

## CHATSWORTH GARDEN CENTRE LIMITED

Directors' Report and  
Financial Statements

For the Year Ended  
31 December 2015

Company Number 01513341

TUESDAY  
FRIDAY  
WED



SPE	*S5FWNAGZ*	20/09/2016	#33
	COMPANIES HOUSE		
	*A5JUGS1U*		
A06		08/11/2016	#65
	COMPANIES HOUSE		
	*A5H404BK*		
A05		07/10/2016	#141
	COMPANIES HOUSE		
A05	*S5FWOERC*	20/09/2016	#144
	COMPANIES HOUSE		
	*L5DKNU5K*		
LD2		17/08/2016	#22
	COMPANIES HOUSE		

# **CHATSWORTH GARDEN CENTRE LIMITED**

## **Report and Financial Statements For the year ended 31 December 2015**

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# CHATSWORTH GARDEN CENTRE LIMITED

## Company Information For the year ended 31 December 2015

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<b>Directors:</b>	A Roper R J Hemans	(Managing Director) (Finance Director)
<b>Registered Office:</b>	Brambridge Park Garden Centre Kiln Lane Brambridge Eastleigh Hampshire SO50 6HT	
<b>Trading Address :</b>	Calton Lees Beeley Matlock Derbeyshire DE4 2NX	
<b>Head Office :</b>	Rue du Friquet Castel Guernsey Channel Islands	
<b>Company Registration :</b>	01513341 (England and Wales)	
<b>Bankers:</b>	The Royal Bank of Scotland International Limited (trading as NatWest) Royal Bank Place 1 Gategny Esplanade St Peter Port Guernsey Channel Islands	

# **CHATSWORTH GARDEN CENTRE LIMITED**

## **Report of the Directors For the year ended 31 December 2015**

The Directors submit their report, the strategic report and the audited financial statements of the Company, which is registered in England and Wales, for the financial year ended 31 December 2015

### **Directors' responsibilities statement**

The Directors are responsible for preparing the strategic report, the Directors' Report and the 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 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 of the profit or loss of the Company for that period.

In preparing these 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,
- 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.

### **Principal activity**

The principal activity of the Company is the operation of a garden centre.

### **Results and dividends**

The results of the Company for the year are set out in detail on page 4.

The Company has not paid any interim dividends during the year and the directors do not intend to recommend a final dividend for the year.

### **Directors**

The directors of the Company who served during the year were

G R Dorey	(resigned 10 June 2015)
A Roper	
R J Hemans	

# CHATSWORTH GARDEN CENTRE LIMITED

## Report of the Directors For the year ended 31 December 2015 (*continued*)

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### Audit exemption

In accordance with s479C of the UK Companies Act 2006 (the 'Act'), Blue Diamond Limited has given a guarantee to the Company in respect of the year ending 31 December 2015, which means it is exempt from the requirements of the Act relating to the audit of individual company accounts. The guarantee effectively means that the Blue Diamond Limited will discharge all outstanding liabilities of the Company at 31 December 2015 should the Company be unable to satisfy them.

### Small companies exemptions

In preparing the Report of the Directors, the directors have taken advantage of the exemptions allowed for small companies as set out in the Companies Act 2006.

### Approval

This Report of the Directors was approved by order of the Board.



**R.J. Hemans**  
Director

Date: 3/8/16

**CHATSWORTH GARDEN CENTRE LIMITED**

**Statement of Income and Retained Earnings  
For the year ended 31 December 2015**

	<b>Note</b>	<b>2015 £</b>	<b>2014 £</b>
<b>Turnover</b>	3	2,724,074	2,634,044
Cost of sales		(1,284,744)	(1,284,223)
<b>Gross profit</b>		1,439,330	1,349,821
Administrative expenses		(1,375,444)	(1,332,643)
<b>Operating profit</b>	3	63,886	17,178
Interest payable	5	(7,456)	(7,825)
<b>Profit on ordinary activities before taxation</b>		56,430	9,353
Taxation on profit on ordinary activities	6	36,131	(4,463)
<b>Profit for the financial year</b>		92,561	4,890
Retained profit at 1 January		414,466	409,576
<b>Retained profit at 31 December</b>		507,027	414,466

