on consumer spending power.

KEY PERFORMANCE INDICATORS

Turnover has increased by 7.8% at £14.66m compared to £13.61m last year

Gross profit percentage remained reasonably consistent at 46.73% compared to 47.19% last year

The ratio of current assets to current liabilities improved slightly at 1.1:1 compared to 1:1 last year

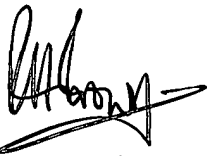
Employee numbers remained consistent at 294 this year compared to 290 in the prior year

Total staff costs increased by 4% from £3.3m to £3.44m due to an increase in pension contributions and general rises

ENVIRONMENT

The directors recognise that there are some serious environmental and local community challenges that come with running a business responsibly. Webbs is currently a long way from being a totally sustainable business but is taking many steps to get there. Practices such as recycling waste materials and controlling energy usage are now well established. The company continues to investigate and invest in new energy saving technologies such as LED lighting. Water conservation remains of paramount importance and investment was made in 2010 to spread the benefit of rainwater harvesting to the irrigation of retail areas.

ON BEHALF OF THE BOARD:



Richard Hammond Brown - Secretary

24th March 2015

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 2014

The directors present their report with the financial statements of the company for the year ended 31st December 2014.

PRINCIPAL ACTIVITIES

The principal activities of the company in the year under review were those of the retailing of garden supplies and leisure products.

DIVIDENDS

An interim dividend of £0.70 per share was paid on 27th May 2014. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31st December 2014 will be £49,887.

FUTURE DEVELOPMENTS

The Company's strategy remains one of consolidation, increasing profit base, free cash flow and dividend payment. Focus for investment in 2015 will be the refurbishment of Wychbold restaurant seating and a complete overhaul of West Hagley interior retail.

DIRECTORS

The directors shown below have held office during the whole of the period from 1st January 2014 to the date of this report.

Edward Alexander Broughton Webb
Richard Hammond Brown

FINANCIAL INSTRUMENTS

The company uses base rate caps and swaps to manage its interest rate risk and forward foreign exchange contracts to manage its exchange rate risk. Further details are given in note 17 to the financial statements.

POTENTIAL IMPACT OF THE EURO

The directors consider that the introduction of the euro will not significantly affect the activities of the company. No formal assessment has been made.

EMPLOYMENT, TRAINING, CAREER DEVELOPMENT AND PROMOTION OF DISABLED PEOPLE

Webbs Garden Centres Limited are committed to the development and improvement of all employees within the business. We believe that we can only improve as a whole if we continue to communicate regularly and receive feedback from all those involved in the business. Employees are kept well informed of the performance and objectives of the business through weekly newsletters and bi-annual Chairman's statements.

Employees have continued to play a key role in shaping the development of the business including ranging decisions and store layout following our recent store acquisitions. Employees are fully appraised and consulted on significant changes to company policy. Directors and senior management, whilst sited at our store in Wychbold, regularly discuss with employees matters of concern and current interest across all of our sites. A formal feedback and suggestions system, called "Your Shout", has been established between the Board and employees of all levels.

Webbs Garden Centres Limited is an equal opportunities employer and actively recruits from all aspects of society. It is the company policy to promote an environment free from discrimination, harassment and victimisation, where everyone will receive equal rights regardless of gender, colour, ethnic origin, disability, age, marital status, sexual orientation or religion. All decisions relating to employment practices are based solely upon work criteria and individual merit.

People with disabilities have fair and full consideration for all job vacancies. The company has a commitment to interview those people with disabilities who fulfil the minimum criteria for the individual role and endeavour to retain employees in the workforce if they become disabled during employment. Webbs Garden Centres Limited has an excellent record of working with local disabled employees to provide long-term employment opportunities within the business.

