Company Registration No. 01391377

GROSVENOR GARDEN CENTRE LIMITED

Report and Financial Statements

53 weeks ended 3 April 2011

REPORT AND FINANCIAL STATEMENTS 2011

CONTENTS

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

G P Ramsbottom	Chairman
J F Sandars	
R I Wylie	

SECRETARY

N Blaxall

REGISTERED OFFICE

Grosvenor Garden Centre
Wrexham Road
Belgrave
Chester
CH4 9EB

BANKERS

HSBC Bank plc
47 Eastgate Street
Chester
CH1 1XW

SOLICITORS

Brabners Chaffe Street LLP
Horton House
Exchange Flags
Liverpool
L2 3YL

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
Manchester
United Kingdom

DIRECTORS' REPORT

The Directors present their annual report on the affairs of the company, together with the financial statements and auditor's report, for the 53 week period from 29 March 2010 to 3 April 2011

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company is the retailing of plants and gardening related items and other home and leisure products The offer is enhanced by a café The business is located at Belgrave, near Chester, on the edge of the Eaton Estate

The Garden Centre has completed a successful year of trading despite a background of increasing downward pressures on customers' disposable income, and a very severe winter, which not only dramatically reduced footfall but also led to significant plant stock losses The improvement in trading performance has been underpinned by the company's principal policy of providing a first class proposition to the customer in terms of both product and service together with the strategy to further enhance and develop the home and leisure and food product offers

Despite uncertain economic conditions and unpredictable weather patterns the turnover increased over the previous year by 6 8% The number of customers visiting the Garden Centre during the year continues an upward trend with a small increase recorded of approximately 1% compared to the prior year

The company's gross profit increased during the 53 week period to 49 6% of turnover, compared with 48 5% in the prior period Shareholder's funds increased during the 53 week period to £2,790,000 (2010 - £2,716,000) and is attributable to retained profit for the period of £74,000 (2010 - £295,000 loss) The Directors do not recommend the payment of a dividend (2010 - £nil)

FUTURE PROSPECTS

The company continues to position itself to develop its business across the range of its café and retail offer It seeks to identify those areas which fulfil its customers' requirements while providing them with a very attractive environment in which to shop The Directors view the coming year with the confidence of knowing that the strategies in place will help protect against an uncertain economic retail outlook

GOING CONCERN

To consider whether it is appropriate to prepare the financial statements on a going concern basis, the Directors have reviewed the budget for the forthcoming year together with the three year strategic plan Having considered the plans for the future and this financial support, the Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future Thus, they continue to adopt the going concern basis in preparing the financial statements

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the company's strategic objectives are subject to a number of risks The company seeks to ensure that the risks encountered by the business are identified and managed in an appropriate way Set out below is a summary of the principal risks faced and an explanation of those risks

Weather

As a retailer of outdoor products prolonged bad weather can have an adverse affect on the company's sales In order to mitigate this risk the company has developed an attractive range of alternative products to complement the outdoor offering

DIRECTORS' REPORT (continued)

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Retailing trends and competition

The short term nature of customer trends within the retailing sector is recognised as a risk and one which also affects the competition Due to these pressures the company actively manages its product range, providing customers with added value services from qualified and knowledgeable staff All areas of the business are actively reviewed and strategic decisions are endorsed by investment in new products to ensure that the offering is continually refreshed and meets customer demands

Information technology

The company's operations are dependent on the effectiveness of its computer systems to manage the retail, communications, database and financial systems Procedures are in place to protect the integrity and security of the company's data

DIRECTORS

The Directors of the company during the period were

G P Ramsbottom Chairman
J F Sanders
R I Wylie

AUDITOR

Each of the persons who is a Director at the date of approval of this report confirms that:

(a) in so far as the Director is aware, there is no relevant audit information of which the company's auditor is unaware, and
(b) the Director has taken all the steps that they ought to have taken to make themself aware of any relevant information and to establish that the company's auditor is aware of that information

This information is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements are being made for them to be deemed reappointed as auditor in the absence of an Annual General Meeting

Approved by the Board of Directors
and signed on its behalf by

N Blaxall
Company Secretary

6 July 2011

DIRECTORS' RESPONSIBILITIES STATEMENT

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

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GROSVENOR GARDEN CENTRE LIMITED

We have audited the financial statements of Grosvenor Garden Centre Limited for the 53 week period from 29 March 2010 to 3 April 2011 which comprises the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 16 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 3 April 2011 and of its profit for the 53 week period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

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

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

Anthony Farnworth (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Manchester, United Kingdom

