

**'AMENDED'**

**WEBBS GARDEN CENTRES LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE 53 WEEKS ENDED 5 JANUARY 2020**



# **WEBBS GARDEN CENTRES LIMITED**

## **COMPANY INFORMATION**

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<b>DIRECTORS</b>	Edward Alexander Broughton Webb Oliver Grant Nation
<b>COMPANY SECRETARY</b>	Oliver Grant Nation
<b>REGISTERED NUMBER</b>	00777596
<b>REGISTERED OFFICE</b>	Worcester Road Wychbold Droitwich Worcestershire WR9 0DG
<b>INDEPENDENT AUDITORS</b>	Bishop Fleming LLP Chartered Accountants & Statutory Auditors 1-3 College Yard Worcester WR1 2LB

# **WEBBS GARDEN CENTRES LIMITED**

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## **WEBBS GARDEN CENTRES LIMITED**

### **STRATEGIC REPORT FOR THE 53 WEEKS ENDED 5 JANUARY 2020**

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#### **BUSINESS REVIEW**

The principal activity of the business during the year was that of the retailing of garden supplies and leisure products.

The results for the year and financial position of the Company are as shown in the annexed financial statements. Total revenue for the year was £20.0m (2018: £17.7m) and the profit before taxation for the year was £1,218k (2018: £1,323k).

We have focused on trading the business during a continuing tough economic climate in 2019, given ongoing uncertainty over Brexit negotiations, with spend on our existing store estate focused on IT infrastructure, store maintenance and aesthetic improvements rather than larger capital investment projects. We sustained trading levels into a robust Christmas period following a strong Spring gardening season, with growth across many categories supported by strong growth in our Catering and Food operations realising the investment in our Wychbold store in those departments back in early 2017. We finally acquired our new leasehold store in Cheltenham from Wyevalle Garden Centres in September 2019 following a prolonged diligence process and we are very pleased with the addition of this store to our growing West Midlands portfolio. In October, we undertook a significant interior refit of the store as a Phase 1 project including a new roof covering the previous indoor polytunnel retail area, improved retail units and wall fixtures in the internal Seasonal, Gifting & Food retailing spaces to be ready before the peak Christmas trading period. We will look to complete a Phase 2 investment project in 2020 to improve other areas of the store to fit our Webbs branding. Even with this disruptive refit project, the store generated revenue of £0.5m in the four months following acquisition to year end.

The business continues to manage the above inflationary cost increases resulting from Living Wage and Utilities, albeit these cost pressures continue to be significant, as experienced by much of the Retail and Leisure sectors. These ongoing cost pressures combined with the additional, significant one-off overhead spend in relation to the new Cheltenham store acquisition, has resulted in the slight decrease in profit before taxation reported in 2019 versus the previous year.

The net book value of tangible fixed assets has increased from £17.7m in 2018 to £19.3m in 2019. The expenditure on tangible fixed assets in 2019 was £2,035k (2018: 155k). The additions include the acquisition of our Cheltenham leasehold store, which totalled £816k, and is being depreciated over the life of the new lease agreement (35 years).

The directors aim to ensure the company continues to produce sustained growth within its principal activities. The Company will ensure it continues to source products and deliver services that are attractive to its market place in order to ensure its continued profitability. The cost base of the Company continues to be closely managed in order to maintain profitability.

#### **2020 COVID-19 PANDEMIC UPDATE**

On 23rd March 2020, under Government advice and with customer and colleague's safety and well-being at the forefront of their minds, the directors decided to shut all Webbs stores due to the Covid-19 pandemic. The shutdown process itself took five days, given the majority of the Webbs stock was perishable and required ongoing maintenance.

The Government Furlough scheme was utilised for a large proportion of staff, leaving a team of 32 to continue to trade the business online through its digital e-Commerce channel; picking, packing and delivering online orders from its Wychbold store, as well as preserving living stock at all three of its stores, whilst maintaining social distancing.

The demand for Webbs products was at its peak during this Spring season, combined with favourable weather conditions. As a result, online sales grew significantly across many categories during the lockdown period, in addition to introducing new categories to our online offering. The team worked tirelessly to continuously update and improve the website to cope with this new-found demand.

The directors have gradually reintroduced staff from furlough, whilst ensuring safety procedures were adhered to, in order to cope with increasing customer demand for its products.

## WEBBS GARDEN CENTRES LIMITED

### STRATEGIC REPORT (CONTINUED) FOR THE 53 WEEKS ENDED 5 JANUARY 2020

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Although desperate to welcome customers through the doors once again, the safety of customers and colleagues remained the overriding concern throughout. Webbs engaged with local events companies to source PPE for staff and for screens to be fitted throughout its stores. A detailed re-opening document was created and on 14th May, Webbs reopened its stores following relaxation of lockdown by the Government for Garden Centres to open in England.

Although customer numbers in store were controlled, the demands seen in online sales were replicated throughout the product range in each of the stores. The garden furniture annual budget was reached in 6 weeks and some weeks saw up to 150% growth, despite the restaurants being closed. Webbs has been encouraged by the positive feedback from customers since re-opening and subsequently has reopened its restaurants at all three stores by the end of July 2020, albeit with reduced covers to ensure social distancing rules are adhered to.

Webbs has a strong Balance Sheet following several strong years of trading. Nonetheless, Webbs utilised its solid relationship with its bank, HSBC, to arrange an overdraft facility extension to act as a safety blanket. Despite the cash flow difficulties facing virtually all businesses through this time, Webbs has remained financially self-sufficient throughout and has not utilised the additional overdraft facility provided to date as it is now in a strong cash flow position following strong trading growth since reopening.