All amounts relate to continuing operations

There were no gains or losses other than those recognised in profit for the year

The notes on pages 6 to 13 form part of these financial statements

# CHATSWORTH GARDEN CENTRE LIMITED

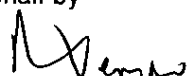
## Balance Sheet As at 31 December 2015

<i>Company number: 01513341</i>	Note	2015 £	2015 £	2014 £	2014 £
<b>Fixed assets</b>					
Tangible assets	7		459,951		467,288
<b>Current assets</b>					
Stock		424,290		446,617	
Debtors	8	111,431		83,508	
Cash and bank balances		29,532		32,612	
		565,253		562,737	
<b>Creditors: amounts falling due within one year</b>	9	(517,877)		(593,930)	
<b>Net current assets/(liabilities)</b>			47,176		(31,193)
<b>Total assets less current liabilities</b>			507,127		436,095
<b>Provision for liabilities</b>	10		-		(21,529)
<b>Net assets</b>			507,127		414,566
<b>Capital and reserves</b>					
Called up share capital	11		98		98
Share premium account			2		2
Profit and loss account			507,027		414,466
			507,127		414,566

The Directors consider that the Company is entitled to exemption from the requirement to have an audit under the provisions of section 479A of the Companies Act 2006 ("the Act") and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Act

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

The financial statements were approved and authorised for issue by the Board of Directors and were signed on its behalf by



**R.J Hemans**  
**Director**

Date 3/8/16

The notes on pages 6 to 13 form part of these financial statements

# CHATSWORTH GARDEN CENTRE LIMITED

## Notes to the Financial Statements For the year ended 31 December 2015 (*continued*)

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### 1 Accounting policies

Chatsworth Garden Centre Limited is a company incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the Company's principal activities are set out in the Report of the Directors.

#### **Basis of preparation**

These financial statements have been prepared on a going concern basis and in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, adopting section 1A of the Standard.

FRS 102 is mandatory for accounting periods beginning on or after 1 January 2015. Section 1A of FRS 102 is applicable for accounting periods beginning on or after 1 January 2016 but may be applied early to accounting periods ending on or after 31 December 2013. The company's members have taken the option to apply the standard early in the preparation of these financial statements.

These financial statements are the first financial statements prepared under FRS 102 1A and there were no material adjustments as a result of the transition.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 2).

The following principal accounting policies have been consistently applied:

#### **Turnover**

Turnover comprises revenue from garden centres and is measured at the fair value of the consideration received or receivable for goods provided in the normal course of business, net of returns, Value Added Tax, and discounts. Sales of goods are recognised at the point of sale to the customer when the Company has transferred the significant risks and rewards of ownership to the buyer.

#### **Pension costs**

Contributions to the Company's defined contribution pension scheme are charged to profit or loss in the year in which they become payable.

#### **Foreign currency translation**

##### *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. 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 Income and Retained Earnings.

#### **Operating leases**

Rentals paid under operating leases are charged to the profit or loss account on a straight line basis over the period of the lease.

#### **Finance costs**

Finance costs are charged to the Statement of Income and Retained Earnings 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.



# CHATSWORTH GARDEN CENTRE LIMITED

## Notes to the Financial Statements For the year ended 31 December 2015 (*continued*)

### 1 Accounting policies (*continued*)

#### Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

#### Depreciation

Depreciation on tangible fixed 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. The estimated useful lives range as follows:

Leasehold improvements	-	Length of lease
Motor vehicles	-	4 years
Furniture, fixtures and fittings	-	3 – 10 years
Computer equipment and software	-	3 – 4 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, 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 within 'administrative expenses' in the Statement of Income and Retained Earnings.

#### Stocks

Stocks, which comprises retail goods for resale, are stated at the lower of cost and net realisable value after making due provision for damaged, obsolete or slow moving items.

Cost is calculated using the weighted average method and includes all costs incurred in bringing each product to its present location and condition. Net realisable value represents the estimated selling price less costs to be incurred in marketing, selling and distribution. 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.

#### Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities including trade and other accounts receivable and payable and loans related parties.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

#### Debtors

Short term debtors are measured at transaction price, less any impairment.

#### 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.

# CHATSWORTH GARDEN CENTRE LIMITED

## Notes to the Financial Statements For the year ended 31 December 2015 (*continued*)

### 1 Accounting policies (*continued*)

#### Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method

#### 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 change attributable to an item of income or 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's subsidiaries operate and generate taxable income

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except

- 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

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date

#### Reserves

The Company's reserves are as follows

- The share premium account includes the premium on issue of equity shares, net of any issue costs
- Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments

### 2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements

- Determine whether leases entered into by the Company either as a lessor or a lessee are operating or lease or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis
- Determine whether there are indicators of impairment of the Company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit
- Stock is reviewed constantly for damage, obsolescence and slow movement and no provision is required because it would be immaterial given the proactive, vigilant approach management takes

# CHATSWORTH GARDEN CENTRE LIMITED

## Notes to the Financial Statements For the year ended 31 December 2015 (*continued*)

### 2 Judgements in applying accounting policies and key sources of estimation uncertainty (*continued*)

#### *Other key sources of estimation uncertainty - Tangible fixed assets*

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

### 3 Turnover and operating profit

The company operates within one business segment being that of the operation of garden centres and associated business activities, with business principally transacted in the United Kingdom.