11 July 2011

PROFIT AND LOSS ACCOUNT
53 weeks ended 3 April 2011

	Note	53 weeks ended 3 April 2011 £'000	52 weeks ended 28 March 2010 £'000
TURNOVER	1	6,528	6,112
Cost of sales		(3,290)	(3,148)
GROSS PROFIT		3,238	2,964
Administrative expenses		(3,164)	(3,259)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		74	(295)
Tax on profit/(loss) on ordinary activities	4	-	-
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL PERIOD	11,12	74	(295)

All activities derive from continuing operations

There were no recognised gains and losses in the current or prior period other than the profit shown above Therefore a separate statement of total recognised gains and losses has not been presented

BALANCE SHEET
As at 3 April 2011

	Note	3 April 2011 £'000	3 April 2011 £'000	28 March 2010 £'000	28 March 2010 £'000
FIXED ASSETS					
Tangible assets	5		2,259		2,470
CURRENT ASSETS					
Stocks	6	1,326		1,129	
Debtors due within one year	7	180		170	
Debtors due after one year	7	103		-	
Cash at bank and in hand		189		153	
		1,798		1,452	
CREDITORS: amounts falling due within one year	8	(1,267)		(1,206)	
NET CURRENT ASSETS			531		246
NET ASSETS			2,790		2,716
CAPITAL AND RESERVES					
Called up share capital	10		1,000		1,000
Profit and loss account	11		1,790		1,716
SHAREHOLDER'S FUNDS	12		2,790		2,716

These financial statements of Grosvenor Garden Centre Limited, company registration number 01391377, were approved by the Board of Directors on 7 June 2011

Signed on behalf of the Board of Directors

R I Wylie - Director

R I Wylie
6 July 2011

NOTES TO THE FINANCIAL STATEMENTS
53 weeks ended 3 April 2011

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable law and United Kingdom accounting standards The particular accounting policies adopted are described below They have been applied consistently throughout the current and previous period

Accounting convention

The financial statements are prepared under the historical cost convention, as modified by the revaluation of land and buildings, and on a going concern basis

Going concern

To consider whether it is appropriate to prepare the financial statements on a going concern basis, the Directors have reviewed the budget for the forthcoming year together with the three year strategic plan Having considered the plans for the future, the Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future Thus, they continue to adopt the going concern basis in preparing the financial statements

Cash flow statement

A cash flow statement has not been produced as the company is a wholly owned subsidiary of Wheatsheaf Investments Limited, which itself produces a consolidated cash flow statement

Turnover

Turnover comprises amounts receivable, net of VAT, from the sale of goods and provision of services Turnover is recognised at the point of sale

Tangible fixed assets

Leasehold land and buildings are depreciated on a straight line basis over their useful economic life of 10 - 25 years

Plant and equipment is depreciated on a straight line basis so as to spread the cost over its expected useful lives at rates of 12 5% to 25% per annum

Stocks

Stocks are stated at the lower of cost and net realisable value Cost represents the purchase price of materials and goods for resale Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal

Leases

Operating lease rentals are charged on a straight line basis over the lease term, even if the payments are not made on such a basis

Pension costs

As the defined benefit pension scheme operated by the company is a multi-employer scheme and the company's share of the underlying assets and liabilities cannot be identified, FRS17 requires that the scheme is accounted for in the same way as a defined contribution scheme

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs is the contribution payable in the period Differences between contributions payable in the period and contributions actually paid are shown either in accruals or prepayments in the balance sheet

NOTES TO THE FINANCIAL STATEMENTS
53 weeks ended 3 April 2011

1. ACCOUNTING POLICIES (continued)

Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date Surrender of tax losses between group companies, by means of group relief, is done so for no consideration

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date Timing differences are differences between the company's taxable profits and the results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	53 weeks ended 3 April 2011 £'000	52 weeks ended 28 March 2010 £'000
Directors' emoluments		
Other emoluments	99	78
Pension costs	13	12
	112	90

	No.	No.
Number of directors who are members of defined benefit scheme	1	1

	No.	No.
Average number of persons employed (including directors)		
Administration	15	14
Other	65	67
	80	81

	£'000	£'000
Staff costs during the period (including directors)		
Wages and salaries	1,336	1,289
Social security costs	95	93
Pension costs	215	225
	1,646	1,607

NOTES TO THE FINANCIAL STATEMENTS
53 weeks ended 3 April 2011

3. PROFIT/(LOSS) ON ORDINARY ACTIVITIES

	53 weeks ended 3 April 2011 £'000	52 weeks ended 28 March 2010 £'000
Profit/(Loss) on ordinary activities is stated after charging		
Depreciation		
Owned assets	329	328
Loss on disposal of tangible fixed assets	-	8
Rentals under operating leases		
Plant and machinery	1	3
Other	93	91
Auditor's remuneration – audit of the company's financial statements	15	16