Whilst there remains the risk of a second spike or local lockdown, the directors believe the garden centre sector has proved resilient versus other retail sectors and provides the consumer with many critical products required during such a time that centres are likely to remain open going forwards. If such a spike hit at Christmas time, whilst likely to have an adverse impact on store trading levels, the directors believe the business can largely mitigate lost revenues through continuing to drive sales with a full Christmas product catalogue on its website and therefore increasing revenue through its e-Commerce channel.

The directors remain positive about the business and its ability to identify opportunities to continue to trade successfully and manage its cashflows effectively in such challenging times.

#### PRINCIPAL RISKS AND UNCERTAINTIES

The directors constantly monitor the risks and uncertainties facing the Company with particular reference to the exposure on exchange rates, liquidity, stocks, interest rates and credit risks. They are confident that there are suitable policies in place and there are no material risks and uncertainties which have not been considered.

The Company uses various financial instruments which include loans, cash and various items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Company's operations.

The existence of these financial instruments exposes the Company to a number of financial risks, which are described in more detail below.

The main risks arising from the Company's financial instruments are currency risk, interest rate risk, credit risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below.

##### *Currency Risk*

The Company has exposure to translation and transaction foreign exchange risk through its supply chain. Transaction exposures are hedged, principally using forward currency contracts. Whilst the aim is to achieve an economic hedge the Company does not adopt an accounting policy of hedge accounting for these financial statements.

##### *Liquidity Risk*

The Company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Short term flexibility is achieved by utilising related Company funds.

##### *Interest Rate Risk*

The Company finances its operations through a mixture of retained profits, related Company funds and borrowings. The Company uses base rate caps and swaps to manage its interest rate risk.

## WEBBS GARDEN CENTRES LIMITED

### STRATEGIC REPORT (CONTINUED) FOR THE 53 WEEKS ENDED 5 JANUARY 2020

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#### *Credit Risk*

The Company's principal financial assets are stock. It does not have significant credit risk in relation to Trade Debtors due to the retail nature of the business. Its principal trade debtors relate to rental amounts due from tenants who occupy parts of the sites at Wychbold, Hagley and Cheltenham, which carries minimal risk due to contractual lease agreements in place and good covenant of tenants through estate management.

#### FINANCIAL AND OTHER KEY PERFORMANCE INDICATORS

The directors monitor performance of the business using key performance indicators (KPI's) both financial and non-financial. These are monitored at all levels of the business.

These include:

Sale units and value – monitored continually by customer, supplier, category and model range. Turnover has increased by 12.9% to £20.0 million in 2019 from £17.7 million last year.

Gross profit margin – raw material cost prices and currency rates are closely tracked. Gross profit margin percentage increased from 46.9% in 2018 to 47.2% in 2019.

Wage to sales ratios – total wages as a percentage of sales decreased from 24.9% in 2018 to 24.5% in 2019 reflecting ongoing management of operational rotas to offset the significant pressure of National Living Wage and Pension cost increases.

Stock turn – as at 31 December 2019 stock was turning at 2.8 times per annum based on the previous 12 months cost of sales. This is in line with the previous year at 3.0 times.

Customer numbers and footfall are tracked at all of our stores.

Cash flow targets – forecasts are established and reviewed weekly and monthly to ensure working capital is effectively managed.

Staff retention and wellbeing – monitored to ensure employee welfare is at the forefront of the business.

Customer service – levels of quality and performance are continually reviewed to maximise customer satisfaction.

#### 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 and Solar Panels and are seeking to ensure that the large Wychbold site becomes self-sufficient in its energy generation and use in the future. 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.

This report was approved by the board on 24<sup>th</sup> September 2020 and signed on its behalf.



Oliver Grant Nation  
Director

## **WEBBS GARDEN CENTRES LIMITED**

### **DIRECTORS' REPORT FOR THE 53 WEEKS ENDED 5 JANUARY 2020**

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The directors present their report and the financial statements for the 53 weeks ended 5 January 2020.

#### **DIRECTORS' RESPONSIBILITIES STATEMENT**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to 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. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' Reports may differ from legislation in other jurisdictions.

#### **RESULTS AND DIVIDENDS**

The profit for the 53 weeks ended 5 January 2020, after taxation, amounted to £817,123 (2018: £1,055,405).

Dividends of £249,435 (2018: £224,491) were declared in the year.

#### **DIRECTORS**

The directors who served during the 53 weeks were:

Edward Alexander Broughton Webb  
Oliver Grant Nation

#### **FUTURE DEVELOPMENTS**

The Company's strategy remains one of steady investment in the estate, maintaining and growing revenue and the profit base and reducing net debt despite ongoing challenges such as COVID-19 compliance, Business Rates, Utilities, Living Wage and Pension rises and the Apprenticeship Levy. Focus for 2020 will be to manage cash flows in light of the COVID-19 situation and continue to develop online trading through its e-commerce channel, as well as continued refurbishment of its store estate and IT expenditure to improve internal processes and ensure it maintains a great customer experience.

## **WEBBS GARDEN CENTRES LIMITED**

### **DIRECTORS' REPORT (CONTINUED) FOR THE 53 WEEKS ENDED 5 JANUARY 2020**

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#### **EMPLOYEE INVOLVEMENT**

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 refit programme at Wychbold. 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. We conduct an annual employee survey, through Great Places to Work, the findings of which help us shape our Company welfare and development strategy, as detailed below.

