

**CARNON DOWNS GARDEN CENTRE LIMITED**

**FINANCIAL STATEMENTS**

**INFORMATION FOR FILING WITH THE REGISTRAR**

**FOR THE YEAR ENDED 7 JANUARY 2022**

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**STATEMENT OF FINANCIAL POSITION**  
**AS AT 7 JANUARY 2022**

	Note	2022 £	2020 £
<b>Fixed assets</b>			
Tangible assets	4	33,268	39,487
		<u>33,268</u>	<u>39,487</u>
<b>Current assets</b>			
Stocks		969,864	764,933
Debtors	5	2,335,893	1,637,422
Bank and cash balances		502,139	2,385,349
		<u>3,807,896</u>	<u>4,787,704</u>
Creditors: amounts falling due within one year	6	(520,569)	(1,123,250)
<b>Net current assets</b>		<u>3,287,327</u>	<u>3,664,454</u>
<b>Total assets less current liabilities</b>		<u>3,320,595</u>	<u>3,703,941</u>
Deferred tax		(6,838)	(5,562)
<b>Net assets excluding pension asset</b>		<u>3,313,757</u>	<u>3,698,379</u>
<b>Net assets</b>		<u><u>3,313,757</u></u>	<u><u>3,698,379</u></u>
<b>Capital and reserves</b>			
Called up share capital	7	100,000	100,000
Profit and loss account		3,213,757	3,598,379
		<u><u>3,313,757</u></u>	<u><u>3,698,379</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 income and retained earnings 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: 19 December 2022

The notes on pages 3 to 9 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 7 JANUARY 2022**

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**1. GENERAL INFORMATION**

Carnon Downs Garden Centre Limited (company number 01421091) is a private company limited by shares incorporated in England and Wales. The Registered Office is Quenchwell, Carnon Downs, Truro, TR3 6LN.

**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 GOING CONCERN**

The directors have considered the expected future profitability and positive cash flows of the company as well as its current strong cash position. As such the directors have reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus continue to adopt the going concern basis of accounting in preparing the financial statements.

**2.3 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 profit or loss 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 Income and Retained Earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 7 JANUARY 2022

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2. ACCOUNTING POLICIES (continued)

2.4 REVENUE

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

**Sale of goods**

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

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

2.5 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 Statement of Income and Retained Earnings in the same period as the related expenditure.

2.6 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 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 Company in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 7 JANUARY 2022

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2. ACCOUNTING POLICIES (continued)

2.7 CURRENT AND DEFERRED TAXATION

The tax expense for the year 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 operates and generates 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; 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.

2.8 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.

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 profit or loss.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 7 JANUARY 2022

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2. ACCOUNTING POLICIES (continued)

2.9 STOCKS

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

2.10 DEBTORS

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

2.11 CASH AND CASH EQUIVALENTS

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

2.12 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.

2.13 FINANCIAL INSTRUMENTS

The Company only 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 ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 7 JANUARY 2022

2. ACCOUNTING POLICIES (continued)

2.13 FINANCIAL INSTRUMENTS (CONTINUED)

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

2.14 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.

3. EMPLOYEES

The average monthly number of employees, including directors, during the year was 43 (2021: 42).

4. TANGIBLE FIXED ASSETS

	Plant and machinery £	Motor vehicles £	Fixtures, fittings & equipment £	Total £
<b>COST OR VALUATION</b>				
At 8 January 2021	407,097	46,429	138,892	592,418
Disposals	-	(24,500)	-	(24,500)
At 7 January 2022	407,097	21,929	138,892	567,918
<b>DEPRECIATION</b>				
At 8 January 2021	386,886	44,566	121,479	552,931
Charge for the year on owned assets	3,032	207	1,945	5,184
Disposals	-	(23,465)	-	(23,465)
At 7 January 2022	389,918	21,308	123,424	534,650
<b>NET BOOK VALUE</b>				
At 7 January 2022	17,179	621	15,468	33,268
At 7 January 2020	20,211	1,863	17,413	39,487

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 7 JANUARY 2022**

**5. DEBTORS**

	2022 £	2020 £
Trade debtors	79,405	87,333
Amounts owed by group undertakings	2,236,545	1,498,439
Other debtors	19,743	51,450
Prepayments and accrued income	200	200
	<u>2,335,893</u>	<u>1,637,422</u>

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

	2022 £	2020 £
Trade creditors	313,288	250,151
Amounts owed to group undertakings	-	720,939
Corporation tax	130,377	69,599
Other taxation and social security	6,028	15,355
Other creditors	1,228	39,982
Accruals and deferred income	69,648	27,224
	<u>520,569</u>	<u>1,123,250</u>

**7. SHARE CAPITAL**

	2022 £	2020 £
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
100,000 (2021: 100,000) Ordinary shares shares of £1.00 each	<u>100,000</u>	<u>100,000</u>

**8. 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 £6,581 (2020: £7,551). Contributions totaling £1,228 (2020: £1,445) were payable to the fund at the balance sheet date.

**9. RELATED PARTY TRANSACTIONS**

The company have taken advantage of the exemption available in section 33.1a of FRS102 and not disclosed transactions with members of a 100% group.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 7 JANUARY 2022**

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**10. CONTROLLING PARTY**

The company is 100% owned by Westcountry Garden Centres Limited, whose Registered Office is Carnon Downs Garden Centre Ltd, Quenchwell Road, Carnon Downs, Truro, TR3 6LN.

**11. AUDITORS' INFORMATION**

The auditors' report on the financial statements for the year ended 7 January 2022 was unqualified.

The audit report was signed on 22 December 2022 by Alison Oliver FCA (Senior Statutory Auditor) on behalf of Bishop Fleming LLP.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.