Registered number: 00777596

WEBBS GARDEN CENTRES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE 52 WEEKS ENDED 1 JANUARY 2023

Bishop Fleming

COMPANY INFORMATION

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

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GROUP STRATEGIC REPORT
FOR THE 52 WEEKS ENDED 1 JANUARY 2023

BUSINESS REVIEW

The results for the year and financial position of the Company are as shown in the annexed financial statements. Total revenue for the year for the Group was £28.2m (2021: £26.0m) and the profit before taxation for the year, after adding back depreciation of Wychbold property, was £119k (2021: profit of £2,644k).

On the back of what was a record year in terms of profits and turnover in 2021, the economic environment has become extraordinarily unpredictable. Following a promising 2022 Spring season, with demand for plants, garden furniture and horticultural products remaining strong from their peak in 2021, inflation became embedded in the UK economy with the start of the Ukraine war and post Covid recovery issues. Add to that political turmoil in the UK all through last Summer and Autumn, UK consumer confidence turned to an all-time low as we moved into the key Christmas trading period with drops in disposable income. To combat inflation, interest rates have been rising significantly during 2023 to date, which has impacted more on consumer spending power, albeit does mean more cash in the pockets of those with savings.

Inevitably our ability to generate profits as a business has become more challenging off the back of this environment. This was exacerbated in 2022 by a number of specific factors, such as the extraordinary hike in overseas freight rates peaking at $20,000 per container during the Summer. These extortionate shipping costs had to be absorbed by the business given the trading conditions faced in the last half of 2022 and is not something we expect to recur, with freight rates reversing to approximately $3,000 per container in 2023.

We also incurred a number of one-off costs in 2022 in relation to achieving planning for our Solar Farm investment at our Wychbold site, which is being installed during 2023; significant acquisition costs in relation to the purchase of our 4th garden centre at Millets Farm near Abingdon, Oxfordshire in July 2022, including investing in our head office team to be able to better absorb the increase turnover and business; and significant costs and disruption relating to going live with new IT systems throughout the business during the year. The disruption and cost caused by these factors has been the primary reason for the overall small loss generated in 2022 and as a result we expect the business to return to profitability in 2023.

The business continues to manage cost inflation, which has continued to soar in 2023 to date, largely as a result of energy and food cost increases. This, along with the continued significant increases in wages due to the annual National Living/Minimum Wage increases in April, has made the ongoing trading environment even tougher for most businesses. However, we have a history of managing in such tough times and protecting cash flows, we have a very strong Balance Sheet and Reserves position and will continue to manage both cash flows and overheads whilst maintaining our very strong relationship with our bank.

We have all been working very hard through the end of last year and during 2023 to improve the above scenario. The Solar Farm at Wychbold has since July 2023 been generating power for the site. We await the installation of a large battery plant in November 2023 to properly generate enough own power to tackle high energy costs and a full year of savings to come in 2024. It has been a challenging weather year in 2023 to date and feels like we have only had the best part of 5 weeks good weather from Mid-May into June, so our stores have done extremely well to have maintained customer footfall through the year-to-date period. Plant sales have held up relatively well overall and our restaurants and food halls have remained busy and popular as we are still representing good value. Larger ticket items such as furniture and landscapes have not surprisingly struggled, although we have managed our stocks better this year to ensure less carry over into 2024.

Our Events experiences continue to triumph, especially over the Christmas periods, as we find the appetite for experience and wow remains strong across our customers. We continue to invest in making our stores look great and be great experiences to visit, including the new pet department and play-area opening recently at our Millets Farm centre. These improvements have helped us achieve Garden Centre Association Awards at all 4 of our garden centres once again in 2023, including Best Destination Centre in the Midlands region at our Wychbold store. This can only help us drive future growth in a challenging sales environment and is testimony to the hard work and efforts of our teams.

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 marketplace in order to ensure its continued profitability. The cost base of the Company continues to be closely managed in order to maintain profitability.

Webbs continues to have a strong Balance Sheet even after such turbulent trading conditions. Webbs has remained financially self-sufficient throughout the period and typically generates strong operating cash flows to support reinvestment into keeping our business relevant and entrepreneurial, whilst maintaining strong support from our funding partners.

As previously mentioned, we have continued to invest significantly in a number of capital projects in 2022 to ensure the ongoing long-term development of the business, its store estate and online platform. This includes upgrading our IT systems throughout the business in June 2022 and the acquisition of Millets Farm Garden Centre in July 2022. The net book value of tangible and intangible fixed assets has increased from £24.1m in 2021 to £28.5m in 2022. The expenditure on tangible and intangible fixed assets in 2022 was £5.1m (2021: £0.7m). This was funded through a combination of operating cash flows and bank funding, which explains the reduction in operating cash flow generation in 2022 versus the previous year.

The directors have decided to maintain the value of Freehold Land and Buildings at their Wychbold premises as at 1 January 2023, on a Fair Value basis, following an increase of £3 million last year.

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 has previously used base rate caps and swaps to manage its interest rate risk.

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 all four of our stores, which carries minimal risk due to contractual lease agreements in place and good convenance 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:

Sales units and value – monitored continually by customer, supplier, category and model range. Turnover has increased by 8.5% to £28.2 million in 2022 from £26.0 million last year.

Gross profit margin – raw material cost prices and currency rates are closely tracked. Gross profit margin percentage decreased from 47.5% in 2021 to 46.2% in 2022. This was the result of a combination of trading conditions in the last half of 2022 meaning the business had to absorb all of the extraordinary increases in freight and other supplier cost prices to customers, as well as increased promotional and clearance activity due to higher levels of end of season stock holdings.

Wage to sales ratios – total wages as a percentage of sales increased from 24.7% in 2021 to 27.7% in 2022, driven by significant increase in the National Living Wage from April 2022, as well as no furlough support being received in 2022 compared to the previous year.

Stock turn – as at 1 January 2023 stock was turning at 2.7 times per annum based on the previous 12 months cost of sales. This is a significant reduction from the previous year-end at 4.0 times per annum due to the higher levels of seasonal stock carry over (including Furniture and Christmas), albeit we reduced our orders for 2023 ranges to reflect this.

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 not a totally sustainable business but is taking many steps to get there. Ongoing practices such as recycling waste materials and controlling energy usage are now well established, with ongoing investment in LED lighting and more energy efficient heating equipment for our stores and offices. In addition to the Solar Panels we already have on our Wychbold store roof, we aim to become approximately 75% energy self-sufficient at our main Wychbold site from 2024 once our new, onsite Solar Farm becomes fully operational from November 2023 with further improvements to follow in 2024.

Water conservation remains of paramount importance, and we benefit from rainwater harvesting in the irrigation of our retail areas.

This report was approved by the board on 14 December 2023 and signed on its behalf.

Oliver Grant Nation
Director

DIRECTORS' REPORT
FOR THE 52 WEEKS ENDED 1 JANUARY 2023

The directors present their report and the financial statements for the 52 weeks ended 1 January 2023.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group'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 Group 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 the Group 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 the Group 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 Group'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 loss for the 52 weeks, after taxation, amounted to £447,141 (2022: profit £1,634,836).

Dividends of £285,000 (2021: £261,765) were declared in the year.