We introduced a more formalised Career Paths Document in 2018 and further developed colleague training and career development pathways in 2019, to ensure we are supporting the development of all of our employees, no matter what stage of their careers with us. This includes a Specialist Training Guarantee open to all permanent Webbs employees, to gain a recognised formal qualification in their specialist areas. This is being used in employee appraisals to help set objectives and improve motivation and drive performance at all levels. We have also developed a Future Leaders Programme for all Webbs employees who are not already at Supervisor level or above and who would like to develop their leadership skills for the future.

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.

#### **DISABLED EMPLOYEES**

People with disabilities have fair and full consideration for all job vacancies at Webbs Garden Centres Limited. 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.

#### **DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

#### **POST BALANCE SHEET EVENTS**

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

#### **AUDITORS**

The auditors, Bishop Fleming LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.



**WEBBS GARDEN CENTRES LIMITED**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE 53 WEEKS ENDED 5 JANUARY 2020**

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This report was approved by the board and signed on its behalf.



**Oliver Grant Nation**  
Director

Date: 24<sup>th</sup> September 2020

Worcester Road  
Wychbold  
Droitwich  
Worcestershire  
WR9 0DG

## **WEBBS GARDEN CENTRES LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WEBBS GARDEN CENTRES LIMITED**

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#### **OPINION**

We have audited the financial statements of Webbs Garden Centres Limited (the 'Company') for the 53 weeks ended 5 January 2020, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 5 January 2020 and of its profit for the 53 weeks then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **BASIS FOR OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **CONCLUSIONS RELATING TO GOING CONCERN**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **OTHER INFORMATION**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **WEBBS GARDEN CENTRES LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WEBBS GARDEN CENTRES LIMITED (CONTINUED)**

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#### **OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial 53 weeks for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

#### **MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

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

#### **RESPONSIBILITIES OF DIRECTORS**

As explained more fully in the Directors' Responsibilities Statement on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **AUDITORS' 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 Auditors' 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: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**WEBBS GARDEN CENTRES LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WEBBS GARDEN CENTRES LIMITED  
(CONTINUED)**

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**USE OF OUR REPORT**

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



Andrew Wood FCCA (Senior Statutory Auditor)

for and on behalf of  
**Bishop Fleming LLP**

Chartered Accountants  
Statutory Auditors

1-3 College Yard

Worcester

WR1 2LB

Date: 29th September 2020

**WEBBS GARDEN CENTRES LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE 53 WEEKS ENDED 5 JANUARY 2020**

		<b>53 weeks ended 5 January 2020 £</b>	<b>52 weeks ended 30 December 2018 £</b>
	<b>Note</b>		
Turnover	4	19,965,151	17,685,135
Cost of sales		(10,548,333)	(9,385,659)
<b>GROSS PROFIT</b>		<b>9,416,818</b>	<b>8,299,476</b>
Administrative expenses		(8,885,557)	(7,969,016)
Other operating income	5	795,319	785,858
Gain on investment		-	334,238
<b>OPERATING PROFIT</b>	6	<b>1,326,580</b>	<b>1,450,556</b>
Income from fixed assets investments	10	20,250	-
Interest receivable and similar income	11	4,143	2,265
Interest payable and expenses	12	(132,479)	(129,697)
<b>PROFIT BEFORE TAX</b>		<b>1,218,494</b>	<b>1,323,124</b>
Tax on profit on ordinary activities	13	(401,371)	(267,719)
<b>PROFIT FOR THE FINANCIAL PERIOD</b>		<b>817,123</b>	<b>1,055,405</b>
<b>OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD</b>			
Revaluation of freehold own use property		255,440	372,891
<b>OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD</b>		<b>255,440</b>	<b>372,891</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD</b>		<b>1,072,563</b>	<b>1,428,296</b>

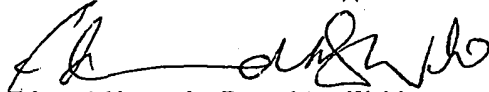
The notes on pages 15 to 37 form part of these financial statements.

**WEBBS GARDEN CENTRES LIMITED**  
**REGISTERED NUMBER:00777596**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 5 JANUARY 2020**

	Note	5 January 2020 £	30 December 2018 £
<b>FIXED ASSETS</b>			
Tangible assets	15	19,337,963	17,700,518
Investments	16	738,115	738,115
Investment property	17	3,575,000	3,575,000
		<u>23,651,078</u>	<u>22,013,633</u>
<b>CURRENT ASSETS</b>			
Stocks	18	2,276,619	2,122,292
Debtors: amounts falling due within one year	19	334,884	414,441
Cash at bank and in hand	20	2,034,220	2,490,379
		<u>4,645,723</u>	<u>5,027,112</u>
Creditors: amounts falling due within one year	21	(4,331,009)	(4,289,163)
		<u>314,714</u>	<u>737,949</u>
<b>NET CURRENT ASSETS</b>			
		<u>23,965,792</u>	<u>22,751,582</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
Creditors: amounts falling due after more than one year	22	(3,238,739)	(3,162,689)
<b>PROVISIONS FOR LIABILITIES</b>			
Deferred tax	26	(966,913)	(773,476)
		<u>19,760,140</u>	<u>18,815,417</u>
<b>NET ASSETS</b>			
<b>CAPITAL AND RESERVES</b>			
Called up share capital	27	713	713
Share premium account	28	45,700	45,700
Revaluation reserve	28	10,172,198	10,050,603
Capital redemption reserve	28	337	337
Profit and loss account	28	9,541,192	8,718,064
		<u>19,760,140</u>	<u>18,815,417</u>

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

  
Edward Alexander Broughton Webb  
Director

Date: 24<sup>th</sup> September 2020.

