

Company Number: 03073194

**Capital Gardens Limited**

**Directors' Report and Consolidated Financial Statements  
for the Year Ended 31 December 2015**

Parent accounts for  
Highgate Garden Centre Ltd  
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# Capital Gardens Limited

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# Capital Gardens Limited

## Company Information

<b>Directors</b>	C Campbell-Preston
	A Lamarche
	M C Dalrymple (Non Executive)
	E Schneider (Non Executive)
<b>Company secretary</b>	C Campbell-Preston
<b>Registered office</b>	Townsend Yard
	Highgate High Street
	London
	N6 5JF
<b>Auditors</b>	Hawsons Chartered Accountants
	Jubilee House
	32 Duncan Close
	Moulton Park
	Northampton
	NN3 6WL

# Capital Gardens Limited

## Strategic Report for the Year Ended 31 December 2015

### Fair review of the business

The financial year ending 31 December 2015 showed a much improved operating performance for the group compared to 2014, with an increase in operating profit to £350,296 from £221,510

Overall net profit after tax was £284,172 down from 2014 where net profit was £503,202, however this included an exceptional item from the disposal of fixed assets of £460,000

Turnover for the Group fell from £6,400,959 to £5,563,008 due to the closure of the transactional website

The Group's key financial and other performance indicators during the year were as follows

	Unit	2015	2014
Revenue	£	5,563,008	6,400,959
Revenue growth	%	(13)	(12)
Gross profit margin	%	52	51
Profit before tax	£	350,296	682,142

### Principal risks and uncertainties

The most significant uncertainty the group faces is the weather as this can affect sales at the garden centres very significantly. This is most relevant during the spring, which is the busiest selling season and the outcome of the level of activity for this period has a major bearing on the result for the whole of the year.

The group is also exposed, as any retail business, to consumer spending inclinations, which is influenced by general economic conditions and the state of the housing market. There is increasing competition from supermarkets through the sale of garden goods and plants on their forecourts and the internet where competition for sales can lead to unsustainable discounts being offered to the consumer.

### Financial instruments

#### Price risk, credit risk, liquidity risk and cash flow risk

For the group the principal financial instruments comprise trade debtors and trade creditors. These instruments have a significant impact on the finances of the group's operations.

In respect of bank balances, the liquidity risk is managed through existing cash in the company's bank accounts.

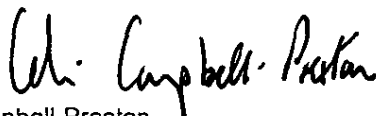
Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. The amounts presented in the balance sheet are net of allowances for doubtful debt.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

The group manages the liquidity risk by controlling trading performance and working capital to ensure a positive cash balance is maintained throughout the year.

The group is lessee in respect of finance leased assets. The liquidity risk is managed so that there are sufficient funds to meet these payments.

Approved by the Board on 20 September 2016 and signed on its behalf by



C Campbell-Preston  
Director

**Directors' Report for the Year Ended 31 December 2015**

The directors present their report and the audited consolidated financial statements for the year ended 31 December 2015

**Principal activity**

The principal activity of the group is the running of garden centres and a garden maintenance business

**Results and dividends**

The results of the group are set out in the financial statements

The directors do not recommend the payment of a dividend

**Directors of the Group**

The directors who held office during the year were as follows

C Campbell-Preston

A Lamarche

M C Dalrymple (Non Executive)

E Schneider (Non Executive)

**Non adjusting events after the financial period**

On 28 June 2016 the Company purchased 26,400 of its ordinary shares of £1.00 each from Uberior Trading Limited

**Disclosure of information to the auditor**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware

Approved by the Board on 20 September 2016 and signed on its behalf by



C Campbell-Preston  
Director

Directors' Report for the Year Ended 31 December 2015 (continued)

**Statement of Directors' Responsibilities**

The directors are responsible for preparing the Directors' Report, Strategic 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 and 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 apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and 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 Capital Gardens Limited**

- We have audited the financial statements of Capital Gardens Limited for the year ended 31 December 2015, set out on pages 7 to 22. 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 Statement of Directors' Responsibilities (set out on page 4), 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 (APB's) Ethical Standards for Auditors to the financial statements.

