

CARNON DOWNS GARDEN CENTRE LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE PERIOD ENDED 31 DECEMBER 2022

CONTENTS

	Page
Statement of Financial Position	1
Notes to the Financial Statements	2 - 8

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

		31 December 2022 £	7 January 2022 £
	Note		
Fixed assets			
Tangible assets	4	28,826	33,268
Current assets			
Stocks	5	1,120,470	969,864
Debtors: amounts falling due within one year	6	81,229	2,335,893
Cash at bank and in hand		515,847	502,139
		1,717,546	3,807,896
Creditors: amounts falling due within one year	7	(1,565,527)	(520,569)
Net current assets		152,019	3,287,327
Total assets less current liabilities		180,845	3,320,595
Deferred tax		(5,948)	(6,838)
Net assets		174,897	3,313,757
Capital and reserves			
Called up share capital	8	100,000	100,000
Profit and loss account		74,897	3,213,757
		174,897	3,313,757

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: 29 September 2023

The notes on pages 2 to 8 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022

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 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.

2.4 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022

2. ACCOUNTING POLICIES (continued)

2.5 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.

2.6 CURRENT AND DEFERRED TAXATION

The tax expense for the period 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.

2.7 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022

2. ACCOUNTING POLICIES (continued)

2.7 TANGIBLE FIXED ASSETS (CONTINUED)

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.

2.8 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.

2.9 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.

2.10 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.

2.11 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022

2. ACCOUNTING POLICIES (continued)

2.12 PROVISIONS FOR LIABILITIES

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

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

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

2.13 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 third parties and balances with related parties.

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.

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 Comprehensive Income.

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 period was 47 (2022: 43).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022

4. TANGIBLE FIXED ASSETS

	Plant and machinery £	Motor vehicles £	Fixtures, fittings & equipment £	Total £
COST OR VALUATION				
At 8 January 2022	407,097	21,929	138,892	567,918
At 31 December 2022	407,097	21,929	138,892	567,918
DEPRECIATION				
At 8 January 2022	389,918	21,308	123,424	534,650
Charge for the period on owned assets	2,577	155	1,710	4,442
At 31 December 2022	392,495	21,463	125,134	539,092
NET BOOK VALUE				
At 31 December 2022	14,602	466	13,758	28,826
At 7 January 2022	17,179	621	15,468	33,268

5. STOCKS

	31 December 2022 £	7 January 2022 £
Finished goods and goods for resale	1,120,470	969,864
	1,120,470	969,864

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

6. DEBTORS

	31 December 2022 £	7 January 2022 £
Trade debtors	69,673	79,405
Amounts owed by group undertakings	-	2,236,545
Other debtors	3,638	19,743
Prepayments and accrued income	7,918	200
	<u>81,229</u>	<u>2,335,893</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2022 £	7 January 2022 £
Trade creditors	207,824	313,288
Amounts owed to group undertakings	1,153,625	-
Corporation tax	88,489	130,377
Other taxation and social security	41,877	6,028
Other creditors	43,262	1,228
Accruals and deferred income	30,450	69,648
	<u>1,565,527</u>	<u>520,569</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

8. SHARE CAPITAL

	31 December 2022 £	7 January 2022 £
ALLOTTED, CALLED UP AND FULLY PAID		
100,000 (2022: 100,000) Ordinary shares shares of £1.00 each	<u>100,000</u>	<u>100,000</u>

9. 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 £7,866 (7 January 2022: £6,851). Contributions totaling £1,403 (7 January 2022: £1,228) were payable to the fund at the balance sheet date.

10. 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.

11. 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.

12. AUDITORS' INFORMATION

The auditors' report on the financial statements for the period ended 31 December 2022 was unqualified.

The audit report was signed on 29 September 2023 by Craig Sullivan FCCA (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.