The notes on pages 15 to 37 form part of these financial statements.

**WEBBS GARDEN CENTRES LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE 53 WEEKS ENDED 5 JANUARY 2020**

	Called up share capital £	Share premium account £	Capital redemption reserve £	Revaluation reserve £	Profit and loss account £	Total equity £
<b>At 1 January 2018</b>	<b>713</b>	<b>45,700</b>	<b>337</b>	<b>9,933,176</b>	<b>7,631,686</b>	<b>17,611,612</b>
Profit for the 52 weeks	-	-	-	-	1,055,405	1,055,405
Deferred tax movement	-	-	-	117,427	255,464	372,891
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>117,427</b>	<b>1,310,869</b>	<b>1,428,296</b>
Dividends: Equity capital	-	-	-	-	(224,491)	(224,491)
<b>At 30 December 2018</b>	<b>713</b>	<b>45,700</b>	<b>337</b>	<b>10,050,603</b>	<b>8,718,064</b>	<b>18,815,417</b>
Profit for the 53 weeks	-	-	-	-	817,123	817,123
Surplus on revaluation of freehold property	-	-	-	121,595	255,440	377,035
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>121,595</b>	<b>1,072,563</b>	<b>1,194,158</b>
Dividends: Equity capital	-	-	-	-	(249,435)	(249,435)
<b>AT 5 JANUARY 2020</b>	<b>713</b>	<b>45,700</b>	<b>337</b>	<b>10,172,198</b>	<b>9,541,192</b>	<b>19,760,140</b>

The notes on pages 15 to 37 form part of these financial statements.

**WEBBS GARDEN CENTRES LIMITED**

**STATEMENT OF CASH FLOWS  
FOR THE 53 WEEKS ENDED 5 JANUARY 2020**

	5 January 2020 £	30 December 2018 £
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit for the financial period	817,123	1,055,405
<b>ADJUSTMENTS FOR:</b>		
Depreciation of tangible assets	755,721	700,509
Loss on disposal of tangible assets	(11,360)	-
Interest paid	132,479	129,697
Interest and dividends received	(24,393)	(2,265)
Taxation charge	401,371	267,719
(Increase)/decrease in stocks	(154,327)	31,691
Decrease in debtors	79,557	18,195
(Decrease)/increase in creditors	(2,755)	414,492
Net fair value gains recognised in P&L	-	(334,238)
Corporation tax paid	(256,369)	(125,843)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>1,737,047</b>	<b>2,155,362</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of tangible fixed assets	(2,034,771)	(155,148)
Sale of tangible fixed assets	30,000	-
Interest received	4,143	2,265
HP interest paid	(6,317)	(6,347)
Dividends received	20,250	-
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>(1,986,695)</b>	<b>(159,230)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
New secured loans	800,000	-
Repayment of loans	(475,599)	(435,035)
Repayment of/new finance leases	(160,315)	(163,817)
Amounts introduced by directors	24,584	23,824
Amounts withdrawn by directors	(19,584)	(29,794)
Dividends paid	(249,435)	(224,491)
Interest paid	(126,162)	(123,350)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(206,511)</b>	<b>(952,663)</b>
<b>(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(456,159)</b>	<b>1,043,469</b>



**WEBBS GARDEN CENTRES LIMITED**

**STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE 53 WEEKS ENDED 5 JANUARY 2020**

	<b>5 January 2020 £</b>	<b>30 December 2018 £</b>
Cash and cash equivalents at beginning of the financial period	<b>2,490,379</b>	<b>1,446,910</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	<b>2,034,220</b>	<b>2,490,379</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD COMPRISE:</b>		
Cash at bank and in hand	<b>2,034,220</b>	<b>2,490,379</b>
	<b>2,034,220</b>	<b>2,490,379</b>

The notes on pages 15 to 37 form part of these financial statements.

## **WEBBS GARDEN CENTRES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 5 JANUARY 2020**

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#### **1. GENERAL INFORMATION**

Webbs Garden Centres Limited is a private company, limited by shares, registered in England and Wales. The registered office is Worcester Road, Wychbold, Droitwich, Worcestershire, WR9 0DG.

The company registration number is: 00777596.

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

#### **2. ACCOUNTING POLICIES**

##### **2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

##### **2.2 ASSOCIATES AND JOINT VENTURES**

Associates and Joint Ventures are held at cost less impairment.

##### **2.3 GOING CONCERN**

The Directors have considered the implications of COVID-19 in relation to the risk of the business continuing to operate as a going concern, and have concluded that there are sufficient cash resources in place to trade through the current pandemic. They have not identified any significant issues that are expected to affect the company's ability to continue as a going concern.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 53 WEEKS ENDED 5 JANUARY 2020

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**2. ACCOUNTING POLICIES (continued)**

**2.4 REVENUE**

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

**Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

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

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**2.5 TANGIBLE FIXED ASSETS**

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 53 WEEKS ENDED 5 JANUARY 2020

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2. ACCOUNTING POLICIES (continued)

2.5 TANGIBLE FIXED ASSETS (CONTINUED)

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

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

Freehold property	- over 10 or 50 years
Long-term leasehold property	- over 35 years
Short-term leasehold property	- over 25 years
Plant and machinery	- over 3 to 10 years
Motor vehicles	- over 4 years
Fixtures and fittings	- over 4 to 10 years
Computer equipment	- over 3 to 5 years
Assets under construction	- not depreciated

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.6 REVALUATION OF TANGIBLE FIXED ASSETS

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Statement of Financial Position date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Statement of Comprehensive Income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.7 INVESTMENT PROPERTY

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 53 WEEKS ENDED 5 JANUARY 2020

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**2. ACCOUNTING POLICIES (continued)**

**2.8 VALUATION OF INVESTMENTS**

Investments in subsidiaries are measured at cost less accumulated impairment.