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 2014

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

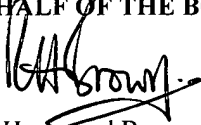
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, John Yelland and Company, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



Richard Hammond Brown - Secretary

24th March 2015

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF WEBBS GARDEN CENTRES LIMITED

We have audited the financial statements of Webbs Garden Centres Limited for the year ended 31st December 2014 on pages six to twenty four. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



John Yelland OBE FCA (Senior Statutory Auditor)
for and on behalf of John Yelland and Company
Chartered Accountants and
Statutory Auditors
22 Sansome Walk
Worcester
Worcestershire
WR1 1LS

24th March 2015

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2014

	Notes	2014 £	2013 £
TURNOVER		14,661,314	13,605,872
Cost of sales		<u>7,809,908</u>	<u>7,185,540</u>
GROSS PROFIT		6,851,406	6,420,332
Administrative expenses		<u>6,323,628</u>	<u>6,144,602</u>
		527,778	275,730
Other operating income		<u>609,085</u>	<u>534,239</u>
OPERATING PROFIT	3	1,136,863	809,969
Income from fixed asset investments		43,900	-
Interest receivable and similar income		<u>532</u>	<u>271</u>
		44,432	271
		1,181,295	810,240
Interest payable and similar charges	4	<u>265,479</u>	<u>282,174</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		915,816	528,066
Tax on profit on ordinary activities	5	<u>234,721</u>	<u>170,910</u>
PROFIT FOR THE FINANCIAL YEAR		681,095	357,156
Retained profit brought forward		<u>2,336,748</u>	<u>1,980,563</u>
		3,017,843	2,337,719
Dividends	6	(49,887)	-
Transfer from/(to) revaluation reserve		<u>(1,036)</u>	<u>(971)</u>
RETAINED PROFIT CARRIED FORWARD		2,966,920	2,336,748

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31ST DECEMBER 2014

	2014 £	2013 £
PROFIT FOR THE FINANCIAL YEAR	681,095	357,156
Revaluation of own use land/buildings	5,534,979	176,397
Revaluation of investment land/buildings	(329,620)	-
Revaluation of unlisted investment	-	70,938
	<hr/>	<hr/>
TOTAL RECOGNISED GAINS AND LOSSES	5,886,454	604,491
RELATING TO THE YEAR	<u><u>5,886,454</u></u>	<u><u>604,491</u></u>

The notes form part of these financial statements

BALANCE SHEET
31ST DECEMBER 2014

	Notes	2014 £	2013 £
FIXED ASSETS			
Tangible assets	7	15,603,893	10,119,238
Investments	8	403,877	403,877
Investment property	9	3,575,000	3,904,620
		<u>19,582,770</u>	<u>14,427,735</u>
CURRENT ASSETS			
Stocks	10	1,502,126	1,557,302
Debtors	11	277,634	270,915
Cash at bank		1,717,834	1,152,319
		<u>3,497,594</u>	<u>2,980,536</u>
CREDITORS			
Amounts falling due within one year	12	3,059,698	2,941,417
NET CURRENT ASSETS		<u>437,896</u>	<u>39,119</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>20,020,666</u>	<u>14,466,854</u>
CREDITORS			
Amounts falling due after more than one year	13	(4,913,188)	(5,244,896)
PROVISIONS FOR LIABILITIES	18	(48,953)	-
NET ASSETS		<u>15,058,525</u>	<u>9,221,958</u>
CAPITAL AND RESERVES			
Called up share capital	19	713	713
Share premium	20	45,700	45,700
Revaluation reserve	20	12,044,855	6,838,460
Capital redemption reserve	20	337	337
Profit and loss account		2,966,920	2,336,748
SHAREHOLDERS' FUNDS	24	<u>15,058,525</u>	<u>9,221,958</u>

The financial statements were approved by the Board of Directors on 24th March 2015 and were signed on its behalf by:



Edward Alexander Broughton Webb - Director

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2014

	Notes	2014 £	2013 £
Net cash inflow from operating activities	1	1,720,294	1,375,656
Returns on investments and servicing of finance	2	(243,927)	(260,405)
Taxation		(165,704)	(42,683)
Capital expenditure	2	(301,912)	(258,742)
Equity dividends paid		(49,887)	-
		<u>958,864</u>	<u>813,826</u>
Financing	2	(393,349)	(407,386)
Increase in cash in the period		<u>565,515</u>	<u>406,440</u>
<hr/>			
Reconciliation of net cash flow to movement in net debt	3		
Increase in cash in the period		565,515	406,440
Cash outflow from decrease in debt and lease financing		<u>393,440</u>	<u>367,203</u>
Change in net debt resulting from cash flows		958,955	773,643
New HP/FL contracts		<u>(82,785)</u>	<u>(21,999)</u>
Movement in net debt in the period		876,170	751,644
Net debt at 1st January		<u>(4,536,852)</u>	<u>(5,288,496)</u>
Net debt at 31st December		<u>(3,660,682)</u>	<u>(4,536,852)</u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2014**