### **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 Directors' Report and Strategic Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on the financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the group's and the company's affairs as at 31 December 2015 and of the Group's profit for the year 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# Independent Auditor's Report to the Members of Capital Gardens Limited

## 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 by the parent company or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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

*Hawsons*

David Owens  
Senior Statutory Auditor

For and on behalf of  
Hawsons Chartered Accountants  
Statutory Auditor  
Jubilee House  
32 Duncan Close  
Moulton Park  
Northampton  
NN3 6WL

20 September 2016



# Capital Gardens Limited

## Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2015

	Note	2015 £	2014 £
Revenue	2	5,563,008	6,400,959
Cost of sales		<u>(2,646,182)</u>	<u>(3,161,988)</u>
Gross profit		2,916,826	3,238,971
Distribution costs		(94,016)	(120,844)
Administrative expenses		(2,484,514)	(2,933,474)
Other operating income		<u>12,000</u>	<u>36,857</u>
Group operating profit	3	350,296	221,510
Profit on disposal of fixed assets	4	<u>-</u>	<u>460,000</u>
Group operating profit after exceptional item		<u>350,296</u>	<u>681,510</u>
Other interest receivable and similar income		<u>-</u>	<u>632</u>
Profit on ordinary activities before taxation		350,296	682,142
Tax on profit on ordinary activities	8	<u>(66,124)</u>	<u>(178,940)</u>
Profit for the financial year attributable to members of the parent company		<u>284,172</u>	<u>503,202</u>
Total comprehensive income for the year		<u>284,172</u>	<u>503,202</u>

The group has no recognised gains or losses for the year other than the results above

# Capital Gardens Limited

## (Registration number 03073194) Consolidated Balance Sheet as at 31 December 2015

	Note	2015 £	2014 £
<b>Non-Current Assets</b>			
Intangible assets	9	-	-
Property, Plant and Equipment	10	<u>1,036,972</u>	<u>1,073,777</u>
		<u>1,036,972</u>	<u>1,073,777</u>
<b>Current assets</b>			
Inventories	12	672,512	688,288
Debtors	13	138,325	129,347
Cash at bank and in hand		<u>762,543</u>	<u>679,014</u>
		1,573,380	1,496,649
Creditors: Amounts falling due within one year	14	<u>(806,419)</u>	<u>(1,042,143)</u>
Net current assets		<u>766,961</u>	<u>454,506</u>
Total assets less current liabilities		1,803,933	1,528,283
Provisions for liabilities		<u>(71,773)</u>	<u>(80,295)</u>
Net assets		<u>1,732,160</u>	<u>1,447,988</u>
<b>Equity</b>			
Called up share capital	15	86,500	86,500
Other reserves		1,500,000	1,315,000
Retained earnings		<u>145,660</u>	<u>46,488</u>
Total equity		<u>1,732,160</u>	<u>1,447,988</u>

Approved and authorised by the Board on 20 September 2016 and signed on its behalf by



C Campbell-Preston

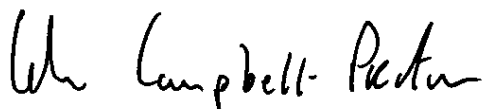
Director

# Capital Gardens Limited

(Registration number 03073194)  
Balance Sheet as at 31 December 2015

	Note	2015 £	2014 £
<b>Non-Current Assets</b>			
Property, Plant and Equipment	10	1,038,798	1,075,603
Investments	11	-	-
		<u>1,038,798</u>	<u>1,075,603</u>
<b>Current assets</b>			
Inventories	12	672,512	688,288
Debtors	13	138,325	129,347
Cash at bank and in hand		<u>762,543</u>	<u>679,014</u>
		1,573,380	1,496,649
Creditors Amounts falling due within one year	14	<u>(805,969)</u>	<u>(1,041,693)</u>
Net current assets		<u>767,411</u>	<u>454,956</u>
Total assets less current liabilities		1,806,209	1,530,559
Provisions for liabilities		<u>(71,773)</u>	<u>(80,295)</u>
Net assets		<u>1,734,436</u>	<u>1,450,264</u>
<b>Equity</b>			
Called up share capital		86,500	86,500
Other reserves		1,500,000	1,315,000
Retained earnings		<u>147,936</u>	<u>48,764</u>
Total equity		<u>1,734,436</u>	<u>1,450,264</u>