Operating profit is stated after charging/(crediting):	2015 £	2014 £
Depreciation of tangible fixed assets	57,429	54,670
Loss on disposal of fixed assets	-	(818)
Foreign currency exchange gain	(111)	-
Fees payable to the Company's auditor - Audit fees	-	3,885
Operating leases Land and buildings	225,276	219,032

Operating profit is stated after charging management fees totalling £153,910(2014 £153,462) payable to the Parent Company and the Ultimate Parent Company. An element of the management fees relates to the provision of services by certain directors who are employed by the parent and ultimate parent companies.

4 Employees	2015 £	2014 £
Staff costs consist of		
Wages and salaries	604,572	601,726
Social security costs	36,899	41,065
Cost of defined contribution scheme	7,205	7,619
	<u>648,676</u>	<u>650,410</u>

The average number of employees during the year was as follows

	2015 Number	2014 Number
Management	3	3
Retail	48	45
	<u>51</u>	<u>48</u>

The Directors did not receive any emoluments from the Company during the year.

# CHATSWORTH GARDEN CENTRE LIMITED

## Notes to the Financial Statements For the year ended 31 December 2015 (*continued*)

### 4 Employees (*continued*)

Employees are eligible to join a Group Personal Pension Plan operated by Aviva and offered through Blue Diamond Limited (note 18). This is a defined contribution pension scheme whereby funding is based on a fixed percentage of salary and the assets of the scheme are held separately from those of the Company in an independently administered fund. During the period the Company's contributions to the fund amounted to £7,205 (2014 £4,482). The Company pays contributions on behalf of its employees to the National Employment Savings Trust ("NEST"), which is a pension scheme set up by the UK Government. The pension costs charged in these financial statements includes contributions to NEST for the year amounting to £1,681 (2014 £2,192).

5 Interest payable	2015 £	2014 £
On amount due to Ultimate Parent Company	7,456	7,825
	<hr/>	<hr/>
6 Taxation on profit on ordinary activities	2015 £	2014 £
<i>UK corporation tax</i>		
Current tax on profits of the year	2,930	7,909
Adjustment in respect of previous periods	(7,909)	2
	<hr/>	<hr/>
	(4,979)	7,911
<i>Deferred tax (note 16)</i>		
Origination and reversal of timing differences	3,224	(5,721)
Changes to tax rates	(1,025)	(2,595)
Adjustment in respect of previous periods	(33,351)	4,868
	<hr/>	<hr/>
	(31,152)	(3,448)
	<hr/>	<hr/>
Taxation on profit on ordinary activities	(31,131)	4,463
	<hr/>	<hr/>

The tax assessed for the year is lower than the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	56,430	9,353
	<hr/>	<hr/>
Profit on ordinary activities at the standard rate of corporation tax in the UK of % (2014 21%)	11,286	1,964
<i>Effect of</i>		
Marginal relief	(62)	(188)
Disallowed expenditure	-	2,656
Revenue expenses capitalised	(31)	-
Effect of tax rate change	(989)	(2,409)
Loss (utilised)/carried forward	(5,075)	(2,430)
Adjustments in respect of prior periods	(41,260)	4,870
	<hr/>	<hr/>
Tax (credited)/charged	(36,131)	4,463
	<hr/>	<hr/>

# CHATSWORTH GARDEN CENTRE LIMITED

## Notes to the Financial Statements For the year ended 31 December 2015 (*continued*)

### 6 Taxation on profit on ordinary activities

The UK corporation tax rate was 20% with effect from 1 April 2015, which had been substantively enacted at the year end and the rates are reflected in these financial statements

In the Summer Budget 2015, the UK Government announced legislation setting the Corporation Tax main rate at 19% for the years starting 1 April 2017, 2018 and 2019 and at 18% for the year starting 1 April 2020. In the Budget 2016, the Government announced a further reduction to the Corporation Tax main rate (for all profits except ring-fenced profits) for the year starting 1 April 2020, setting the rate at 17%. Since this has not been substantively enacted at the balance sheet date it is not reflected in these financial statements