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Operating profit	1,136,863	809,969
Depreciation charges	415,697	414,682
Loss on disposal of fixed assets	5,078	12,417
Decrease/(increase) in stocks	55,176	(1,260)
(Increase)/decrease in debtors	(12,008)	39,900
Increase in creditors	119,488	99,948
Net cash inflow from operating activities	1,720,294	1,375,656

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest received	532	271
Interest paid	(251,418)	(274,750)
Interest element of hire purchase and finance lease rental payments	(12,607)	(9,329)
Finance costs	(24,334)	23,403
Dividends received	43,900	-
Net cash outflow for returns on investments and servicing of finance	(243,927)	(260,405)
Capital expenditure		
Purchase of tangible fixed assets	(301,912)	(266,625)
Sale of tangible fixed assets	-	7,883
Net cash outflow for capital expenditure	(301,912)	(258,742)
Financing		
New loans in year	-	18,750
Loan repayments in year	(399,249)	(256,169)
Capital repayments in year	5,810	(129,783)
Amount introduced by directors	10,606	11,741
Amount withdrawn by directors	(10,516)	(51,925)
Net cash outflow from financing	(393,349)	(407,386)

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2014**

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.14 £	Cash flow £	Other non-cash changes £	At 31.12.14 £
Net cash:				
Cash at bank	1,152,319	565,515		1,717,834
	<u>1,152,319</u>	<u>565,515</u>		<u>1,717,834</u>
Debt:				
Hire purchase and finance leases	(67,872)	(5,810)	(82,785)	(156,467)
Debts falling due within one year	(399,404)	(9,411)	-	(408,815)
Debts falling due after one year	(5,221,895)	408,661	-	(4,813,234)
	<u>(5,689,171)</u>	<u>393,440</u>	<u>(82,785)</u>	<u>(5,378,516)</u>
Total	<u>(4,536,852)</u>	<u>958,955</u>	<u>(82,785)</u>	<u>(3,660,682)</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2014

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets and are in accordance with applicable accounting standards.

The financial statements have been prepared in accordance with applicable Accounting Standards.

Turnover

Turnover is the amount derived from ordinary activities and is stated after trade discounts and net of value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold Retail Buildings for own trading purposes	- over 10 or 50 years
Freehold Retail Buildings let out to franchisees	- not provided
Short Leasehold	- over 25 years
Plant and Machinery	- over 3 to 10 years
Fixtures and Fittings	- over 4 to 10 years
Motor Vehicles	- over 4 years
Computer Equipment	- over 3 years

Freehold property used for own trading purposes is revalued annually together with a review of the estimated useful life. Property is revalued by qualified valuers at least once in each rolling five year period, on an existing use basis. Surpluses on revaluation are recognised in the revaluation reserve, except where they reverse previously charged impairment losses, in which case they are recorded in the profit and loss account. Deficits are charged to the revaluation reserve to the extent that a previous gain has been recorded, and thereafter to the profit and loss account. Freehold land and buildings which are rented to tenants are treated as investment property and, accordingly are revalued annually and not depreciated in accordance with SSAP 19 Accounting for investment properties - see Investment property accounting policy note below.

Investment property

Investment property is revalued annually at its most recent valuation in accordance with SSAP 19 Accounting for investment properties. Any surplus or deficit on revaluation is transferred to a revaluation reserve except where the deficit (or its reversal) is considered to be permanent, in which case it is taken to the profit and loss account.