DIRECTORS

The directors who served during the 52 weeks were:

Edward Alexander Broughton Webb
Oliver Grant Nation
Andrew Wrightson

FUTURE DEVELOPMENTS

The Directors always have the long-term health of the business at the forefront of their decision making, including reviews and assessments of 5-year plans to drive future growth. The majority shareholder of the business is one of the three Directors, so the long-term business strategy is paramount to the ongoing thoughts of the Directors.

The Directors recognise that the reputation of the business is hugely important with its colleagues, customers, and suppliers alike. The decisions the Directors make will always consider at least preserving the reputation of the business, given the strength of its brand reputation in the local regions surrounding its store portfolio. The Directors take a zero-tolerance approach to any illegal or other such actions which may harm the reputation of the business in any way.

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 significant cost inflation, National Living/Minimum Wage rises and increasing Regulatory compliance requirements. Focus for 2023 is to invest and bed in both our new Millets Farm Garden Centre in its first full year, as well as our front and back-end EPOS, ERP & Hospitality systems throughout the Company to drive the productivity and reporting benefits we expect having invested in the development of these systems over the last few years. These improvements must ensure we maintain and improve our customer and colleague experiences both in store and online. We are also looking to invest in ways to become a more sustainable business, including the installation of our Solar Farm at Wychbold having finally achieved successful planning application at the start of 2023.

ENGAGEMENT WITH EMPLOYEES

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 meetings, monthly newsletters and bi-annual Director presentations and Chairman 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 programmes in all our stores. Employees are fully appraised and consulted on any significant changes to company policy. Directors and senior management, whilst sited at our store in Wychbold, regularly discuss matters of concern and current interest with employees 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 also 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 invested heavily in our HR team in 2022 to enable us to focus more time on developing this career pathway and training programme across the business to drive performance levels and buy-in from all colleagues. We also run 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. The main focus in our capital spending in the last half of 2023 and into 2024 will be on building and installing a new HR and Time & Attendance system to ensure we can provide all our colleagues with the best and most efficient platform to communicate, learn and develop within our business. This will automate many current manual processes and also ensure rota costings are more accurate and consistently managed better as a business going forwards. This will also enable more time for our HR team to focus on improving our learning and development modules and save time in the administration of recruitment on onboarding of colleagues.

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.

ENGAGEMENT WITH SUPPLIERS, CUSTOMERS AND OTHERS

Webbs Garden Centres Limited is a totally customer-focused business, all our decisions on strategy and future development are with our customers at the forefront of our thoughts. The majority of our customers are those who shop either at our stores or online via our website. Sales transactions with these retail customers are immediate, in that the customer pays for the goods they buy at the time of buying them. Our only debtors in relation to these retail customers relate to credit card or digital payment transactions which take approximately 2-3 days to clear in our bank account from the respective merchant providers. We only recognise these sales in our accounts once the stock has transferred ownership from us to the customer.

We very rarely undertake business to business transactions, although we do have a small number of wholesale customer accounts who pay within 30 days for the goods or services they receive.

Our only other customers are our tenants, who lease areas of our property at each of our stores for the purposes of their own retail trading activity. Our tenants pay us rental and service charges over the respective agreed contractual lease terms and these are invoiced and paid either monthly or quarterly depending on the tenant agreement in place.

Webbs Garden Centres Limited ensures it maintains very strong relationships with all of its suppliers, whether they relate to the supply of retail items for sale in our stores, or services and non-stock items and consumables. Our standard payment terms of agreement with our suppliers are End Of Month 60 days ("EOM60") from date of invoice, although we have a variety of payment terms agreed and in place across our suppliers depending on the nature of the stock or service involved. We make weekly supplier payment runs and pay our invoices on a timely basis unless we are awaiting credit notes being agreed with respective suppliers in turn.

Creditor days as at 1 January 2023 were 30 compared to 65 days at 2 January 2022. This significant variation is due to the timing and value of month-end payment runs at the year-end, as the majority of our supplier payments are made at the end of the calendar month, whereas our accounting periods are on a 4-4-5 basis. We also received a much higher volume of late large furniture container deliveries, with longer payment terms, towards the end of 2021 versus 2022 which increased the 2021 comparative days calculation.

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.

GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION AND ENERGY EFFICIENCY ACTION

The Company's energy consumption for the 52 weeks to 1 January 2023 was 2,169,181 kWh across our 4 sites. This equates to total greenhouse gas emissions of 479,887 kgs of Carbon Dioxide during that period. This is calculated by taking the sum of all electricity and gas usage in kWh from the respective meters at each site which are generated by Webbs Garden Centres Limited and excludes usage by our Tenants onsite. This has increased from the previous year due to the addition of our 4th Garden Centre at Millets Farm since July 2022 as well as all our stores being fully open and operational for the full year in 2022, whereas the Catering operations at our 3 stores were closed between January and April 2021 due to the lockdown periods enforced by the Government during the Covid-19 pandemic.

We also generated greenhouse gas emissions of approximately 71,693 kgs of Carbon Dioxide from fuel consumption by our own transport fleet during the period. This reflects us having our own fleet of 8 Lorries/Vans (reducing to 6 over the winter months) to deliver goods direct to customers (and between stores) from all 4 stores to significantly reduce the use of couriers. This has again increased from the previous year due to the addition of 2 vehicles as part of the acquisition of our Millets Farm centre, in addition to the increased volume of journeys to and from this new centre with stock from our central warehouse units at Wychbold since July 2022. However, we have fitted tracker devices into our fleet of vehicles in 2023 to ensure we can monitor their usage and look to reduce journeys wherever possible. We are always mindful of the environmental impact that travel can have, so our employees have continued to engage in video conferencing and digital communication methods to minimise the amount of travel required, both in the UK and overseas, and we continue to review the cost and availability of Electric vehicles to suit our needs and the infrastructure required to support that future investment.

Please refer to the section under 'Environment' in the Strategic Report for further information on the Company's Environmental and Sustainability strategy and measures which Webbs Garden Centres Limited has undertaken and is considering to improve energy efficiency in the period and in future, including new radiant heaters installed within our 3 stores in 2020 and future investment in more solar panels and LED lighting in the next 12-24 months which would result in Webbs being almost self-sufficient at its Wychbold site once this has been implemented.

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 and the Group'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 and the Group'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.

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

Oliver Grant Nation
Director

Date: 14 December 2023

Worcester Road
Wychbold
Droitwich
Worcestershire
WR9 0DG

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

OPINION

We have audited the financial statements of Webbs Garden Centres Limited (the 'parent Company') and its subsidiary (the 'Group') for the 52 weeks ended 1 January 2023, which comprise the Consolidated statement of comprehensive income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity, the Company 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 Group's and of the parent Company's affairs as at 1 January 2023 and of the Group's loss for the 52 weeks then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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 Group strategic report and the Directors' report for the financial 52 weeks for which the financial statements are prepared is consistent with the financial statements; and
- the Group 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 Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group 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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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 set out 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 Group's and the parent 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 Group or the parent 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 Group financial statements .

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Identifying and assessing potential risks related to irregularities

The procedures undertaken in order to identify and assess risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, are as follows:

- We have considered the nature of the industry and sector, control environment and business performance;
- We have considered the results of our enquires of management including the Finance team and Director about their own identification and assessment of the risk of irregularities.
- For any matters identified we have obtained and reviewed the company's documentation of their policies and procedures relating to:
  - Identifying, evaluating and complying with laws and regulation whether they were aware of any instances of non-compliance;
  - Detecting and responding to the risk of fraud and whether they have knowledge of actual, suspected or alleged fraud; and
  - The internal controls established to mitigate the risks of fraud or non-compliance with laws and regulations.
- We have considered the matters discussed among the audit engagement team, including internal tax specialists regarding how and where fraud might occur in the financial statements and potential indicators of fraud.
- As a result of these procedures, we considered the opportunities and incentived that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:
  - Revenue recognition; and
  - Accounting estimates.