### 7 Tangible fixed assets

	Leasehold Improvements £	Motor Vehicles £	Fixtures, Fittings and Equipment £	Computer Equipment £	Total £
<i>Cost</i>					
At 1 January 2015	945,527	13,000	66,876	52,776	1,721,998
Additions	22,304	-	21,316	4,380	50,092
Disposals	-	-	-	(1,200)	(1,200)
At 31 December 2015	967,831	13,000	88,192	55,956	1,724,077
<i>Depreciation</i>					
At 1 January 2015	651,292	1,896	37,222	38,559	1,222,174
Provision for year	13,884	3,250	6,972	6,946	57,429
Disposals	-	-	-	(1,200)	(1,200)
At 31 December 2015	665,176	5,146	37,222	44,305	1,278,403
<i>Net book value</i>					
At 31 December 2015	302,655	7,854	50,970	11,651	459,951
At 31 December 2014	294,235	11,104	29,654	14,217	467,288

### 8 Debtors

	2015 £	2014 £
Trade debtors	4,659	9,758
Prepayments	82,144	72,614
Other debtors	10,026	1,136
UK corporation tax recoverable	4,979	-
Deferred tax asset (note 10)	9,623	-
	111,431	83,508

# CHATSORTH GARDEN CENTRE LIMITED

## Notes to the Financial Statements For the year ended 31 December 2015 (continued)

9 Creditors: amounts falling due within one year	2015 £	2014 £
Trade creditors	178,997	126,327
Other taxes and social security	97,584	84,767
Accruals and sundry creditors	15,771	15,128
UK corporation tax payable	-	7,909
Amount due to Blue Diamond Limited	225,525	359,799
	<hr/>	<hr/>
	517,877	593,930
	<hr/>	<hr/>

The amount due to the Blue Diamond Limited, the Ultimate Parent Company is unsecured, bears interest at 1.5% above the one-month LIBOR rate (2014: 1.5% above the one-month LIBOR rate) and is repayable on demand

10 Provisions for liabilities	2015 £	2014 £
<b>Deferred tax</b>		
Accelerated capital allowances	-	21,529
Capital allowances recoverable (note 8)	(9,623)	-
	<hr/>	<hr/>
	(9,623)	21,529
	<hr/>	<hr/>
<b>Reconciliation of movement:</b>		
At 1 January 2015	21,529	
Credited to Statement of Income and Retained Earnings	(31,152)	
	<hr/>	
At 31 December 2015 (note 10)	(9,623)	
	<hr/>	

11 Share capital	2015 £	2014 £
<b>Allotted, called up and fully paid:</b>		
98 ordinary shares of £1 each	98	98
	<hr/>	<hr/>

## 12 Commitments under operating leases

The Company had minimum lease payments under non-cancellable operating leases as set out below

	2015 £	2014 £
<b>Land and buildings</b>		
Within 1 year	225,000	225,000
Within 2 to 5 years	900,000	900,000
After 5 years	281,250	506,250
	<hr/>	<hr/>
	1,406,250	1,631,250
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# CHATSWORTH GARDEN CENTRE LIMITED

## Notes to the Financial Statements For the year ended 31 December 2015 (*continued*)

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### 13 Contingent liabilities

The Company is party to a composite cross guarantee agreement for the loan and overdraft facilities of the Ultimate Parent Company with The Royal Bank of Scotland International Limited (trading as NatWest). At the year end the liabilities covered by the guarantee totalled £27,647,992 (2014: £23,011,494).

### 14 Controlling party and related party disclosures

The parent company and controlling party, which has interests in 100% (2014: 100%) of the issued share capital of the Company, is Blue Diamond UK Limited, a company incorporated in England. Throughout the year the ultimate parent company was Blue Diamond Limited, a company incorporated in Guernsey. The issued share capital of Blue Diamond Limited is owned by numerous parties and therefore, in the opinion of the directors, the ultimate controlling party is Blue Diamond Limited.

In accordance with s479C of the UK Companies Act 2006 (the 'Act'), Blue Diamond Limited has given a guarantee to the Company in respect of the year ending 31 December 2015, which means it is exempt from the requirements of the Act relating to the audit of individual company accounts. The guarantee effectively means that the Blue Diamond Limited will discharge all outstanding liabilities of the Company at 31 December 2015 should the Company be unable to satisfy them.

In the preparation of these financial statements the Directors have taken advantage of the exemption under FRS 102 and have not disclosed the details of related party transactions with wholly owned subsidiaries of Blue Diamond Limited.