No depreciation is provided on investment property, which is a departure from the requirements of the Companies Act 2006. In the opinion of the directors the property is held primarily for its investment potential and so the current value is of more significance than any measure of consumption and to depreciate it would not give a true and fair view. The provisions of SSAP 19 have therefore been adopted in order to give a true and fair view. If depreciation had been provided on the proportion of the value relating to investment buildings, then the charge calculated at 2% straight line per annum would have been £46,700 (2013 £62,544) and the net profit for the year would have been reduced by that amount.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2014

1. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

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

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

Financial instruments

The company does not hold or issue derivative financial instruments for trading purposes. The derivative instruments used by the company to manage its interest rate risk are interest rate swaps and caps and forward foreign exchange contracts are used to manage its exchange rate risk. Interest differentials under interest rate swap and cap agreements and exchange differentials under forward foreign exchange contracts are recognised in the profit and loss account by adjustment of the interest expense or relevant cost.

2. STAFF COSTS

	2014 £	2013 £
Wages and salaries	3,114,898	3,030,447
Social security costs	180,003	176,410
Other pension costs	143,866	92,439
	<u>3,438,767</u>	<u>3,299,296</u>

The average monthly number of employees during the year was as follows:

	2014	2013
Sales	268	263
Administration	26	27
	<u>294</u>	<u>290</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2014

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2014	2013
	£	£
Hire of plant and machinery	47,650	31,897
Other operating leases	113,237	222,277
Operating lease income	(591,017)	(519,856)
Depreciation - owned assets	300,111	264,500
Depreciation - assets on hire purchase contracts and finance leases	115,587	150,183
Loss on disposal of fixed assets	5,078	12,417
Auditors' remuneration - statutory audit	20,229	14,750
Foreign exchange differences	89	349
	<hr/>	<hr/>
Directors' remuneration	113,638	117,184
Directors' pension contributions to money purchase schemes	51,931	7,575
	<hr/>	<hr/>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	2	2
	<hr/>	<hr/>

There are no incentive schemes under which directors can exercise share options.

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2014	2013
	£	£
Bank interest	252,872	272,069
Directors loan interest	-	776
Hire purchase	12,159	7,385
Finance lease	448	1,944
	<hr/>	<hr/>
	265,479	282,174
	<hr/>	<hr/>

5. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2014	2013
	£	£
Current tax:		
UK corporation tax	180,569	165,704
Deferred tax	54,152	5,206
	<hr/>	<hr/>
Tax on profit on ordinary activities	234,721	170,910
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2014**5. TAXATION - continued****Factors affecting the tax charge**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	<u>915,816</u>	<u>528,066</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2013 - 23%)	192,321	121,455
Effects of:		
Expenses not deductible for tax purposes	9,072	14,524
Capital allowances in excess of depreciation	(5,948)	-
Depreciation in excess of capital allowances tax purposes	-	43,381
capital allowances		
Marginal rate relief	(2,151)	(6,174)
Rate change from prior year	4,193	1,823
Finance lease allowed	(7,699)	(9,305)
Franked investment income	<u>(9,219)</u>	<u>-</u>
Current tax charge	<u>180,569</u>	<u>165,704</u>

6. DIVIDENDS

	2014 £	2013 £
Ordinary shares of 1p each		
Interim	<u>49,887</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2014

7. TANGIBLE FIXED ASSETS

	Freehold property £	Short leasehold £	Plant and machinery £
COST OR VALUATION			
At 1st January 2014	9,652,334	14,728	1,604,554
Additions	782	-	12,763
Revaluations	5,346,884	-	-
At 31st December 2014	15,000,000	14,728	1,617,317
DEPRECIATION			
At 1st January 2014	-	2,552	1,546,259
Charge for year	188,095	590	13,863
Eliminated on disposal	-	-	-
Revaluation adjustments	(188,095)	-	-
At 31st December 2014	-	3,142	1,560,122
NET BOOK VALUE			
At 31st December 2014	15,000,000	11,586	57,195
At 31st December 2013	9,652,334	12,176	58,295

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST OR VALUATION				
At 1st January 2014	1,860,100	63,609	1,102,718	14,298,043
Additions	288,071	-	68,836	370,452
Disposals	(35,774)	-	(53,857)	(89,631)
Revaluations	-	-	-	5,346,884
At 31st December 2014	2,112,397	63,609	1,117,697	19,925,748
DEPRECIATION				
At 1st January 2014	1,630,311	14,546	985,137	4,178,805
Charge for year	64,599	15,901	132,650	415,698
Eliminated on disposal	(30,696)	-	(53,857)	(84,553)
Revaluation adjustments	-	-	-	(188,095)
At 31st December 2014	1,664,214	30,447	1,063,930	4,321,855
NET BOOK VALUE				
At 31st December 2014	448,183	33,162	53,767	15,603,893
At 31st December 2013	229,789	49,063	117,581	10,119,238

