

CARNON DOWNS GARDEN CENTRE LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

THURSDAY



A14 *A6FFTWP* 21/09/2017 #376
COMPANIES HOUSE

CARNON DOWNS GARDEN CENTRE LIMITED
REGISTERED NUMBER:01421091

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

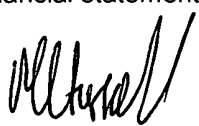
	Note	2016 £	2015 £
Fixed assets			
Intangible assets	4	-	1,000
Tangible assets	5	73,036	181,920
Investments		415,000	-
		<u>488,036</u>	<u>182,920</u>
Current assets			
Stocks		798,716	790,403
Debtors		2,719,536	2,581,263
Cash at bank and in hand		423,460	212,215
		<u>3,941,712</u>	<u>3,583,881</u>
Creditors: amounts falling due within one year	8	(563,170)	(580,271)
Net current assets		<u>3,378,542</u>	<u>3,003,610</u>
Total assets less current liabilities		<u>3,866,578</u>	<u>3,186,530</u>
Provisions for liabilities		(52,773)	(10,062)
Net assets		<u><u>3,813,805</u></u>	<u><u>3,176,468</u></u>
Capital and reserves			
Called up share capital		100,000	100,000
Profit and loss account		3,713,805	3,076,468
		<u><u>3,813,805</u></u>	<u><u>3,176,468</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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


Mr M I Hassall
 Director

Date: 14/7/2017.

The notes on pages 2 to 9 form part of these financial statements.

CARNON DOWNS GARDEN CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. General information

Carnon Downs Garden Centre Limited is a limited liability company incorporated in England. The Registered Office is 8 Regent Street, Bradford On Tone, Taunton, Somerset, TA4 1HB.

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 REVENUE

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

Sale of goods

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

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

2.3 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 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 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

2. Accounting policies (continued)

2.4 TANGIBLE FIXED ASSETS

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Freehold property.	- not depreciated
Plant and machinery	- 15% reducing balance
Motor vehicles	- 25% reducing balance
Fixtures, fittings and equipment	- 10% and 20% reducing balance

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

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

2.5 INVESTMENT PROPERTY

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

2.6 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. Work in progress and finished goods include labour and attributable overheads.

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.

2.7 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.

2.8 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

2. Accounting policies (continued)

2.9 FINANCIAL INSTRUMENTS

The Company only enters into basic financial instruments 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.

2.10 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.

2.11 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'other operating income'.

2.12 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. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

2. Accounting policies (continued)

2.13 PENSIONS

DEFINED CONTRIBUTION PENSION PLAN

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

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

2.14 CURRENT AND DEFERRED TAXATION

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

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

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

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

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

3. Employees

The average monthly number of employees, including directors, during the year was 51 (2015: 52).

CARNON DOWNS GARDEN CENTRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

4. Intangible assets

	Goodwill £
Cost	
At 1 January 2016	1,000
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At 31 December 2016	1,000
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Amortisation	
Charge for the year	1,000
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At 31 December 2016	1,000
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Net book value	
At 31 December 2016	-
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At 31 December 2015	1,000
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CARNON DOWNS GARDEN CENTRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

5. Tangible fixed assets

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures, fittings & equipment £	Total £
Cost or valuation					
At 1 January 2016	100,000	407,097	46,429	135,124	688,650
Additions	-	-	-	3,768	3,768
Transfers between classes	(100,000)	-	-	-	(100,000)
At 31 December 2016	-	407,097	46,429	138,892	592,418
Depreciation					
At 1 January 2016	-	361,545	38,570	106,615	506,730
Charge for the year on owned assets	-	6,833	1,965	3,854	12,652
At 31 December 2016	-	368,378	40,535	110,469	519,382
Net book value					
At 31 December 2016	-	38,719	5,894	28,423	73,036
At 31 December 2015	100,000	45,552	7,859	28,509	181,920

6. Investment property

	Freehold investment property £
Valuation	
Additions at cost	6,535
Surplus on revaluation	308,465
Transfers between classes	100,000
At 31 December 2016	415,000

The 2016 valuations were made by the director, on an open market value for existing use basis.

CARNON DOWNS GARDEN CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

7. Debtors

	2016 £	2015 £
Trade debtors	30,858	13,514
Amounts owed by group undertakings	2,592,586	2,482,311
Other debtors	81,952	68,185
Prepayments and accrued income	14,140	17,253
	<u>2,719,536</u>	<u>2,581,263</u>

8. Creditors: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade creditors	199,590	231,379
Corporation tax	97,290	124,512
Other taxation and social security	71,468	50,970
Other creditors	37,622	63,433
Accruals and deferred income	157,200	109,977
	<u>563,170</u>	<u>580,271</u>

9. Deferred taxation

	2016 £
At beginning of year	(10,062)
Charged to profit or loss	(42,711)
At end of year	<u>(52,773)</u>

The provision for deferred taxation is made up as follows:

	2016 £
Accelerated capital allowances	(8,764)
Revaluation of investment property	(44,009)
	<u>(52,773)</u>

CARNON DOWNS GARDEN CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

10. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £3,458 (2015: £2,459). Contributions totalling £273 (2015: £158) were payable to the fund at the balance sheet date.

11. Controlling party

The company is 100% owned by Westcountry Garden Centres, whose Registered Office is 8 Regent Street, Bradford On Tone, Taunton, Somerset, TA4 1HB.

12. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

13. Auditors' information

The auditors report on the accounts for the year ended 31 December 2016 was unqualified.

The audit report was signed by Alison Oliver on behalf of Bishop Fleming LLP.