In common with all audits under ISAs (UK), we are also required to specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Companies Act 2006 and tax legislation.

In addition, we have considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate to avoid a material penalty. These include data protection regulation, health and safety regulations and employment legislation.

Audit response to risks identified

As a result of performing the above procedures, we have identified revenue recognition and accounting estimates as key audit matters related to the potential risk of fraud. Our procedures to respond to risks identified included the following:

- Documenting and validating the control environment for income and debtors and carrying out walkthrough testing;
- Undertaking substantive sample-based testing or proof in total calculations on all material revenue streams to ensure revenue has been recognised appropriately and accurately;
- Considering manual income journals as part of our work on fraud risks documented above;
- Reviewing the financial statement disclosures and testing to supporting documentation;
- Enquiring of mangement concerning actual and potential litigation claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement;
- Reading minutes of meetings of those charged with governance and reviewing correspondance with HMRC; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias and evaluting the business rationale of any signficant transactions that are unusual or outside the normal course of business.

We also communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

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. This description forms part of our Auditors' report.

USE OF OUR REPORT

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an 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, as a body, for our audit work, for this report, or for the opinions we have formed.

Gary Woodhall ACA (Senior statutory auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
1-3 College Yard
Worcester
WR1 2LB

15 December 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 52 WEEKS ENDED 1 JANUARY 2023

	Note	2023 £	2022 £
Turnover	4	**28,204,810**	25,993,938
Cost of sales		**(15,171,362)**	(13,650,666)
GROSS PROFIT		**13,033,448**	12,343,272
Administrative expenses		**(13,909,258)**	(11,135,337)
Other operating income	5	**771,924**	1,105,977
OPERATING (LOSS)/PROFIT	6	**(103,886)**	2,313,912
Income from fixed assets investments		**20,250**	20,250
Interest receivable and similar income		**2,873**	2,613
Interest payable and similar expenses	11	**(186,829)**	(74,688)
(LOSS)/PROFIT BEFORE TAX		**(267,592)**	2,262,087
Tax on (loss)/profit	12	**(179,549)**	(627,251)
(LOSS)/PROFIT FOR THE FINANCIAL 52 WEEKS		**(447,141)**	1,634,836
OTHER COMPREHENSIVE INCOME FOR THE 52 WEEKS			
Other comprehensive income		**386,662**	381,971
Revaluation on freehold property		**-**	3,000,000
Deferred tax movement		**-**	(750,000)
OTHER COMPREHENSIVE INCOME FOR THE 52 WEEKS		**386,662**	2,631,971
TOTAL COMPREHENSIVE INCOME FOR THE 52 WEEKS		**(60,479)**	4,266,807
PROFIT FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the parent company		**(447,141)**	1,634,836
		(447,141)	1,634,836

The notes on pages 21 to 51 form part of these financial statements.

WEBBS GARDEN CENTRES LIMITED
REGISTERED NUMBER:00777596

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 1 JANUARY 2023

	Note	1 January 2023 £	As restated 2 January 2022 £
FIXED ASSETS			
Intangible assets	14	**4,538,126**	486,941
Tangible assets	15	**23,922,347**	23,603,316
Investments	16	**738,115**	738,115
Investment property	17	**3,575,000**	3,575,000
		32,773,588	28,403,372
CURRENT ASSETS			
Stocks	18	**4,406,105**	3,285,180
Debtors: amounts falling due within one year	19	**1,418,376**	640,139
Cash at bank and in hand	20	**51,342**	3,774,884
		5,875,823	7,700,203
Creditors: amounts falling due within one year	21	**(6,356,457)**	(6,169,110)
NET CURRENT (LIABILITIES)/ASSETS		**(480,634)**	1,531,093
TOTAL ASSETS LESS CURRENT LIABILITIES		**32,292,954**	29,934,465
Creditors: amounts falling due after more than one year	22	**(4,745,133)**	(2,220,714)
PROVISIONS FOR LIABILITIES			
Deferred tax	26	**(2,655,909)**	(2,476,360)
NET ASSETS		**24,891,912**	25,237,391
CAPITAL AND RESERVES			
Called up share capital	27	**691**	691
Share premium account	28	**45,700**	45,700
Revaluation reserve	28	**12,402,916**	12,407,942
Capital redemption reserve	28	**359**	359
Profit and loss account	28	**12,442,246**	12,782,699
		24,891,912	25,237,391

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: 14 December 2023

The notes on pages 21 to 51 form part of these financial statements.

WEBBS GARDEN CENTRES LIMITED
REGISTERED NUMBER:00777596

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 1 JANUARY 2023

	Note	1 January 2023 £	As restated 2 January 2022 £
FIXED ASSETS			
Intangible assets		**4,538,126**	486,941
Tangible assets	15	**23,922,347**	23,603,316
Investments		**1,071,430**	738,115
Investment property	17	**3,575,000**	3,575,000
		33,106,903	28,403,372
CURRENT ASSETS			
Stocks	18	**4,406,105**	3,285,180
Debtors: amounts falling due within one year	19	**1,418,376**	640,139
Cash at bank and in hand	20	**51,342**	3,774,884
		5,875,823	7,700,203
Creditors: amounts falling due within one year	21	**(6,689,772)**	(6,169,110)
NET CURRENT (LIABILITIES)/ASSETS		**(813,949)**	1,531,093
TOTAL ASSETS LESS CURRENT LIABILITIES		**32,292,954**	29,934,465
Creditors: amounts falling due after more than one year	22	**(4,745,133)**	(2,220,714)
PROVISIONS FOR LIABILITIES			
Deferred tax	26	**(2,655,909)**	(2,476,360)
NET ASSETS		**24,891,912**	25,237,391
CAPITAL AND RESERVES			
Called up share capital	27	**691**	691
Share premium		**45,700**	45,700
Revaluation reserve		**12,402,916**	12,407,942
Capital redemption reserve		**359**	359
Profit and loss account		**12,442,246**	12,782,699
		24,891,912	25,237,391

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: 14 December 2023

The notes on pages 21 to 51 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 52 WEEKS ENDED 1 JANUARY 2023

	Called up share capital	Share premium account	Capital redemption reserve	Revaluation reserve	Profit and loss account
	£	£	£	£	£
At 3 January 2022 (as previously stated)	691	45,700	359	10,157,942	12,782,699
Prior year adjustment	-	-	-	2,250,000	-
At 3 January 2022 (as restated)	691	45,700	359	12,407,942	12,782,699
COMPREHENSIVE INCOME FOR THE 52 WEEKS					
Profit for the 52 weeks	-	-	-	-	(447,141)
Surplus on revaluation of freehold property	-	-	-	(5,026)	391,688
TOTAL COMPREHENSIVE INCOME FOR THE 52 WEEKS	-	-	-	(5,026)	(55,453)
CONTRIBUTIONS BY AND DISTRIBUTIONS TO OWNERS					
Dividends: Equity capital	-	-	-	-	(285,000)
AT 1 JANUARY 2023	691	45,700	359	12,402,916	12,442,246