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2014

7. TANGIBLE FIXED ASSETS - continued

Cost or valuation at 31st December 2014 is represented by:

	Freehold property £	Short leasehold £	Plant and machinery £
Valuation in 2014	6,982,034	-	-
Cost	8,017,966	14,728	1,617,317
	<u>15,000,000</u>	<u>14,728</u>	<u>1,617,317</u>

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
Valuation in 2014	-	-	-	6,982,034
Cost	2,112,397	63,609	1,117,697	12,943,714
	<u>2,112,397</u>	<u>63,609</u>	<u>1,117,697</u>	<u>19,925,748</u>

If Land and buildings had not been revalued they would have been included at the following historical cost:

	2014 £	2013 £
Cost	<u>8,017,966</u>	<u>8,017,184</u>
Aggregate depreciation	<u>2,959,615</u>	<u>2,770,485</u>

Freehold land and buildings were valued on an existing use basis on 31st December 2014 by Gilbert Evans LLP.

The freehold land and buildings were valued as fully equipped operational entities having regard to their trading potential.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2014

7. TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under hire purchase contracts and finance leases are as follows:

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST OR VALUATION				
At 1st January 2014	-	55,499	220,311	275,810
Additions	49,831	-	32,954	82,785
Disposals	-	-	(53,857)	(53,857)
Transfer to ownership	-	-	(166,455)	(166,455)
Reclassification/transfer	110,400	-	-	110,400
At 31st December 2014	160,231	55,499	32,953	248,683
DEPRECIATION				
At 1st January 2014	-	11,844	140,788	152,632
Charge for year	13,127	13,874	88,586	115,587
Eliminated on disposal	-	-	(53,857)	(53,857)
Transfer to ownership	-	-	(166,455)	(166,455)
At 31st December 2014	13,127	25,718	9,062	47,907
NET BOOK VALUE				
At 31st December 2014	147,104	29,781	23,891	200,776
At 31st December 2013	-	43,655	79,523	123,178

8. FIXED ASSET INVESTMENTS

	Unlisted investments £
COST OR VALUATION	
At 1st January 2014 and 31st December 2014	403,877
NET BOOK VALUE	
At 31st December 2014	403,877
At 31st December 2013	403,877

Cost or valuation at 31st December 2014 is represented by:

	Unlisted investments £
Valuation in 2013	70,938
Cost	332,939
	403,877

The unlisted investment was purchased in July 2005 and is included at £403,877 (cost of £332,939 plus revaluation of £70,938). It has been valued by the directors at 31 December 2014 on a net asset basis.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2014

9. INVESTMENT PROPERTY

	Total £
COST OR VALUATION	
At 1st January 2014	3,904,620
Revaluations	(329,620)
	<hr/>
At 31st December 2014	3,575,000
	<hr/>
NET BOOK VALUE	
At 31st December 2014	3,575,000
	<hr/>
At 31st December 2013	3,904,620
	<hr/>

Investment property relates to freehold land and buildings held as investment assets and rented out.

Cost or valuation at 31st December 2014 is represented by:

	£
Valuation in 2014	2,032,268
Cost	1,542,732
	<hr/>
	3,575,000
	<hr/>

If investment property had not been revalued it would have been included at the following historical cost:

	2014 £	2013 £
Cost	1,542,732	1,542,732
	<hr/>	<hr/>

Investment property was valued on an open market basis on 31st December 2014 by Gilbert Evans LLP.