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 remeasurement 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.

Investments in listed company shares are remeasured to market value at each Statement of Financial Position date. Gains and losses on remeasurement are recognised in profit or loss for the period.

**2.9 STOCKS**

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

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

**2.10 DEBTORS**

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

**2.11 CASH AND CASH EQUIVALENTS**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

**2.12 FINANCIAL INSTRUMENTS**

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

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

**2.13 CREDITORS**

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

**2. ACCOUNTING POLICIES (continued)**

**2.14 FINANCE COSTS**

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

**2.15 DIVIDENDS**

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

**2.16 OPERATING LEASES: THE COMPANY AS LESSOR**

Rentals income from operating leases is credited to the Statement of Comprehensive Income on a straight line basis over the term of the relevant lease.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income over the lease term on a straight line basis, unless another systematic basis is representative of the time pattern over which the lessor's benefit from the leased asset is diminished.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 January 2018 to continue to be charged over the period to the first market rent review rather than the term of the lease.

**2.17 OPERATING LEASES: THE COMPANY AS LESSEE**

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 January 2018 to continue to be charged over the period to the first market rent review rather than the term of the lease.

**2.18 PENSIONS**

**DEFINED CONTRIBUTION PENSION PLAN**

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

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 53 WEEKS ENDED 5 JANUARY 2020

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**2. ACCOUNTING POLICIES (continued)**

**2.19 INTEREST INCOME**

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

**2.20 BORROWING COSTS**

All borrowing costs are recognised in the Statement of Comprehensive Income in the financial period in which they are incurred.

**2.21 PROVISIONS FOR LIABILITIES**

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

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

**2.22 CURRENT AND DEFERRED TAXATION**

The tax expense for the 53 weeks comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 53 WEEKS ENDED 5 JANUARY 2020**

**3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

Preparation of the financial statements requires management to make significant judgements and estimates.

Critical areas of judgement:

**Depreciation**

The difference between the purchase price and estimated residual value of a fixed asset which has a limited useful economic life should be allocated on a systematic basis to each accounting period during the useful life of the asset. The depreciation charge for each period should be recognised as an expense in the profit and loss account unless it is permitted to be included in the carrying amount of another asset.

For each major class of depreciable asset the method of depreciation and the depreciation rates have been disclosed.

**4. TURNOVER**

All turnover arose within the United Kingdom and related to the one principal activity of the company.

**5. OTHER OPERATING INCOME**

	<b>53 weeks ended 5 January 2020 £</b>	<b>52 weeks ended 30 December 2018 £</b>
Ground rent receivable	750,010	740,775
Sundry income	7,196	6,428
Commissions receivable	13,501	9,390
Fair value adjustment	24,612	29,265
	<b>795,319</b>	<b>785,858</b>



**WEBBS GARDEN CENTRES LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 53 WEEKS ENDED 5 JANUARY 2020****6. OPERATING PROFIT**

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

	<b>53 weeks ended 5 January 2020 £</b>	<b>52 weeks ended 30 December 2018 £</b>
Operating lease income	<b>(750,010)</b>	<b>(740,775)</b>
Depreciation of tangible fixed assets - owned assets (note 15)	<b>707,626</b>	<b>647,070</b>
Depreciation of tangible fixed assets - assets on hire purchase contracts (note 15)	<b>48,095</b>	<b>53,438</b>
Exchange differences	<b>(24,612)</b>	<b>(29,265)</b>
Other operating lease rentals	<b>162,414</b>	<b>154,048</b>
Defined contribution pension cost	<b>176,197</b>	<b>131,327</b>
Profit on sale of tangible fixed assets	<b>(11,360)</b>	<b>-</b>

**7. AUDITORS' REMUNERATION**

	<b>53 weeks ended 5 January 2020 £</b>	<b>52 weeks ended 30 December 2018 £</b>
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<b>22,845</b>	<b>21,630</b>

**FEE PAYABLE TO THE COMPANY'S AUDITOR AND ITS  
ASSOCIATES IN RESPECT OF:**

Taxation compliance services	<b>2,060</b>	<b>2,060</b>
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**WEBBS GARDEN CENTRES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 53 WEEKS ENDED 5 JANUARY 2020**

**8. EMPLOYEES**

Staff costs, including directors' remuneration, were as follows:

	<b>53 weeks ended 5 January 2020 £</b>	<b>52 weeks ended 30 December 2018 £</b>
Wages and salaries	4,396,675	4,001,140
Social security costs	279,588	236,023
Cost of defined contribution scheme	176,197	131,327
	<b>4,852,460</b>	<b>4,368,490</b>

The average monthly number of employees, including the directors, during the financial period was as follows:

	<b>53 weeks ended 5 January 2020 No.</b>	<b>52 weeks ended 30 December 2018 No.</b>
Sales	316	290
Administration	43	39
	<b>359</b>	<b>329</b>

**9. DIRECTORS' REMUNERATION**

	<b>53 weeks ended 5 January 2020 £</b>	<b>52 weeks ended 30 December 2018 £</b>
Directors' emoluments	235,025	295,553
Company contributions to defined contribution pension schemes	29,451	20,659
	<b>264,476</b>	<b>316,212</b>

During the 53 weeks retirement benefits were accruing to 2 directors (2018: 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £135,110 (2018: £100,875).