	Equity attributable to owners of parent Company	Total equity
	£	£
At 3 January 2022 (as previously stated)	22,987,391	22,987,391
Prior year adjustment	2,250,000	2,250,000
At 3 January 2022 (as restated)	25,237,391	25,237,391
COMPREHENSIVE INCOME FOR THE 52 WEEKS		
Profit for the 52 weeks	(447,141)	(447,141)
Surplus on revaluation of freehold property	386,662	386,662
TOTAL COMPREHENSIVE INCOME FOR THE 52 WEEKS	(60,479)	(60,479)
CONTRIBUTIONS BY AND DISTRIBUTIONS TO OWNERS		
Dividends: Equity capital	(285,000)	(285,000)
AT 1 JANUARY 2023	24,891,912	24,891,912

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 52 WEEKS ENDED 2 JANUARY 2022

	Called up share capital	Share premium account	Capital redemption reserve	Revaluation reserve	Profit and loss account
	£	£	£	£	£
At 3 January 2021	**713**	**45,700**	**337**	**10,160,206**	**11,190,393**
COMPREHENSIVE INCOME FOR THE PERIOD					
Profit for the 52 weeks	-	-	-	-	1,634,836
Surplus on revaluation of freehold property	-	-	-	(2,264)	384,235
Revaluation of freehold property	-	-	-	3,000,000	-
Deferred tax movement	-	-	-	(750,000)	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-	-	-	2,247,736	2,019,071
CONTRIBUTIONS BY AND DISTRIBUTIONS TO OWNERS					
Dividends: Equity capital	-	-	-	-	(261,765)
Purchase of own shares	-	-	22	-	(165,000)
Shares cancelled during the period	(22)	-	-	-	-
AT 2 JANUARY 2022	691	45,700	359	12,407,942	12,782,699

	Equity attributable to owners of parent Company	As restated Total equity
	£	£
At 3 January 2021	21,397,349	21,397,349
COMPREHENSIVE INCOME FOR THE PERIOD		
Profit for the 52 weeks	1,634,836	1,634,836
Surplus on revaluation of freehold property	381,971	381,971
Revaluation of freehold property	3,000,000	3,000,000
Deferred tax movement	(750,000)	(750,000)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	4,266,807	4,266,807
CONTRIBUTIONS BY AND DISTRIBUTIONS TO OWNERS		
Dividends: Equity capital	(261,765)	(261,765)
Purchase of own shares	(164,978)	(164,978)
Shares cancelled during the period	(22)	(22)
AT 2 JANUARY 2022	25,237,391	25,237,391

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE 52 WEEKS ENDED 1 JANUARY 2023

	Called up share capital	Share premium account	Capital redemption reserve	Revaluation reserve	Profit and loss account
	£	£	£	£	£
At 3 January 2022	691	45,700	359	10,157,942	12,782,699
Prior year adjustment	-	-	-	2,250,000	-
At 3 January 2022 (as restated)	691	45,700	359	12,407,942	12,782,699
COMPREHENSIVE INCOME FOR THE PERIOD					
Loss for the 52 weeks	-	-	-	-	(447,141)
Depreciation add back on revalued assets	-	-	-	(5,026)	391,688
TOTAL COMPREHENSIVE INCOME FOR THE 52 WEEKS	-	-	-	(5,026)	(55,453)
CONTRIBUTIONS BY AND DISTRIBUTIONS TO OWNERS					
Dividends: Equity capital	-	-	-	-	(285,000)
AT 1 JANUARY 2023	691	45,700	359	12,402,916	12,442,246

	Total equity
	£
At 3 January 2022	22,987,391
Prior year adjustment	2,250,000
At 3 January 2022 (as restated)	25,237,391
COMPREHENSIVE INCOME FOR THE PERIOD	
Loss for the 52 weeks	(447,141)
Depreciation add back on revalued assets	386,662
TOTAL COMPREHENSIVE INCOME FOR THE 52 WEEKS	(60,479)
CONTRIBUTIONS BY AND DISTRIBUTIONS TO OWNERS	
Dividends: Equity capital	(285,000)
AT 1 JANUARY 2023	24,891,912

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE 52 WEEKS ENDED 2 JANUARY 2022

	Called up share capital	Share premium account	Capital redemption reserve	Revaluation reserve	Profit and loss account
	£	£	£	£	£
At 3 January 2021	713	45,700	337	10,160,206	11,190,393
COMPREHENSIVE INCOME FOR THE PERIOD					
Profit for the 52 weeks	-	-	-	-	1,634,836
Surplus on revaluation of freehold property	-	-	-	(2,264)	384,235
Revaluation of freehold property	-	-	-	3,000,000	-
Deferred tax movement	-	-	-	(750,000)	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-	-	-	2,247,736	2,019,071
CONTRIBUTIONS BY AND DISTRIBUTIONS TO OWNERS					
Dividends: Equity capital	-	-	-	-	(261,765)
Purchase of own shares	-	-	22	-	(165,000)
Shares cancelled during the period	(22)	-	-	-	-
AT 2 JANUARY 2022	691	45,700	359	12,407,942	12,782,699

	As restated Total equity
	£
At 3 January 2021	21,397,349
COMPREHENSIVE INCOME FOR THE PERIOD	
Profit for the 52 weeks	1,634,836
Surplus on revaluation of freehold property	381,971
Revaluation of freehold property	3,000,000
Deferred tax movement	(750,000)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	4,266,807
CONTRIBUTIONS BY AND DISTRIBUTIONS TO OWNERS	
Dividends: Equity capital	(261,765)
Purchase of own shares	(164,978)
Shares cancelled during the period	(22)
AT 2 JANUARY 2022	25,237,391

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 52 WEEKS ENDED 1 JANUARY 2023

	52 weeks ended 1 January 2023 £	52 weeks ended 2 January 2022 £
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / profit for the financial 52 weeks	**(447,141)**	1,634,836
ADJUSTMENTS FOR:		
Amortisation of intangible assets	**95,111**	-
Depreciation of tangible assets	**1,031,033**	980,549
Loss on disposal of tangible assets	**(17,698)**	(9,546)
Government grants	**-**	(359,780)
Interest paid	**186,829**	74,688
Interest received	**(2,873)**	(2,613)
Taxation charge	**179,549**	627,251
(Increase) in stocks	**(1,120,925)**	(1,213,973)
(Increase) in debtors	**(778,237)**	(223,482)
Increase in creditors	**1,711,954**	2,021,766
Corporation tax (paid)	**(279,964)**	(252,195)
NET CASH GENERATED FROM OPERATING ACTIVITIES	**557,638**	3,277,501
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of intangible fixed assets	**(1,019,019)**	(308,208)
Purchase of tangible fixed assets	**(977,486)**	(945,993)
Sale of tangible fixed assets	**30,102**	20,000
Purchase of unlisted and other investments	**(4,282,220)**	-
Government grants received	**-**	359,780
Interest received	**2,873**	2,613
HP interest paid	**(17,022)**	(17,022)
Dividends received	**20,250**	20,250
NET CASH FROM INVESTING ACTIVITIES	**(6,242,522)**	(868,580)
CASH FLOWS FROM FINANCING ACTIVITIES		
Purchase of ordinary shares	**-**	(165,000)
New secured loans	**3,450,000**	-
Repayment of loans	**(753,381)**	(634,659)
Repayment of/new finance leases	**(347,589)**	29,543
Dividends paid	**(285,000)**	(261,765)
Interest paid	**(169,807)**	(57,666)
NET CASH USED IN FINANCING ACTIVITIES	**1,894,223**	(1,089,547)
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(3,790,661)**	1,319,374
Cash and cash equivalents at beginning of 52 weeks	**3,774,884**	2,455,510
CASH AND CASH EQUIVALENTS AT THE END OF 52 WEEKS (NET OF OVERDRAFT)	**(15,777)**	3,774,884

The notes on pages 21 to 51 form part of these financial statements.

CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE 52 WEEKS ENDED 1 JANUARY 2023

	At 2 January 2022 £	Cash flows £	New finance leases £	At 1 January 2023 £
Cash at bank and in hand	3,774,884	(3,723,542)	-	51,342
Bank overdrafts	-	(67,119)	-	(67,119)
Debt due after 1 year	(1,957,406)	(2,378,178)	-	(4,335,584)
Debt due within 1 year	(627,927)	(330,984)	-	(958,911)
Finance leases	(610,896)	347,589	(514,511)	(777,818)
	578,655	(6,152,234)	(514,511)	(6,088,090)

The notes on pages 21 to 51 form part of these financial statements.

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.

Throughout the accounts, any balance stated as 2022 refers to the 52 weeks ending 1 January 2023. Likewise, any balance stated as 2021 refers to the 52 weeks ending 2 January 2022.

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

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

2.2 BASIS OF CONSOLIDATION

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the Group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102.

2. ACCOUNTING POLICIES (continued)

2.3 ASSOCIATES AND JOINT VENTURES

An entity is treated as a joint venture where the Group is a party to a contractual agreement with one or more parties from outside the Group to undertake an economic activity that is subject to joint control.

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate. The Consolidated statement of comprehensive income includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the Consolidated statement of financial position, the interests in associated undertakings are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

2.4 GOING CONCERN

The Directors have considered the implications of external factors (such as the War between Russia and Ukraine and the current cost of living crisis) 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 economic climate, as well as having the ongoing support of our bank and funding providers as required. They have not identified any significant issues that are expected to affect the company's ability to continue as a going concern.

2.5 REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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 Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group 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 Group 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.

2. ACCOUNTING POLICIES (continued)

2.6 INTANGIBLE ASSETS

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Consolidated statement of comprehensive income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

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

The estimated useful lives range as follows:

Goodwill	-	Over 23 years
Computer Software	-	Over 5 years

2.7 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model 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.

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 profit or loss.

2. ACCOUNTING POLICIES (continued)

2.8 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 reporting date.

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

Revaluation gains and losses are recognised in other 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.

2.9 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 profit or loss.

2.10 VALUATION OF INVESTMENTS

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each reporting date. Gains and losses on remeasurement are recognised in the Consolidated statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.11 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.

2.12 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.

2.13 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 Consolidated 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 Group's cash management.

2. ACCOUNTING POLICIES (continued)

2.14 FINANCIAL INSTRUMENTS

The Group has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Group's Statement of financial position when the Group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

Other financial assets

Other financial assets, which includes investments in equity instruments which are not classified as subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the recognised transaction price. Such assets are subsequently measured at fair value with the changes in fair value being recognised in the profit or loss. Where other financial assets are not publicly traded, hence their fair value cannot be measured reliably, they are measured at cost less impairment.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instruments any contract that evidences a residual interest in the assets of the Group after the deduction of all its liabilities.

2. ACCOUNTING POLICIES (continued)

2.14 FINANCIAL INSTRUMENTS (continued)

Basic financial liabilities, which include trade and other payables, bank loans, other loans and loans due to fellow group companies are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

Debt instruments are subsequently carried at their amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Other financial instruments

Derivatives, including forward exchange contracts and options, are not classified as basic financial instruments. These are initially recognised at fair value on the date the derivative contract is entered into, with costs being charged to the profit or loss. They are subsequently measured at fair value with changes in the profit or loss.

Debt instruments that do not meet the conditions as set out in FRS 102 paragraph 11.9 are subsequently measured at fair value through the profit or loss. This recognition and measurement would also apply to financial instruments where the performance is evaluated on a fair value basis as with a documented risk management or investment strategy.

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.

Derecognition of financial assets

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the Group transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the Group will continue to recognise the value of the portion of the risks and rewards retained.

Derecognition of financial liabilities

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

2.15 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)

2.16 GOVERNMENT GRANTS

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated statement of comprehensive income in the same period as the related expenditure.

2.17 FINANCE COSTS

Finance costs are charged to profit or loss 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.

2.18 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.

2.19 OPERATING LEASES: THE GROUP AS LESSOR

Rental income from operating leases is credited to profit or loss on a straight-line basis over the lease term.

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 Group 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 2017 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.20 OPERATING LEASES: THE GROUP AS LESSEE

Rentals paid under operating leases are charged to profit or loss 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 Group 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 2017 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2. ACCOUNTING POLICIES (continued)

2.21 PENSIONS

Defined contribution pension plan

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

The contributions are recognised as an expense in profit or loss 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 Group in independently administered funds.

2.22 INTEREST INCOME

Interest income is recognised in profit or loss using the effective interest method.

2.23 BORROWING COSTS

All borrowing costs are recognised in profit or loss in the 52 weeks in which they are incurred.

2.24 PROVISIONS FOR LIABILITIES

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made.

Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties.

Increases in provisions are generally charged as an expense to profit or loss.

2. ACCOUNTING POLICIES (continued)

2.25 CURRENT AND DEFERRED TAXATION

The tax expense for the 52 weeks comprises current and deferred tax. Tax is recognised in profit or loss 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 and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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.

2.26 RESEARCH AND DEVELOPMENT

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

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

3. JUDGMENTS 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 and Amortisation

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/amortisation 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/amortisation and the or depreciation/amortisation rates have been disclosed.

Property Valuation

The properties are revalued periodically, as required, by the Directors and independent valuers. The valuation is subject to, among other factors, the nature of the property, market conditions, expected trade and rental income. As a result, the valuation incorporated into the financial statements is subject to a degree of uncertainty and is made on the basis of assumptions which may prove to be inaccurate particularly in periods of volatility or low transaction flow in the market.

4. TURNOVER

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

5. OTHER OPERATING INCOME

	2023	2022
	£	£
Ground rent receivable	**726,983**	727,079
Government grants receivable	**-**	359,780
Sundry income	**24,753**	3,073
Commissions receivable	**20,188**	16,045
	771,924	1,105,977

Government grants receivable represented amounts received through the Coronavirus Job Retention Scheme where the company received Government assistance of between 60% and 80% of the cost of furloughed staff.