10. STOCKS

	2014 £	2013 £
Finished Goods For Resale	1,488,575	1,535,303
Raw Materials And Consumables	13,551	21,999
	<hr/>	<hr/>
	1,502,126	1,557,302
	<hr/>	<hr/>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Trade debtors	72,338	64,714
Other debtors	49,796	60,187
Directors' current accounts	1,047	1,137
Deferred tax asset	-	5,199
Prepayments and Accrued Income	154,453	139,678
	<hr/>	<hr/>
	277,634	270,915
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2014

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014	2013
	£	£
Bank loans and overdrafts (see note 14)	408,815	399,404
Hire purchase contracts and finance leases (see note 15)	56,513	44,871
Trade creditors	1,237,875	1,438,128
Corporation tax	180,569	165,704
Social security and other taxes	598,753	498,657
Other creditors	15,906	15,623
Accrued expenses	561,267	379,030
	<u>3,059,698</u>	<u>2,941,417</u>

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

	2014	2013
	£	£
Bank loans (see note 14)	4,813,234	5,221,895
Hire purchase contracts and finance leases (see note 15)	99,954	23,001
	<u>4,913,188</u>	<u>5,244,896</u>

14. LOANS

An analysis of the maturity of loans is given below:

	2014	2013
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>408,815</u>	<u>399,404</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>418,452</u>	<u>408,815</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>1,315,518</u>	<u>1,285,197</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more than 5 years by instalments	<u>3,079,264</u>	<u>3,527,883</u>
	<u>3,079,264</u>	<u>3,527,883</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2014

14. LOANS - continued

The company has three bank loans.

The first loan balance at 31 December 2014 was £607,394 (2013 £662,719) and the monthly repayments on this loan as at the year end are £5,762 (2013 £5,762). The loan will be repaid by 2024.

The second loan balance at 31 December 2014 was £2,233,524 (2013 £2,439,831) and the monthly repayments on this loan as at the year end are £21,302 (2013 £21,302). The loan will be repaid by 2025.

The third loan balance at 31 December 2014 was £2,381,131 (2013 £2,518,750) and the monthly repayments on this loan as at the year end are £17,097 (2013 £17,097). The loan will be repaid by 2028.

The company also has a £500,000 overdraft facility.

Interest is payable on all loans and the overdraft at normal commercial rates, however the company uses base rate caps and swaps to manage its interest rate risk - see note 17 to the financial statements for more details.

15. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	Hire purchase contracts		Finance leases	
	2014	2013	2014	2013
	£	£	£	£
Gross obligations repayable:				
Within one year	67,052	34,374	-	14,275
Between one and five years	107,838	25,398	-	-
	<u>174,890</u>	<u>59,772</u>	<u>-</u>	<u>14,275</u>
Finance charges repayable:				
Within one year	10,539	3,330	-	448
Between one and five years	7,884	2,397	-	-
	<u>18,423</u>	<u>5,727</u>	<u>-</u>	<u>448</u>
Net obligations repayable:				
Within one year	56,513	31,044	-	13,827
Between one and five years	99,954	23,001	-	-
	<u>156,467</u>	<u>54,045</u>	<u>-</u>	<u>13,827</u>

The following operating lease payments are committed to be paid within one year:

	Land and buildings		Other operating leases	
	2014	2013	2014	2013
	£	£	£	£
Expiring:				
Within one year	-	-	20,572	18,144
Between one and five years	-	-	58,832	63,944
In more than five years	100,000	100,000	-	-
	<u>100,000</u>	<u>100,000</u>	<u>79,404</u>	<u>82,088</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2014

15. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES - continued

The company has off balance sheet arrangements in the form of operating leases, which means that neither the liability under the lease nor the related asset appear on the balance sheet. The company uses operating leases so it has the benefit of leasing over a defined period and the risks are retained by the lessor.

The total obligations outstanding on operating leases committed to at the balance sheet date are:

Land and buildings - £1,933,333 (2013 £2,033,333)
 Other operating leases - £210,293 (2013 £190,350)

16. SECURED DEBTS

The following secured debts are included within creditors:

	2014	2013
	£	£
Bank loans	5,222,049	5,621,299
Hire purchase contracts and finance leases	156,467	67,872
	<u>5,378,516</u>	<u>5,689,171</u>

The bank loans and overdraft are secured by a first legal charge over the company's freehold property and a debenture including fixed charge over all present freehold and leasehold property, first fixed charge over book and other debts, chattels, goodwill and uncalled capital, both present and future and first floating charge over all assets and undertaking both present and future.

Hire purchase contracts are secured over the assets to which they relate.