The key management personnel of the company comprise the directors of the company listed on page 1.

**WEBBS GARDEN CENTRES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 53 WEEKS ENDED 5 JANUARY 2020**

**10. INCOME FROM INVESTMENTS**

	<b>53 weeks ended 5 January 2020 £</b>	<b>52 weeks ended 30 December 2018 £</b>
Dividends received from unlisted investments	20,250	-
	<u>20,250</u>	<u>-</u>

**11. INTEREST RECEIVABLE**

	<b>53 weeks ended 5 January 2020 £</b>	<b>52 weeks ended 30 December 2018 £</b>
Other interest receivable	4,143	2,265
	<u>4,143</u>	<u>2,265</u>

**12. INTEREST PAYABLE AND SIMILAR EXPENSES**

	<b>53 weeks ended 5 January 2020 £</b>	<b>52 weeks ended 30 December 2018 £</b>
Bank interest payable	126,162	123,350
Hire purchase contracts	6,317	6,347
	<u>132,479</u>	<u>129,697</u>

**WEBBS GARDEN CENTRES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 53 WEEKS ENDED 5 JANUARY 2020**

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**13. TAXATION**

	<b>53 weeks ended 5 January 2020 £</b>	<b>52 weeks ended 30 December 2018 £</b>
<b>CORPORATION TAX</b>		
Current tax on profits for the year	<b>207,934</b>	<b>263,812</b>
<b>TOTAL CURRENT TAX</b>	<b>207,934</b>	<b>263,812</b>
<b>DEFERRED TAX</b>		
Origination and reversal of timing differences	<b>193,437</b>	<b>3,907</b>
<b>TOTAL DEFERRED TAX</b>	<b>193,437</b>	<b>3,907</b>
<b>TAXATION ON PROFIT ON ORDINARY ACTIVITIES</b>	<b>401,371</b>	<b>267,719</b>

**WEBBS GARDEN CENTRES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 53 WEEKS ENDED 5 JANUARY 2020**

**13. TAXATION (CONTINUED)**

**FACTORS AFFECTING TAX CHARGE FOR THE 53 WEEKS (2018: 52 WEEKS)**

The tax assessed for the 53 weeks is higher than (2018: higher than) the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are explained below:

	<b>53 weeks ended 5 January 2020 £</b>	<b>52 weeks ended 30 December 2018 £</b>
Profit on ordinary activities before tax	<b>1,218,494</b>	<b>1,323,124</b>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	<b>231,514</b>	<b>251,394</b>
<b>EFFECTS OF:</b>		
Expenses not deductible for tax purposes	<b>22,422</b>	<b>7,558</b>
Movement in deferred tax	<b>-</b>	<b>6,984</b>
Income not taxable for tax purposes	<b>(8,524)</b>	<b>(69,066)</b>
Timing differences in relation to fixed assets	<b>146,457</b>	<b>70,849</b>
Other timing differences leading to an increase (decrease) in taxation	<b>9,502</b>	<b>-</b>
<b>TOTAL TAX CHARGE FOR THE FINANCIAL PERIOD</b>	<b>401,371</b>	<b>267,719</b>

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

There were no factors that may affect future tax charges.

**14. DIVIDENDS**

	<b>53 Weeks ended 5 January 2020 £</b>	<b>52 weeks ended 30 December 2018 £</b>
Dividends payable on ordinary shares	<b>249,435</b>	<b>224,491</b>
	<b>249,435</b>	<b>224,491</b>

WEBBS GARDEN CENTRES LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 53 WEEKS ENDED 5 JANUARY 2020

15. TANGIBLE FIXED ASSETS

	Freehold property £	Long-term leasehold property £	Short-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures, fittings & equipment £	Assets under construction £	Total £
<b>COST OR VALUATION</b>								
At 31 December 2018	16,234,133	-	14,728	1,800,337	68,706	4,792,069	-	22,909,973
Additions	194,589	816,146	-	123,526	141,068	454,001	305,441	2,034,771
Disposals	-	-	-	-	(48,534)	-	-	(48,534)
At 5 January 2020	16,428,722	816,146	14,728	1,923,863	161,240	5,246,070	305,441	24,896,210
<b>DEPRECIATION</b>								
At 31 December 2018	-	-	5,498	1,601,229	65,226	3,537,502	-	5,209,455
Charge for the 53 weeks on owned assets	378,068	7,753	589	44,993	21,133	255,090	-	707,626
Charge for the 53 weeks on financed assets	-	-	-	-	-	48,095	-	48,095
Disposals	-	-	-	-	(29,894)	-	-	(29,894)
On revalued assets	(377,035)	-	-	-	-	-	-	(377,035)
At 5 January 2020	1,033	7,753	6,087	1,646,222	56,465	3,840,687	-	5,558,247
<b>NET BOOK VALUE</b>								
At 5 January 2020	16,427,689	808,393	8,641	277,641	104,775	1,405,383	305,441	19,337,963
At 30 December 2018	16,234,133	-	9,230	199,108	3,480	1,254,567	-	17,700,518

**WEBBS GARDEN CENTRES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 53 WEEKS ENDED 5 JANUARY 2020**

**15. TANGIBLE FIXED ASSETS (CONTINUED)**

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

	5 January 2020 £	30 December 2018 £
Freehold	16,427,689	16,234,133
Long leasehold	808,393	-
Short leasehold	8,641	9,230
	<u>17,244,723</u>	<u>16,243,363</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	5 January 2020 £	30 December 2018 £
Furniture, fittings and equipment	356,701	404,796
	<u>356,701</u>	<u>404,796</u>

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

	5 January 2020 £	30 December 2018 £
Cost	9,310,282	9,310,282
Aggregate Depreciation	(4,207,852)	(3,830,817)

Freehold land and buildings were valued on an existing use basis on 31 December 2017 by Gilbert Evans LLP. This basis of valuation is consistent with the previous valuation obtained on 31 December 2014.