6. OPERATING (LOSS)/PROFIT

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

	2023 £	2022 £
Other operating lease rentals	**750,405**	444,465
Operating lease income	**(791,064)**	(725,179)
Depreciation of tangible fixed assets - owned assets	**924,989**	876,377
Depreciation of tangible fixed assets - assets on hire purchase contracts	**106,044**	104,172
Amortisation of intangible fixed assets	**95,111**	-
Profit on sale of tangible fixed assets	**(17,689)**	(9,546)

7. AUDITORS' REMUNERATION

During the 52 weeks, the Group obtained the following services from the Company's auditors and their associates:

	2023 £	2022 £
Fees payable to the Company's auditors and their associates for the audit of the consolidated and parent Company's financial statements	**33,375**	24,670
Fees payable to the Company's auditors and their associates in connection with:		
Taxation compliance services	**2,519**	2,290

8. EMPLOYEES

Staff costs, including directors' remuneration, were as follows

	Group 52 weeks ended 1 January 2023 £	Group 52 weeks ended 2 January 2022 £	**Company 52 weeks ended 1 January 2023 £**	Company 52 weeks ended 2 January 2022 £
Wages and salaries	**6,880,442**	5,769,589	**6,404,608**	5,769,589
Social security costs	**516,128**	294,905	**483,280**	294,905
Cost of defined contribution scheme	**275,450**	235,690	**260,160**	235,690
	7,672,020	6,300,184	**7,148,048**	6,300,184

The average monthly number of employees, including the directors, during the 52 weeks was as follows:

	Group 2023 No.	Group 2022 No.	**Company 2023 No.**	Company 2022 No.
Sales	**476**	379	388	379
Administration	**49**	36	40	36
	525	415	428	415

9. DIRECTORS' REMUNERATION

	2023 £	2022 £
Directors' emoluments	**415,326**	353,934
Group contributions to defined contribution pension schemes	**34,129**	25,139
	449,455	379,073

During the 52 weeks retirement benefits were accruing to 3 directors (2021: 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £232,027 (2021: £211,253) and the company made pension contributions in respect of them of £15,800 (2021: £14,678).

The key management personnel of the company comprise of the directors of the company.

10. INCOME FROM INVESTMENTS

	2023 £	2022 £
Dividends received from unlisted investments	**(20,250)**	(20,250)
	(20,250)	(20,250)

11. INTEREST PAYABLE AND SIMILAR EXPENSES

	2023 £	2022 £
Bank interest payable	**169,807**	57,666
Finance leases and hire purchase contracts	**17,022**	17,022
	186,829	74,688

12. TAXATION

	2023 £	2022 £
Corporation tax		
Current tax on profits for the year	-	303,444
Adjustments in respect of previous periods	-	(90,569)
	-	212,875
Total current tax	-	212,875
Deferred tax		
Origination and reversal of timing differences	**179,549**	414,376
Total deferred tax	**179,549**	414,376
Taxation on profit on ordinary activities	**179,549**	627,251

12. TAXATION (CONTINUED)

FACTORS AFFECTING TAX CHARGE FOR THE 52 WEEKS/PERIOD

The tax assessed for the 52 weeks is the same as (2021: the same as) the standard rate of corporation tax in the UK of 19% (2021: 19%) as set out below:

	2023 £	2022 £
(Loss)/profit on ordinary activities before tax	(267,592)	2,262,087
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	47,591	429,797
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	22,209	11,291
Capital allowances for 52 weeks/period in excess of depreciation	-	21,353
Adjustments to tax charge in respect of prior periods	-	(44,857)
Other timing differences leading to an increase (decrease) in taxation	205,139	368,598
Non-taxable income	-	(3,848)
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	-	(86,011)
Adjustment to tax charge in respect of previous period	(261,295)	-
Other tax charge (relief) on exceptional items	(15,515)	-
Other differences leading to an increase (decrease) in the tax charge	96,305	(69,072)
Group relief	53,362	-
Remeasurement of deferred tax for changes in tax rates	31,753	-
Total tax charge for the 52 weeks/period	179,549	627,251

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The Finance Act 2021 increased the main rate of corporation tax from 19% to 25% with effect from 1 April 2023. The effect of this change has been reflected in the closing deferred tax balances at 1 January 2023.

13. DIVIDENDS

	52 weeks ended 1 January 2023 £	52 weeks ended 2 January 2022 £
Dividends payable on ordinary shares	285,000	261,765
	285,000	261,765

14. INTANGIBLE ASSETS

Group

	Development expenditure	Computer software	Goodwill	Total
	£	£	£	£
Cost				
At 3 January 2022	486,941	-	-	486,941
Additions	-	1,019,019	3,127,277	4,146,296
Additions - internal	(486,941)	486,941	-	-
At 1 January 2023	-	1,505,960	3,127,277	4,633,237
Amortisation				
Charge for the 52 weeks on owned assets	-	91,758	3,353	95,111
At 1 January 2023	-	91,758	3,353	95,111
Net book value				
At 1 January 2023	-	1,414,202	3,123,924	4,538,126
At 2 January 2022	486,941	-	-	486,941

14. INTANGIBLE ASSETS (CONTINUED)

Company

	Development expenditure	Computer software	Goodwill	Total
	£	£	£	£
Cost				
At 3 January 2022	486,941	-	-	486,941
Additions	-	1,019,019	3,127,277	4,146,296
Additions - internal	(486,941)	486,941	-	-
At 1 January 2023	-	1,505,960	3,127,277	4,633,237
Amortisation				
Charge for the year	-	91,758	3,353	95,111
At 1 January 2023	-	91,758	3,353	95,111
Net book value				
At 1 January 2023	-	1,414,202	3,123,924	4,538,126
At 2 January 2022	486,941	-	-	486,941

15. TANGIBLE FIXED ASSETS

Group

	Freehold property	Long-term l'hold property	Short-term l'hold property	Plant and machinery
	£	£	£	£
Cost or valuation				
At 3 January 2022 (as previously stated)	17,724,939	816,146	14,728	2,073,259
Prior Year Adjustment	3,000,000	-	-	-
At 3 January 2022 (as restated)	20,724,939	816,146	14,728	2,073,259
Additions	380,336	-	-	174,624
Disposals	-	-	-	-
At 1 January 2023	21,105,275	816,146	14,728	2,247,883
Depreciation				
At 3 January 2022	73,714	54,273	7,265	1,785,091
Charge for the 52 weeks on owned assets	426,330	23,260	589	92,175
Disposals	-	-	-	-
On revalued assets	(386,662)	-	-	-
At 1 January 2023	113,382	77,533	7,854	1,877,266
Net book value				
At 1 January 2023	20,991,893	738,613	6,874	370,617
At 2 January 2022	20,651,225	761,873	7,463	288,168

15. TANGIBLE FIXED ASSETS (CONTINUED)

	Motor vehicles	Fixtures & fittings	Assets under construction	Total
	£	£	£	£
Cost or valuation				
At 3 January 2022 (as previously stated)	172,590	6,466,112	42,700	27,310,474
Prior Year Adjustment	-	-	-	3,000,000
At 3 January 2022 (as restated)	172,590	6,466,112	42,700	30,310,474
Additions	225,938	196,588	-	977,486
Disposals	(23,766)	-	-	(23,766)
At 1 January 2023	374,762	6,662,700	42,700	31,264,194
Depreciation				
At 3 January 2022	111,374	4,675,441	-	6,707,158
Charge for the 52 weeks on owned assets	33,437	455,242	-	1,031,033
Disposals	(9,682)	-	-	(9,682)
On revalued assets	-	-	-	(386,662)
At 1 January 2023	135,129	5,130,683	-	7,341,847
Net book value				
At 1 January 2023	239,633	1,532,017	42,700	23,922,347
At 2 January 2022	61,216	1,790,671	42,700	23,603,316

15. TANGIBLE FIXED ASSETS (CONTINUED)

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

	1 January 2023 £	2 January 2022 £
Freehold	**20,991,893**	20,651,225
Long leasehold	**738,613**	761,873
Short leasehold	**6,874**	7,463
	21,737,380	21,420,561

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

	1 January 2023 £	2 January 2022 £
Furniture, fittings and equipment	**781,375**	887,419
	781,375	887,419

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

	1 January 2023 £	2 January 2022 £
Cost	**9,611,799**	9,515,352
Aggregate Depreciation	**(5,233,679)**	(4,847,017)

Freehold land and buildings were valued on an existing use basis on 3 January 2021 by Savills.