Approved and authorised by the Board on 20 September 2016 and signed on its behalf by



C Campbell-Preston  
Director

# Capital Gardens Limited

## Consolidated Statement of Changes in Equity for the Year Ended 31 December 2015

	Share capital £	Capital redemption reserve £	Retained earnings £	Total £
At 1 January 2015	86,500	1,315,000	46,488	1,447,988
Profit for the year	-	-	284,172	284,172
Transfer to/(from) reserves	-	185,000	(185,000)	-
At 31 December 2015	<u>86,500</u>	<u>1,500,000</u>	<u>145,660</u>	<u>1,732,160</u>

	Share capital £	Capital redemption reserve £	Retained earnings £	Total £
At 1 January 2014	86,500	1,315,000	(456,714)	944,786
Profit for the year	-	-	503,202	503,202
At 31 December 2014	<u>86,500</u>	<u>1,315,000</u>	<u>46,488</u>	<u>1,447,988</u>

Following the redemption of £185,000 of the B Preference shares, the company has transferred the redemption value of the B Preference shares into a capital redemption reserve

# Capital Gardens Limited

## Statement of Changes in Equity for the Year Ended 31 December 2015

	Share capital £	Capital redemption reserve £	Retained earnings £	Total £
At 1 January 2015	86,500	1,315,000	48,764	1,450,264
Profit for the year	-	-	284,172	284,172
Transfer to/(from) reserves	-	185,000	(185,000)	-
At 31 December 2015	<u>86,500</u>	<u>1,500,000</u>	<u>147,936</u>	<u>1,734,436</u>

	Share capital £	Capital redemption reserve £	Retained earnings £	Total £
At 1 January 2014	86,500	1,315,000	(457,910)	943,590
Profit for the year	-	-	506,674	506,674
At 31 December 2014	<u>86,500</u>	<u>1,315,000</u>	<u>48,764</u>	<u>1,450,264</u>

Following the redemption of £185,000 of the B Preference shares, the company has transferred the redemption value of the B Preference shares into a capital redemption reserve

# Capital Gardens Limited

## Consolidated Statement of Cash Flows for the Year Ended 31 December 2015

	Note	2015 £	2014 £
<b>Cash flows from operating activities</b>			
Operating profit		350,296	681,510
<b>Adjustments to cash flows from non-cash items</b>			
Depreciation and amortisation	3	140,963	159,281
Profit on disposal of fixed assets		<u>(2,800)</u>	<u>(386,266)</u>
		488,459	454,525
<b>Working capital adjustments</b>			
Decrease in inventories	12	15,776	201,726
(Increase)/decrease in trade and other debtors	13	(8,978)	32,293
Decrease in trade and other creditors	14	<u>(45,724)</u>	<u>(497,411)</u>
Net cash flow from operating activities		<u>449,533</u>	<u>191,133</u>
<b>Cash flows from investing activities</b>			
Interest received		-	632
Acquisitions of property, plant and equipment		(104,158)	(771,947)
Proceeds from the sale of property, plant and equipment		<u>2,800</u>	<u>460,000</u>
Net cash flows from investing activities		<u>(101,358)</u>	<u>(311,315)</u>
<b>Cash flows from financing activities</b>			
Tax paid		(79,646)	(20,645)
Redemption of preference shares		<u>(185,000)</u>	<u>-</u>
Net cash flows from financing activities		<u>(264,646)</u>	<u>(20,645)</u>
Net increase/(decrease) in cash and cash equivalents		83,529	(140,827)
Cash and cash equivalents at 1 January		<u>679,014</u>	<u>819,841</u>
Cash and cash equivalents at 31 December		<u><u>762,543</u></u>	<u><u>679,014</u></u>

## Notes to the Financial Statements for the Year Ended 31 December 2015

### 1 Accounting policies

#### Basis of preparation

These financial statements have been prepared using the historical cost convention and in accordance with the Financial Reporting Standard 102. The impact on the financial statements has been summarised in Note 19 of these accounts.

#### Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 December 2015.

Subsidiary undertakings are included using the acquisitions method of accounting. Under this method the group Statement of Comprehensive Income and the Consolidated Statement of Cashflows include the results and cashflows of subsidiaries from the date of acquisition and to the date of sale outside the group in the case of disposals of subsidiaries. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

No Statement of Comprehensive Income is presented for the company as permitted by Section 408 of the Companies Act 2006. Its profit for the financial year was £284,172 (2014 - £586,969).

#### Revenue recognition

Revenue arises from the sale of goods and services, net of value added tax, to outside customers at invoiced amounts.

#### Goodwill

Goodwill is the difference between the fair value of consideration paid for an acquired entity and the aggregate of the entity's identifiable assets and liabilities.

#### Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Goodwill	Over 20 years
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#### Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Freehold land and buildings	10% straight line basis
Leasehold properties	Over the life of the lease
Leasehold property improvements	10%-20% straight line basis
Fixtures and fittings	20% straight line basis
Plant and machinery	20%-33 3% straight line basis
Motor vehicles	20%-25% straight line basis
Office equipment	33 3% straight line basis

#### Fixed asset investments

Fixed asset investments are stated at historical cost less provision for any diminution in value.

#### Inventories

Inventories are valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving inventories. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

#### Deferred tax

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the Statement of Financial Position date, except as required by FRS19.

Deferred tax is measured at the rates that are expected to apply in the periods when timing differences are expected to reverse, based on the tax rates and law enacted at the Statement of Financial Position date.

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

**Operating leases**

Rentals payable under operating leases are charged in the Statement of Comprehensive Income on a straight line basis over the lease term

**Pensions**

The group operates a defined contribution scheme. Contributions are recognised in the Statement of Comprehensive Income in the period in which they become payable in accordance with the rules of the scheme

**Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities

**2 Revenue**

The revenue and profit before tax is attributable to the group's principal activities within the United Kingdom

**3 Operating profit**

Arrived at after (crediting)/charging

	2015 £	2014 £
Depreciation of owned assets	140,963	159,281
Auditor's remuneration	15,025	16,105
Auditor's remuneration - Tax services	2,700	2,500
Auditor's remuneration - Other services	1,720	1,105
Operating leases - property	142,130	166,750
Operating leases - other assets	10,432	1,943
(Profit)/loss on disposal of property, plant and equipment	<u>(2,800)</u>	<u>73,734</u>

**4 Exceptional items**

	2015 £	2014 £
Profit on sale of leasehold land and property	<u>-</u>	<u>(460,000)</u>



Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

5 Particulars of employees

The aggregate payroll costs were as follows

	2015 £	2014 £
Wages and salaries	1,335,716	1,661,518
Social security costs	98,108	135,547
Staff pensions	31,012	32,868
	<u>1,464,836</u>	<u>1,829,933</u>

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows

	2015 No	2014 No.
Full time	39	48
Part time	38	44
	<u>77</u>	<u>92</u>

6 Directors' remuneration

The directors' remuneration for the year was as follows

	2015 £	2014 £
Director's remuneration (including benefits in kind)	170,960	165,948
Company contributions paid to money purchase schemes	23,314	27,359
	<u>194,274</u>	<u>193,307</u>

During the year the number of directors who were receiving benefits and share incentives was as follows

	2015 No	2014 No
Accruing benefits under money purchase pension scheme	<u>2</u>	<u>2</u>

In respect of the highest paid director

	2015 £	2014 £
Directors' remuneration	106,311	102,092
Company contributions to money purchase pension schemes	<u>16,717</u>	<u>16,652</u>