There were no non-audit services provided by the company's auditor in the current or prior period

4. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

	53 weeks ended 3 April 2011 £'000	52 weeks ended 28 March 2010 £'000
United Kingdom corporation tax at 28% (2010 - 28%) based on the profit/(loss) for the period	-	-

Factors affecting the tax credit for the current period

The tax assessed for the period is from applying the standard rate of corporation tax in the UK 28% (2010 - 28%)

The differences are explained below

	53 weeks ended 3 April 2011 £'000	52 weeks ended 28 March 2010 £'000
Profit/(Loss) on ordinary activities before tax	74	(295)
Tax on profit/(loss) on ordinary activities at the standard rate	21	(83)
Expenses not deductible for tax purposes	2	4
Depreciation on non qualifying fixed assets	51	52
Capital allowances in excess of depreciation	(41)	(43)
Other short term timing differences	(29)	(25)
Notional interest expense	-	(3)
Group relief surrendered for nil consideration	-	98
Utilisation of losses carried forward	(4)	-
Total current tax	-	-

NOTES TO THE FINANCIAL STATEMENTS
53 weeks ended 3 April 2011

4. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES (continued)

A deferred tax asset of £187,000 (2010 - £241,000) has not been recognised in respect of timing differences relating to fixed assets £57,000 (2010 - £109,000) or losses carried forward £130,000 (2010 - £132,000) as there is insufficient evidence that the asset will be recovered A deferred tax liability on short term timing differences of £44,000 (2010 - £22,000) has not been provided for but is set against the unrecognised deferred tax asset

5. TANGIBLE FIXED ASSETS

Cost or valuation	Leasehold land and buildings £'000	Plant and equipment £'000	Total £'000
At 29 March 2010	3,702	1,702	5,404
Additions	(3)	121	118
At 3 April 2011	3,699	1,823	5,522
Accumulated depreciation			
At 29 March 2010	1,968	966	2,934
Charge for the period	129	200	329
At 3 April 2011	2,097	1,166	3,263
Net book value			
At 3 April 2011	1,602	657	2,259
At 28 March 2010	1,734	736	2,470

Land and buildings wholly comprise leasehold property which has less than 50 years unexpired The land and buildings were valued on 31 December 1997 by external valuers, Gerald Eve, on the basis of Existing Use Value in accordance with the Appraisal and Valuation manual of the Royal Institution of Chartered Surveyors The land and buildings are included in these accounts at that valuation, which was £1,092,000 plus the cost of subsequent additions The directors have taken advantage of the transitional rules of FRS 15 "Tangible Fixed Assets" to retain the land and buildings at this value and as such the valuation has not been updated The directors consider the current open market value of the land and buildings not to be less than the carrying value in the accounts The historical cost and net book value of the land and buildings was not available

6. STOCKS

	3 April 2011 £'000	28 March 2010 £'000
Goods for resale	1,326	1,129

The replacement value is not materially different from the above

NOTES TO THE FINANCIAL STATEMENTS
53 weeks ended 3 April 2011

7. DEBTORS

	3 April 2011 £'000	28 March 2010 £'000
Amounts falling due within one year:		
Trade debtors	28	47
Other debtors	13	13
Prepayments and accrued income	139	110
	180	170
Amounts falling due after more than one year:		
Prepayments and accrued income	103	-

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	3 April 2011 £'000	28 March 2010 £'000
Trade creditors	757	754
Other creditors including taxation and social security (note 9)	72	62
Amounts owed to group undertakings	339	262
Accruals and deferred income	99	128
	1,267	1,206

9. OTHER CREDITORS INCLUDING TAXATION AND SOCIAL SECURITY

	3 April 2011 £'000	28 March 2010 £'000
This heading includes		
Taxation and social security	62	58

10. SHARE CAPITAL

	3 April 2011 £'000	28 March 2010 £'000
Allotted, called up and fully paid		
1,000,000 (2010 – 1,000,000) ordinary shares of £1 each	1,000	1,000

NOTES TO THE FINANCIAL STATEMENTS
53 weeks ended 3 April 2011

11. STATEMENT OF MOVEMENT ON RESERVES

	Profit and loss account £'000
Balance at 29 March 2010	1,716
Retained profit for the period	74
Balance at 3 April 2011	1,790

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	53 weeks ended 3 April 2011 £'000	52 weeks ended 28 March 2010 £'000
Opening shareholder's funds	2,716	1,405
Profit/(Loss) for the financial period	74	(295)
Capital contribution	-	1,606
Closing shareholder's funds	2,790	2,716