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

**WEBBS GARDEN CENTRES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 53 WEEKS ENDED 5 JANUARY 2020**

**16. FIXED ASSET INVESTMENTS**

	Investments in associates £
<b>COST OR VALUATION</b>	
At 31 December 2018	738,115
At 5 January 2020	<u>738,115</u>

The investment in associates relates to a 25.55% holding in Bransford Garden Plants Holdings Limited.

**17. INVESTMENT PROPERTY**

	Freehold investment property £
<b>VALUATION</b>	
At 31 December 2018	3,575,000
<b>AT 5 JANUARY 2020</b>	<u>3,575,000</u>

In line with the accounting treatment stated in FRS102, land and buildings occupied by concessions on the Webbs site has been classified as Investment Property. However, in practical terms this property forms parts of the structure of the trading premises of the business and for all intents and purposes is not considered to be any different to the freehold property held.

The 2017 valuations were made by Gilbert Evans LLP, on an open market value for existing use basis.

The directors are of the opinion that this value has not changed as at 5 January 2020.

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	5 January 2020 £	30 December 2018 £
Historic cost	<u>1,542,732</u>	<u>1,542,732</u>



**WEBBS GARDEN CENTRES LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 53 WEEKS ENDED 5 JANUARY 2020**

Receipts from non-cancellable operating leases are as follows:

	5 January 2020 £	30 December 2018 £
Not later than 1 year	603,423	618,703
Later than 1 year and not later than 5 years	1,502,071	1,803,246
Later than 5 years	436,407	363,527
	<u>2,541,901</u>	<u>2,785,476</u>

**18. STOCKS**

	5 January 2020 £	30 December 2018 £
Raw Materials and Consumables	58,887	39,065
Finished Goods for Resale	2,217,732	2,083,227
	<u>2,276,619</u>	<u>2,122,292</u>

Stock recognised in cost of sales during the 53 weeks as an expense was £10,471,404 (2018: £9,303,651).

**19. DEBTORS**

	5 January 2020 £	30 December 2018 £
Trade debtors	45,561	114,179
Other debtors	48,954	47,357
Prepayments and accrued income	240,369	252,905
	<u>334,884</u>	<u>414,441</u>

An impairment loss of £36,014 (2018: £6,491) was recognised in administration expenses against trade debtors during the 53 week period due to doubtful debts.

**WEBBS GARDEN CENTRES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 53 WEEKS ENDED 5 JANUARY 2020**

**20. CASH AND CASH EQUIVALENTS**

	5 January 2020 £	30 December 2018 £
Cash at bank and in hand	2,034,220	2,490,379
	<u>2,034,220</u>	<u>2,490,379</u>

**21. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	5 January 2020 £	30 December 2018 £
Bank loans	604,246	449,027
Trade creditors	1,730,977	1,690,958
Corporation tax	207,934	256,369
Other taxation and social security	790,755	751,137
Obligations under finance lease and hire purchase contracts	66,798	160,315
Other creditors	35,459	21,637
Accruals and deferred income	866,785	933,387
Financial instruments	28,055	26,333
	<u>4,331,009</u>	<u>4,289,163</u>

**Secured loans**

The bank loans 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.

**WEBBS GARDEN CENTRES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 53 WEEKS ENDED 5 JANUARY 2020**

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**22. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>5 January 2020 £</b>	<b>30 December 2018 £</b>
Bank loans	<b>3,238,739</b>	3,069,557
Net obligations under finance leases and hire purchase contracts	-	66,798
Financial instruments	-	26,334
	<b><u>3,238,739</u></b>	<b><u>3,162,689</u></b>

**Secured loans**

The bank loans 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.

**WEBBS GARDEN CENTRES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**23. LOANS**

Analysis of the maturity of loans is given below:

	5 January 2020 £	30 December 2018 £
<b>AMOUNTS FALLING DUE WITHIN ONE YEAR</b>		
Bank loans	604,246	449,027
<b>AMOUNTS FALLING DUE 1-2 YEARS</b>		
Bank loans	620,699	459,628
<b>AMOUNTS FALLING DUE 2-5 YEARS</b>		
Bank loans	1,804,975	1,445,079
<b>AMOUNTS FALLING DUE AFTER MORE THAN 5 YEARS</b>		
Bank loans	813,065	1,164,850
	<u>3,842,985</u>	<u>3,518,584</u>

The company has four bank loans.

The first loan balance at 5 January 2020 was £311,872 (2018: £372,608) and the monthly repayments on this loan as at the year end are £5,762 (2018: £5,762). The loan will be repaid by 2024. The interest rate on this loan is LIBOR + 1.65%.

The second loan balance at 5 January 2020 was £1,133,406 (2018: £1,359,437) and the monthly repayments on this loan as at the year end are £21,302 (2018: £21,302). The loan will be repaid by 2025. The interest rate on this loan is LIBOR + 1.6%.