17. FINANCIAL INSTRUMENTS

The company uses base rate caps and swaps to manage its interest rate risk:

Swap fixing

£1m of borrowing fixed at 3.45% p.a. until 1 January 2021
 £2m of borrowing fixed at 4.95% p.a. until 11 November 2016

Cap fixing

£0.5m of borrowing capped at 5% p.a. until 1 January 2020

The company also, on occasion, uses forward foreign exchange contracts to manage its exchange rate risk.

18. PROVISIONS FOR LIABILITIES

	2014	
	£	
Deferred tax	<u>48,953</u>	
		Deferred
		tax
		£
Balance at 1st January 2014		(5,199)
Accelerated capital allowances		53,880
Tax rate change		272
Balance at 31st December 2014		<u>48,953</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2014

18. PROVISIONS FOR LIABILITIES - continued

Freehold property and investments are included in the balance sheet at market value. If these assets were sold at the revalued amount the estimated corporation tax payable would be £890,000. It is not anticipated that these assets will be sold in the foreseeable future.

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2014 £	2013 £
71,267	Ordinary	1p	<u>713</u>	<u>713</u>

All shares have equal voting rights and equal rights to dividends.

20. RESERVES

	Share premium £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1st January 2014	45,700	6,838,460	337	6,884,497
Transfer to Reserve	-	5,536,015	-	5,536,015
Transfer from reserve	-	(329,620)	-	(329,620)
At 31st December 2014	<u>45,700</u>	<u>12,044,855</u>	<u>337</u>	<u>12,090,892</u>

The transfer to the reserve relates to the revaluation of freehold own use land and buildings of £5,534,979 (2013 £176,397), the depreciation transfer of £1,036 (2013 £971) on the revalued freehold own use property and the £Nil (2013 £70,938) on the revalued unlisted investment. The transfer from the reserve relates to the revaluation of freehold investment land and buildings of (£329,620) (2013 £Nil).

The net investment revaluation reserve relating to investment properties, included in the total revaluation reserve above, is £2,032,268 (2013 £2,361,888).

21. PENSION COMMITMENTS

The company operates a defined contribution pension scheme the assets of which are held in independently administered funds. The pension cost charge represents contributions payable by the company and amounted to £143,866 (2013 £92,439). Included in the contributions payable for the year is an amount of £46,450 (2013 £7,307) which is payable in 2015.

22. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 31st December 2014 and 31st December 2013:

	2014 £	2013 £
Edward Alexander Broughton Webb		
Balance outstanding at start of year	1,137	-
Amounts advanced	10,516	12,878
Amounts repaid	(10,606)	(11,741)
Balance outstanding at end of year	<u>1,047</u>	<u>1,137</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2014

22. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES - continued

E A B Webb loan account

E A B Webb Esq also has a sales ledger account for purchases from the company and £1,047 (2013 £1,137) is owed to the company at the year end. No interest is charged.

Summary:

Amounts advanced:

Items bought from the company: £4,171 (2013 £5,709)

Private expenses paid by the company: £6,345 (2013 £7,169)

Amounts repaid:

Business expenses reclaimed: £1,706 (2013 £6,145)

Payments: £8,900 (2013 £5,000)

Company expenses paid for privately: £Nil (2013 £596)

23. RELATED PARTY DISCLOSURES

The company is controlled by majority shareholder W R B Webb Esq.

During the year dividends totalling £12,390 (2013 £Nil) were paid to director E A B Webb Esq.

During the year the company received a management charge of £8,932 (2013 £8,178) from Bransford Garden Plants Limited and £987 (2013 £1,110) is owed to the company at the year end. E A B Webb Esq, a director of this company, is also a director of Bransford Garden Plants Limited and Webbs Garden Centres Limited has an investment in Bransford Garden Plants Limited.

The company also traded with Bransford Garden Plants Limited on normal commercial terms buying items for re-sale and £1,367 (2013 £729) is outstanding at the year end.

24. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2014 £	2013 £
Profit for the financial year	681,095	357,156
Dividends	(49,887)	-
	<hr/>	<hr/>
	631,208	357,156
Other recognised gains and losses relating to the year (net)	5,205,359	247,335
	<hr/>	<hr/>
Net addition to shareholders' funds	5,836,567	604,491
Opening shareholders' funds	9,221,958	8,617,467
	<hr/>	<hr/>
Closing shareholders' funds	15,058,525	9,221,958
	<hr/>	<hr/>