On 31 December 2009 Deva Group Limited made a capital contribution of the loan due from the Company of £1,606,000

13. OPERATING LEASE COMMITMENTS

	3 April 2011		28 March 2010	
Annual commitments under non-cancellable operating leases are as follows	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Expiry date				
Less than twelve months	-	-	-	1
After five years	70	-	70	-
	70	-	70	1

NOTES TO THE FINANCIAL STATEMENTS
53 weeks ended 3 April 2011

14. PENSION SCHEME

Grosvenor Garden Centre Limited does not maintain a separate pension scheme Its employees are members of the Grosvenor Pension Plan ('the Plan'), a defined benefit scheme and a separate stakeholder defined contribution scheme Both schemes are administered by independent trustees

The Plan is open to all staff of the company, the Wheatsheaf Investments Group, the Grosvenor Rural Estates and the UK subsidiaries of Grosvenor Group Limited It provides a defined benefit pension up to an upper earnings limit Above this limit the company contributes between 25% and 30% of that tranche of salary into a stakeholder arrangement

Independent qualified actuaries complete valuations of the Plan at least every three years and contributions are paid to the Plan in line with a Schedule of Contributions agreed between the trustees of the Plan and the company The most recent actuarial valuation was carried out at 31 December 2008

Although the Plan is a defined benefit scheme, it is a multi employer scheme and the Company's share of the underlying assets and liabilities cannot be identified As a result, FRS 17 requires that the Plan is accounted for as if it were a defined contribution scheme Actuarial valuations for the Plan as a whole have been updated to 31 December 2010 by an independent qualified actuary, in accordance with the basis set out in FRS 17, and included below is an analysis of the deficit indicated by that valuation together with the major assumptions used by the actuary

The following analysis relates to the whole of the Grosvenor Pension Plan including that element that relates to non company employees

	31 Dec 2010 £m	31 Dec 2009 £m	31 Dec 2008 £m
Pension scheme deficit before tax	(19 6)	(28 8)	(12 4)

Assets in the scheme and the expected rates of return:

	31 Dec 2010		31 Dec 2009		31 Dec 2008	
	Value £m	**Long-term rate of expected return**	**Value £m**	**Long-term rate of expected return**	**Value £m**	**Long-term rate of expected return**
Equities	115 1	7 4%	98 4	7 9%	88 2	7 4%
Gilts	29 8	4 6%	23 3	4 7%	10 0	3 6%
Other	1 8	4 2%	1 9	4 4%	1 8	3 8%
	146 7		123 6		100 0	
Present value of scheme liabilities	(166 3)		(152 4)		(112 4)	
Pension scheme deficit before tax	(19 6)		(28 8)		(12 4)	
Related deferred tax asset at 28%	5 5		8 1		3 5	
Deficit in scheme	(14 1)		(20 7)		(8 9)	

NOTES TO THE FINANCIAL STATEMENTS
53 weeks ended 3 April 2011

14. PENSION SCHEME (continued)

Major assumptions used by the actuary were

	31 Dec 2010	31 Dec 2009	31 Dec 2008
Rate of increase in salaries	4 5-7 5%	4 6 - 7 6%	3 9 - 6 9%
Rate of increase in pensions payment	3 5%	3 6%	2 9%
Discount rate	5 4%	5 6%	6 2%
Inflation	3 5%	3 6%	2 9%

The Plan pension cost charge amounted to £211,037 (2010 - £221,368)

The company's contributions to the defined contribution scheme for the year were £3,809 (2010 - £3,264)

15. RELATED PARTY TRANSACTIONS

The company has applied the exemption granted by paragraph 3(c) of Financial Reporting Standard 8 not to disclose related party transactions with Wheatsheaf Investments Limited group companies

The company received management services from a Grosvenor Trust whose trustees form a majority of the directors of the ultimate parent company of £53,000 (2010 - £52,000) The company made payments to this Trust in respect of rent amounting to £77,500 (2010 - £76,250) At the period end amounts owed to the Trust were £nil (2010 - £43,155)

Services provided to this Trust by the company in the period amounted to £9,184 (2010 - £22,140) At the period end £2,020 (2010 - £965) was owed by the Trust to the company

16. ULTIMATE PARENT UNDERTAKING

The company's ultimate parent undertaking is Wheatsheaf Investments Limited, a company registered in England and Wales Wheatsheaf Investments Limited is wholly owned by trusts and members of the Grosvenor family headed by The Duke of Westminster

Wheatsheaf Investments Limited heads the largest and smallest group of undertakings of which the company is a member and for which group financial statements have been prepared for the year ended 31 March 2011

Copies of the consolidated financial statements of Wheatsheaf Investments Limited can be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