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

15. TANGIBLE FIXED ASSETS (CONTINUED)

TANGIBLE FIXED ASSETS

Company

	Freehold property	Long-term l'hold property	Short-term l'hold property	Plant and machinery
	£	£	£	£
Cost or valuation				
At 3 January 2022 (as previously stated)	17,724,939	816,146	14,728	2,073,259
Prior Year Adjustment	3,000,000	-	-	-
At 3 January 2022 (as restated)	20,724,939	816,146	14,728	2,073,259
Additions	380,336	-	-	174,624
Disposals	-	-	-	-
At 1 January 2023	21,105,275	816,146	14,728	2,247,883
Depreciation				
At 3 January 2022	73,714	54,273	7,265	1,785,091
Charge for the 52 weeks on owned assets	426,330	23,260	589	92,175
Disposals	-	-	-	-
On revalued assets	(386,662)	-	-	-
At 1 January 2023	113,382	77,533	7,854	1,877,266
Net book value				
At 1 January 2023	20,991,893	738,613	6,874	370,617
At 2 January 2022 (as restated)	20,651,225	761,873	7,463	288,168

15. TANGIBLE FIXED ASSETS (CONTINUED)

	Motor vehicles	Fixtures & fittings	Assets under construction	Total
	£	£	£	£
Cost or valuation				
At 3 January 2022 (as previously stated)	172,590	6,466,112	42,700	27,310,474
Prior Year Adjustment	-	-	-	3,000,000
At 3 January 2022 (as restated)	172,590	6,466,112	42,700	30,310,474
Additions	225,938	196,588	-	977,486
Disposals	(23,766)	-	-	(23,766)
At 1 January 2023	374,762	6,662,700	42,700	31,264,194
Depreciation				
At 3 January 2022	111,374	4,675,441	-	6,707,158
Charge for the 52 weeks on owned assets	33,437	455,242	-	1,031,033
Disposals	(9,682)	-	-	(9,682)
On revalued assets	-	-	-	(386,662)
At 1 January 2023	135,129	5,130,683	-	7,341,847
Net book value				
At 1 January 2023	239,633	1,532,017	42,700	23,922,347
At 2 January 2022 (as restated)	61,216	1,790,671	42,700	23,603,316

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

	1 January 2023	2 January 2022
	£	£
Freehold	20,991,893	20,651,225
Long leasehold	738,613	761,873
Short leasehold	6,874	7,463
	21,737,380	21,420,561

16. FIXED ASSET INVESTMENTS

Group

	Investments in associates £
Cost or valuation	
At 3 January 2022	738,115
At 1 January 2023	738,115

Company

	Investments in subsidiary companies £	Investments in associates £	Total £
Cost or valuation			
At 3 January 2022	-	738,115	738,115
Additions	333,315	-	333,315
At 1 January 2023	333,315	738,115	1,071,430

The historic investment in the associate relates to a 25.55% holding in Bransford Garden Plants Holdings Limited.

The additions in the year relate to the Company's 100% holding in FMF Garden Centre Limited. The figure is shown net of the hive-up

SUBSIDIARY UNDERTAKING

The following was a subsidiary undertaking of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
FMF Garden Centre Limited	England and Wales	Retail Garden Centre	Ordinary	100 %

Name	Aggregate of share capital and reserves	Profit/(Loss)
Bransford Garden Plants Holdings Limited	10,000	289,898

The registered address for the above associate is The Bransford Webbs Plant Company, Bransford, Worcester, United Kingdom, WR6 5JN.

17. INVESTMENT PROPERTY

Group

	Freehold investment property £
Valuation	
At 2 January 2022	**3,575,000**
At 1 January 2023	**3,575,000**

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.

A property valuation was carried out on an open market value for existing use basis in January 2021 by Savills which showed the value of the investment property being valued at an amount in excess of the carrying value currently used in the financial statements above. However, the directors decided not to increase the value of these investment properties as at 1 January 2023 due to a reduction in the space leased by one of their main concessions during the year and any potential impacts that may arise on property valuations as the company trades out of the COVID pandemic and during ongoing uncertain economic climate.

Company

	Freehold investment property £
Valuation	
At 2 January 2022	**3,575,000**
At 1 January 2023	**3,575,000**

The 2021 valuations were made by Savills, on an open market value for existing use basis.

18. STOCKS

	Group 1 January 2023 £	Group 2 January 2022 £	Company 1 January 2023 £	Company 2 January 2022 £
Raw materials and consumables	**101,718**	73,575	**101,718**	73,575
Goods for resale	**4,304,387**	3,211,605	**4,304,387**	3,211,605
	4,406,105	3,285,180	**4,406,105**	3,285,180

The difference between purchase price or production cost of stocks and their replacement cost is immaterial.

19. DEBTORS

	Group 1 January 2023 £	Group 2 January 2022 £	Company 1 January 2023 £	Company 2 January 2022 £
Trade debtors	**255,693**	68,623	**255,693**	68,623
Other debtors	**180,271**	223,950	**180,271**	223,950
Prepayments and accrued income	**982,412**	347,566	**982,412**	347,566
	1,418,376	640,139	**1,418,376**	640,139

20. CASH AND CASH EQUIVALENTS

	Group 1 January 2023 £	Group 2 January 2022 £	Company 1 January 2023 £	Company 2 January 2022 £
Cash at bank and in hand	**51,342**	3,774,884	**51,342**	3,774,884
Less: bank overdrafts	**(67,119)**	-	**(67,119)**	-
	(15,777)	3,774,884	**(15,777)**	3,774,884

21. CREDITORS: Amounts falling due within one year

	Group 1 January 2023 £	Group 2 January 2022 £	**Company 1 January 2023 £**	Company 2 January 2022 £
Bank overdrafts	**67,119**	-	**67,119**	-
Bank loans	**958,911**	627,927	**958,911**	627,927
Trade creditors	**2,025,397**	2,341,694	**2,025,397**	2,341,694
Amounts owed to group undertakings	**-**	-	**333,315**	-
Corporation tax	**173,099**	303,444	**173,099**	303,444
Other taxation and social security	**1,097,163**	823,701	**1,097,163**	823,701
Obligations under finance lease and hire purchase contracts	**368,269**	347,588	**368,269**	347,588
Other creditors	**99,388**	83,670	**99,388**	83,670
Accruals and deferred income	**1,563,991**	1,637,966	**1,563,991**	1,637,966
Financial instruments	**3,120**	3,120	**3,120**	3,120
	6,356,457	6,169,110	**6,689,772**	6,169,110

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, chattles, goodwill and uncalled capital, both present and future and first floating charge over all assets and undertaking both present and future.