7 Other interest receivable and similar income

	2015 £	2014 £
Bank interest receivable	<u>-</u>	<u>632</u>

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

8 Taxation

Tax charged/(credited) in the income statement

	2015 £	2014 £
<b>Current taxation</b>		
UK corporation tax	76,000	81,000
UK corporation tax adjustment to prior periods	<u>(1,354)</u>	<u>17,645</u>
	74,646	98,645
<b>Deferred taxation</b>		
Arising from changes in tax rates and laws	<u>(8,522)</u>	<u>80,295</u>
Tax expense in the income statement	<u>66,124</u>	<u>178,940</u>

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2014 - lower than the standard rate of corporation tax in the UK) of 20.2% (2014 - 21.49%)

The differences are reconciled below

	2015 £	2014 £
Profit before tax	<u>350,296</u>	<u>682,142</u>
Corporation tax at standard rate	70,923	146,592
Depreciation in excess of capital allowances	3,022	(80,077)
Marginal Relief	(692)	(1,392)
Payments already made in prior periods	-	1,376
Permanent disallowable expenditure	2,400	15,409
Other timing differences	(1,007)	17,645
Losses utilised	-	(908)
Tax (decrease) increase from effect of rollover relief on profit on disposal of fixed assets	<u>(8,522)</u>	<u>80,295</u>
Total tax charge	<u>66,124</u>	<u>178,940</u>

Deferred tax

Company

Deferred tax assets and liabilities

2015	Liability £
Rollover relief on profit on disposal of property	<u>71,773</u>
2014	Liability £
Rollover relief on profit on disposal of property	<u>80,295</u>

## Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

## 9 Intangible assets

## Group

	Goodwill £
<b>Cost</b>	
At 1 January 2015	<u>76,188</u>
At 31 December 2015	<u>76,188</u>
<b>Amortisation</b>	
At 1 January 2015	<u>76,188</u>
At 31 December 2015	<u>76,188</u>
<b>Carrying amount</b>	
At 31 December 2015	<u>-</u>
At 31 December 2014	<u>-</u>

Capital Gardens Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

10 Property, plant and equipment

Group

	Freehold land and buildings £	Leasehold properties and improvements £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Office equipment £	Total £
<b>Cost or valuation</b>							
At 1 January 2015	758,251	2,306,405	1,054,107	56,429	225,384	25,528	4,426,104
Additions	-	-	47,164	-	56,994	-	104,158
Disposals	-	-	-	-	(32,361)	-	(32,361)
At 31 December 2015	758,251	2,306,405	1,101,271	56,429	250,017	25,528	4,497,901
<b>Depreciation</b>							
At 1 January 2015	75,495	2,074,187	914,291	56,429	206,397	25,528	3,352,327
Charge for the year	8,719	29,766	81,844	-	20,634	-	140,963
Eliminated on disposal	-	-	-	-	(32,361)	-	(32,361)
At 31 December 2015	84,214	2,103,953	996,135	56,429	194,670	25,528	3,460,929
<b>Carrying amount</b>							
At 31 December 2015	674,037	202,452	105,136	-	55,347	-	1,036,972
At 31 December 2014	682,756	232,218	139,816	-	18,987	-	1,073,777

Capital Gardens Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

Company	Freehold land and buildings £	Leasehold property and improvements £	Plant and machinery £	Motor vehicles £	Total £
<b>Cost or valuation</b>					
At 1 January 2015	758,251	2,179,641	1,018,283	129,741	4,085,916
Additions	-	-	47,164	56,994	104,158
Disposals	-	-	-	(32,361)	(32,361)
At 31 December 2015	758,251	2,179,641	1,065,447	154,374	4,157,713
<b>Depreciation</b>					
At 1 January 2015	75,495	1,946,058	878,006	110,754	3,010,313
Charge for the year	8,719	29,766	81,844	20,634	140,963
Eliminated on disposal	-	-	-	(32,361)	(32,361)
At 31 December 2015	84,214	1,975,824	959,850	99,027	3,118,915
<b>Carrying amount</b>					
At 31 December 2015	674,037	203,817	105,597	55,347	1,038,798
At 31 December 2014	682,756	233,583	140,277	18,987	1,075,603