The third loan balance at 5 January 2020 was £1,632,879 (2018: £1,786,539) and the monthly repayments on this loan as at the year end are £17,097 (2018: £17,097). The loan will be repaid by 2028. The interest rate on this loan is LIBOR + 2.25%.

A new loan was issued in the year. The balance at 5 January 2020 was £764,828 and the monthly repayments on this loan as at the year end are £14,377. The loan will be repaid by 2024. The interest rate on this loan is LIBOR + 2.25%.

**24. HIRE PURCHASE AND FINANCE LEASES**

Minimum lease payments under hire purchase fall due as follows:

	5 January 2020 £	30 December 2018 £
Not later than 1 year	66,798	160,315
Later than 1 year and not later than 5 years	-	66,798
	<u>-</u>	<u>66,798</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 53 WEEKS ENDED 5 JANUARY 2020**

**25. FINANCIAL INSTRUMENTS**

The company has bank borrowings and uses base rate caps and swaps to manage its interest rate risk. The following are in place at the year end:

**Swap fixing:** £1m of borrowing at 3.45% p.a. until 1 January 2021

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

The interest rate swaps and caps have been fair valued by the company's bank using proprietary models based upon recognised financial principles and reasonable estimates about relevant future market conditions and may reflect certain other financial factors such as anticipated profit or hedging, transactional, and other costs.

Payments made in relation to the interest rate swaps and caps were £24,612 (2018: £26,152) and £NIL (2018: £29,605) was recognised in other operating income in the profit and loss account being the fair value movement of the derivatives.

	5 January 2020 £	30 December 2018 £
<b>FINANCIAL ASSETS</b>		
Financial assets measured at fair value through profit or loss	2,034,220	2,490,379
Financial assets that are debt instruments measured at amortised cost	141,691	215,749
	<u>2,175,911</u>	<u>2,706,128</u>
<b>FINANCIAL LIABILITIES</b>		
Derivative financial instruments measured at fair value through profit or loss held as part of a trading portfolio	(28,055)	(52,667)
Financial liabilities measured at amortised cost	(6,476,206)	(6,164,566)
	<u>(6,504,261)</u>	<u>(6,217,233)</u>

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, other debtors and accrued income.

Derivative financial instruments measured at fair value through profit or loss held as part of a trading portfolio comprise financial instruments.

Financial liabilities measured at amortised cost comprise trade creditors, bank loans, corporation tax, other creditors, accruals and deferred income.

**WEBBS GARDEN CENTRES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 53 WEEKS ENDED 5 JANUARY 2020**

**26. DEFERRED TAXATION**

	5 January 2020 £	30 December 2018 £
At beginning of period	(773,476)	(769,569)
Charged to other comprehensive income	(193,437)	(3,907)
<b>AT END OF PERIOD</b>	<b>(966,913)</b>	<b>(773,476)</b>

The provision for deferred taxation is made up as follows:

	5 January 2020 £	30 December 2018 £
Accelerated capital allowances	(966,913)	(773,476)
	<b>(966,913)</b>	<b>(773,476)</b>

**27. SHARE CAPITAL**

	5 January 2020 £	30 December 2018 £
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
71,267 (2018: 71,267) Ordinary shares of £0.01 each	713	713
All shares have equal voting rights and equal rights to dividends.		

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 53 WEEKS ENDED 5 JANUARY 2020**

**28. RESERVES**

**Share premium account**

Share premium includes any premiums received on issue of share capital. Any transactions associated with the issuing of shares are deducted from share premium.

**Revaluation reserve**

Revaluation reserve includes the increase in revaluation of assets.

**Capital redemption reserve**

Capital redemption reserves relates to shares lapsed or issued during the year.

**Profit and loss account**

Profit and loss account includes all current and prior period retained profits and losses. There is an amount of £1,913,797 (2018: £1,913,797) non distributable profits and losses. This relates to the investment property revaluation of £2,032,268 (2018: £2,032,268) less tax of £118,471 (2018: £118,471).

**29. 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 £176,197 (2018: £131,327).

The company had no outstanding liabilities at year end (2018: £Nil) in respect of the defined contribution pension scheme.

**30. COMMITMENTS UNDER OPERATING LEASES**

At 5 January 2020 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	5 January 2020 £	30 December 2018 £
Not later than 1 year	288,641	138,252
Later than 1 year and not later than 5 years	1,102,336	418,625
Later than 5 years	<u>6,150,833</u>	<u>1,133,333</u>

## WEBBS GARDEN CENTRES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 5 JANUARY 2020

#### 31. TRANSACTIONS WITH DIRECTORS

The following advances and credits to a director subsisted during the financial periods ended 5 January 2020 and 30 December 2018.

	5 January 2020 £	30 December 2018 £
<b>Edward Alexander Broughton Webb</b>		
Balance outstanding at the start of the year	20,000	23,187
Amounts advanced	19,584	29,794
Amounts repaid	(24,584)	(32,981)
Balance outstanding at the end of the year	15,000	20,000

Included within other debtors due within one year is a loan to Edward Alexander Broughton Webb, a director, amounting to £15,000 (2018: £20,000). Amounts repaid during the year totalled £24,584. Interest is charged at HMRC approved rates.

#### 32. RELATED PARTY TRANSACTIONS

	5 January 2020 £	30 December 2018 £
Dividends distributed to directors	61,950	55,752
Management charge received from related company	21,000	9,168
Purchases from related company	73,143	7,823
Amounts owed to related company at year end	957	2,400
Dividends received from related company	20,250	-

#### 33. CONTROLLING PARTY

As at 5 January 2020, the company was controlled by majority shareholder William Richard Broughton Webb Esq.