22. CREDITORS: Amounts falling due after more than one year

	Group 1 January 2023 £	Group 2 January 2022 £	**Company 1 January 2023 £**	Company 2 January 2022 £
Bank loans	**4,335,584**	1,957,406	**4,335,584**	1,957,406
Net obligations under finance leases and hire purchase contracts	**409,549**	263,308	**409,549**	263,308
	4,745,133	2,220,714	**4,745,133**	2,220,714

23. LOANS

Analysis of the maturity of loans is given below:

	Group 1 January 2023 £	Group 2 January 2022 £	**Company 1 January 2023 £**	Company 2 January 2022 £
Amounts falling due within one year				
Bank loans	**958,911**	627,927	**958,911**	627,927
	958,911	627,927	**958,911**	627,927
Amounts falling due 1-2 years				
Bank loans	**811,428**	655,471	**811,428**	655,471
	811,428	655,471	**811,428**	655,471
Amounts falling due 2-5 years				
Bank loans	**1,549,713**	887,302	**1,549,713**	887,302
	1,549,713	887,302	**1,549,713**	887,302
Amounts falling due after more than 5 years				
Bank loans	**1,974,443**	414,633	**1,974,443**	414,633
	1,974,443	414,633	**1,974,443**	414,633
	5,294,495	2,585,333	**5,294,495**	2,585,333

The company has five bank loans.

The first loan balance at 1 January 2023 was £118,649 (2021: £183,531) and the monthly repayments on this loan as at the year end are £5,762 (2021: £5,762). The loan will be repaid by 2024. The interest rate on this loan is LIBOR + 1.65%.

The second loan balance at 1 January 2023 was £414,858 (2021: £660,470) and the monthly repayments on this loan as at the year end are £21,302 (2021: £21,302). The loan will be repaid by 2025. The interest rate on this loan is LIBOR + 1.6%.

The third loan balance at 1 January 2023 was £1,133,629 (2021: £1,297,053) and the monthly repayments on this loan as at the year end are £17,097 (2021: £17,097). The loan will be repaid by 2028. The interest rate on this loan is LIBOR + 2.25%.

The forth loan balance at 1 January 2023 was £292,260 (2021: £440,919) and the monthly repayments on this loan as at the year end are £14,377 (2021: £14,377). The loan will be repaid by 2024. The interest rate on this loan is LIBOR + 2.25%.

The fifth loan balance at 1 January 2023 was £3,335,099 (2021: £Nil) and the monthly repayments on this loan as at the year end are £35,683 (2021: £Nil). The loan will be repaid by 2032. The interest rate on this loan is LIBOR + 2.45%.

24. HIRE PURCHASE AND FINANCE LEASES

Minimum lease payments under hire purchase fall due as follows:

	Group 1 January 2023 £	Group 2 January 2022 £	**Company 1 January 2023 £**	Company 2 January 2022 £
Within one year	**368,269**	347,589	**368,269**	347,589
Between 1-5 years	**409,549**	263,307	**409,549**	263,307
	777,818	610,896	**777,818**	610,896

25. FINANCIAL INSTRUMENTS

The company has bank borrowings and uses base rate caps and swaps to manage its interest rate risk.

There were no swaps in place at the period end.

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

	Group 1 January 2023 £	Group 2 January 2022 £	**Company 1 January 2023 £**	Company 2 January 2022 £
Financial assets				
Financial assets measured at fair value through profit or loss	**51,342**	3,774,884	**51,342**	3,774,884
Financial assets that are debt instruments measured at amortised cost	**-**	226,158	**-**	226,158
	51,342	4,001,042	**51,342**	4,001,042
Financial liabilities				
Derivative financial instruments measured at fair value through profit or loss held as part of a trading portfolio	**(3,120)**	(3,120)	**(3,120)**	(3,120)
Other financial liabilities measured at fair value through profit or loss	**(6,072,313)**	(6,648,663)	**(6,072,313)**	(6,648,663)
	(6,075,433)	(6,651,783)	**(6,075,433)**	(6,651,783)

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

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

26. DEFERRED TAXATION

Group

	1 January 2023 £	As Restated 2 January 2022 £
At beginning of year	**(2,476,360)**	(1,311,984)
Charged to other comprehensive income	**(179,549)**	(1,164,376)
At end of year	**(2,655,909)**	(2,476,360)

Company

	1 January 2023 £	As restated 2 January 2022 £
At beginning of year	**(2,476,360)**	(1,311,984)
Charged to other comprehensive income	**(179,549)**	(1,164,376)
At end of year	**(2,655,909)**	(2,476,360)

	Group 1 January 2023 £	Group As restated 2 January 2022 £	**Company 1 January 2023** £	Company As restated 2 January 2022 £
Accelerated capital allowances	**(2,655,909)**	(2,476,360)	**(2,655,909)**	(2,476,360)
	(2,655,909)	(2,476,360)	**(2,655,909)**	(2,476,360)

27. SHARE CAPITAL

	1 January 2023 £	2 January 2022 £
Allotted, called up and fully paid		
69,100 (2021: 69,100) Ordinary shares of £0.01 each	**691**	691

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

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 £1,984,735 (2021: £1,984,735) non distributable profits and losses. This relates to the investment property revaluation of £2,032,268 (2021: £2,032,268) less tax of £118,471 (2021: £118,471).

29. PRIOR YEAR ADJUSTMENT

A prior period adjustment has been made in respect of a professional valuation carried out on the land and buildings in 2021 that had not been adjusted for in the prior period financial statements. The effect of this adjustment was to increase the value of fixed assets in the prior period by £3m and to increase the deferred tax liability in the prior period by £750k. The overall effect on reserves carried forward as at 2 January 2022 was an increase of £2,250,000.

30. 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 £275,450 (2021: £235,690).

The company had no outstanding liabilites at year end (2021: £Nil) in respect of the defined contribution pension scheme.

31. COMMITMENTS UNDER OPERATING LEASES

At 1 January 2023 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 1 January 2023 £	Group 2 January 2022 £	**Company 1 January 2023 £**	Company 2 January 2022 £
Not later than 1 year	**708,965**	364,703	**708,965**	364,703
Later than 1 year and not later than 5 years	**2,717,413**	1,354,541	**2,717,413**	1,354,541
Later than 5 years	**27,797,907**	4,117,875	**27,797,907**	4,117,875
	31,224,285	5,837,119	**31,224,285**	5,837,119

32. TRANSACTIONS WITH DIRECTORS

The following advances and credits to a director subsisted during the years ended 1 January 2023 and 2 January 2022.

	52 weeks ended 1 January 2023 £	52 weeks ended 2 January 2022 £
Edward Alexander Broughton Webb		
Balance outstanding at the start of the year	**99,490**	122,496
Amounts repaid	**(22,195)**	(23,006)
Balance outstanding at the end of the year	**77,295**	99,490

Included within debtors due within one year is amounts owed by Edward Alexander Broughton Webb, a director, amounting to £77,295 (2021: £99,490). Amounts repaid during the year totalled £22,195. Interest is charged at HMRC approved rates.

33. RELATED PARTY TRANSACTIONS

	52 weeks ended 2 January 2023 £	52 weeks ended 3 January 2022 £
Dividends distributed to directors	**97,750**	88,041
Management charges received and sales to related parties	**20,188**	23,642
Amounts owed by related parties at year end	**77,295**	99,490
Purchases from related company	**-**	-
Amounts owed to related company at year end	**-**	5,423
Dividends received from related company	**20,250**	20,250

34. CONTROLLING PARTY

The company is controlled by majority shareholder Edward Alexander Broughton Webb.