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

11 Investments

Company

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows

Undertaking	Holding	Proportion of voting rights and shares held
<b>Subsidiary undertakings</b>		
Highgate Garden Centre Limited	Ordinary	100%
Cap G (Investments) Limited	Ordinary	100%
Town & Country Garden Centre Limited *	Ordinary	100%
Morden Hall Garden Centre Limited *	Ordinary	100%
Capital Garden Landscapes Limited *	Ordinary	100%
Neal's Nurseries Holdings Limited	Ordinary	100%
Neal's Nurseries Limited *	Ordinary	100%

\* shares held by dormant subsidiary undertaking

The principal activity of Highgate Garden Centre Limited is that of a dormant company

The principal activity of Cap G (Investments) Limited is that of a dormant company

The principal activity of Town and Country Garden Centre Limited is that of a dormant company

The principal activity of Morden Hall Garden Centre Limited is that of a dormant company

The principal activity of Capital Gardens Landscapes Limited is that of a dormant company

The principal activity of Neal's Nurseries Holdings Limited is that of a dormant company

The principal activity of Neal's Nurseries Limited is that of a dormant company

Pursuant to section 479A of the Companies Act 2006, the accounts for Highgate Garden Centre Limited (Company number 02002285) and Cap G (Investments) Limited (Company number 02428003) for the 2015 financial year, which are included in the consolidated financial statements of Capital Gardens Limited, have not been audited. This is permitted on the basis that Capital Gardens Limited guarantees all the outstanding liabilities to which Highgate Garden Centre Limited and Cap G (Investments) Limited is subject to as at the year end under section 479C

12 Inventories

	2015	Group	2015	Company
	£	2014	£	2014
	£	£	£	£
Goods held for resale	672,512	688,288	672,512	688,288

13 Debtors

	2015	Group	2015	Company
	£	2014	£	2014
	£	£	£	£
Trade receivables	47,830	63,765	47,830	63,765
Other receivables	2,374	2,243	2,374	2,243
Prepayments and accrued income	88,121	63,339	88,121	63,339
	138,325	129,347	138,325	129,347

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

14 Creditors

	Note	2015 £	Group 2014 £	2015 £	Company 2014 £
<b>Due within one year</b>					
Trade payables		355,393	413,455	355,393	413,455
Preference shares		-	185,000	-	185,000
Corporation tax	8	76,000	81,000	76,000	81,000
Other taxes and social security		142,243	152,776	142,243	152,776
Accruals and deferred income		232,783	209,912	232,333	209,462
		<u>806,419</u>	<u>1,042,143</u>	<u>805,969</u>	<u>1,041,693</u>

**Redeemable preference shares**

Redeemable preference shares carry no dividend or voting rights. Redeemable preference shareholders rank before ordinary shareholders in respect of repayment of capital on winding up of the company. In accordance with FRS 25, the preference shares are presented as liabilities. The shares were redeemed during the year.

**Security**

On 31 March 2016 Barclays Bank PLC secured a fixed and floating charge over the assets of the company.

15 Share capital

**Allotted, called up and fully paid shares**

	2015		2014	
	No	£	No	£
Ordinary shares of £1 each	<u>86,500</u>	<u>86,500</u>	<u>86,500</u>	<u>86,500</u>

16 Obligations under leases

**Company**

**Operating leases**

The total of future minimum lease payments is as follows

	2015 £	2014 £
Not later than one year	115,130	142,130
Later than one year and not later than five years	424,520	433,520
Later than five years	<u>341,918</u>	<u>448,048</u>
	<u>881,568</u>	<u>1,023,698</u>

17 Related party transactions

**Other related party transactions**

During the period the company made the following related party transactions

**Innogo Limited**

A company controlled by Edward Schneider

The company paid £5,100 in respect of advice in the period to Innogo Limited. At the balance sheet date the amount due to Innogo Limited was £nil (2014: £nil).

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

18 Non adjusting events after the financial period

On 28 June 2016 the Company purchased 26,400 of its ordinary shares of £1 00 each from Uberior Trading Limited

19 Transition to FRS 102

Consolidated Balance Sheet at 1 January 2014

	Note	As originally reported £	Reclassification £	Remeasurement £	As restated £
<b>Equity</b>					
Retained earnings		(457,910)	-	-	(457,910)
Total equity		(457,910)	-	-	(457,910)

Consolidated Balance Sheet at 31 December 2014

	Note	As originally reported £	Reclassification £	Remeasurement £	As restated £
Provisions for liabilities		-	-	(80,295)	(80,295)
<b>Equity</b>					
Retained earnings		129,059	-	(80,295)	48,764
Total equity		129,059	-	(80,295)	48,764

Consolidated Statement of Comprehensive Income for the year ended 31 December 2014

	Note	As originally reported £	Reclassification £	Remeasurement £	As restated £
Profit before tax		682,142	-	-	682,142
Taxation		(98,645)	-	(80,295)	(178,940)
Profit/(loss) for the financial year		583,497	-	(80,295)	503,202



**The following information  
does not form part of the  
statutory financial statements**

• Detailed Company Statement of Comprehensive Income for the Year Ended 31 December  
2015

	2015 £	2014 £
<b>Revenue</b>		
Sales	5,563,008	6,400,959
<b>Cost of sales</b>		
Opening stock	688,288	889,114
Purchases	2,630,406	2,961,162
Closing stock	(672,512)	(688,288)
	<u>(2,646,182)</u>	<u>(3,161,988)</u>
Gross profit	<u>2,916,826</u>	<u>3,238,971</u>
<b>Distribution costs</b>		
Advertising	54,522	61,136
Motor expenses	39,494	59,708
	<u>(94,016)</u>	<u>(120,844)</u>
<b>Administrative expenses</b>		
Employment costs	1,476,511	1,838,688
Establishment costs	435,785	395,935
General administrative expenses	384,350	416,966
Finance charges	49,705	42,671
Depreciation costs	138,163	233,861
	<u>(2,484,514)</u>	<u>(2,928,121)</u>
<b>Other operating income</b>		
Rent receivable	12,000	24,827
Other income	-	12,030
	<u>12,000</u>	<u>36,857</u>
Operating profit	350,296	226,863
Exceptional profit on disposal of fixed assets - discontinuing operations	-	460,000
<b>Other interest receivable and similar income</b>		
Bank interest receivable	-	632
<b>Amounts written off investments</b>		
Written off fixed asset investments	-	1,881
Profit on ordinary activities before taxation	<u>350,296</u>	<u>685,614</u>

# Capital Gardens Limited

## Detailed Company Statement of Comprehensive Income for the Year Ended 31 December 2015 (continued)

	2015 £	2014 £
<b>Employment costs</b>		
Wages and salaries	1,182,911	1,511,878
Staff NIC (Employers)	98,108	135,547
Directors' remuneration	152,805	149,640
Staff pensions	7,698	5,509
Directors pensions	23,314	27,359
Staff welfare	11,675	8,755
	<u>1,476,511</u>	<u>1,838,688</u>
<b>Establishment costs</b>		
Rent and rates	286,475	293,840
Light, heat and power	83,693	9,560
Insurance	34,740	36,216
Repairs and maintenance	30,877	56,319
	<u>435,785</u>	<u>395,935</u>
<b>General administrative expenses</b>		
Telephone and fax	31,465	45,117
Office expenses	2,691	5,610
Printing, postage and stationery	23,094	22,060
Security costs	20,762	36,387
Charitable donations	3,072	(86)
Hire of other assets	10,432	1,943
Sundry expenses	32,787	25,234
Cleaning	60,188	58,826
Travel and subsistence	6,676	2,319
Auditor's remuneration	19,445	18,850
Legal and professional fees	173,555	216,603
Bad debts written off	183	(15,897)
	<u>384,350</u>	<u>416,966</u>
<b>Finance charges</b>		
Bank charges	11,949	5,477
Credit card charges	37,756	37,194
	<u>49,705</u>	<u>42,671</u>
<b>Depreciation costs</b>		
Depreciation of plant and machinery	140,963	160,127
(Profit)/loss on disposal of tangible fixed assets	(2,800)	73,734
	<u>138,163</u>	<u>233,861</u>