

REGISTERED NUMBER: 02044770 (England and Wales)

FINANCIAL STATEMENTS
FOR THE PERIOD
1 JANUARY 2016 TO 31 JANUARY 2017
FOR
JAMES SMITH (SCOTLAND NURSERIES) LIMITED

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FOR THE PERIOD 1 JANUARY 2016 TO 31 JANUARY 2017**

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JAMES SMITH (SCOTLAND NURSERIES) LIMITED
COMPANY INFORMATION
FOR THE PERIOD 1 JANUARY 2016 TO 31 JANUARY 2017

DIRECTORS:

B J Douglas-Davies
M S Gordon

REGISTERED OFFICE:

Harben House
Harben Parade
Finchley Road
London
NW3 6LH

REGISTERED NUMBER:

02044770 (England and Wales)

AUDITORS:

KBSP Partners LLP
Chartered Accountants
Statutory Auditors
Harben House
Harben Parade
Finchley Road
LONDON
NW3 6LH

JAMES SMITH (SCOTLAND NURSERIES) LIMITED (REGISTERED NUMBER: 02044770)

**BALANCE SHEET
31 JANUARY 2017**

	Notes	31/1/17 £	£	31/12/15 £	£
FIXED ASSETS					
Tangible assets	5		455,097		310,774
CURRENT ASSETS					
Stocks	6	92,268		79,416	
Debtors	7	195,710		22,219	
Cash at bank and in hand		20,329		8,633	
		308,307		110,268	
CREDITORS					
Amounts falling due within one year	8	281,193		267,824	
NET CURRENT ASSETS/(LIABILITIES)			27,114		(157,556)
TOTAL ASSETS LESS CURRENT LIABILITIES			482,211		153,218
CREDITORS					
Amounts falling due after more than one year	9		58,574		56,357
NET ASSETS			423,637		96,861
CAPITAL AND RESERVES					
Called up share capital			6		6
Share premium			532,602		532,602
Retained earnings			(108,971)		(435,747)
SHAREHOLDERS' FUNDS			423,637		96,861

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Profit and loss account has not been delivered.

The financial statements were approved by the Board of Directors on 21 December 2017 and were signed on its behalf by:

B J Douglas-Davies - Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY 2016 TO 31 JANUARY 2017**

1. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. Under Companies Act 2006, Section 454, on a voluntary basis, the directors can amend the financial statements if they subsequently prove to be defective.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention.

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.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Going concern

The company meets its day-to-day working capital requirements through careful management of working capital positions. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, with the continued financial support from its parent company and fellow subsidiary undertakings, and the continued availability of the group bank overdraft and loan facility. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Current period

Following the company's acquisition by Hillview Garden Centres Limited, its year end was extended by one month to 31 January to make it coterminous with the other group companies. The current period is the 13 months ended 31 January 2017.

Comparatives

The comparative figures cover the year ended 31 December 2015 and are unaudited.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Significant judgements and estimates

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

i) Critical judgement in applying the entity's accounting policies

There are no judgements in applying the entity's accounting policies that have a significant risk of causing a material misstatement to the financial statements.

ii) Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

(b) Taxation

The company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JANUARY 2016 TO 31 JANUARY 2017**

2. ACCOUNTING POLICIES - continued

Turnover

Turnover represents garden centre takings, net of discounts and value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Plant and machinery	- 20% on reducing balance
Fixtures and fittings	- 20% on reducing balance
Computer equipment	- 20% on reducing balance

Depreciation is charged to administrative expenses in the profit and loss account.

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs.

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

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 within the statement of comprehensive income.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

At the end of each reporting period stock is assessed for impairment. If an item of stock is impaired, it is reduced to its selling price less costs to sell and an impairment charge is recognised in the profit and loss accounts. Where a reversal of the impairment is recognised the impairment charge is reversed, upto the original impairment loss and is recognised in the profit and loss account.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JANUARY 2016 TO 31 JANUARY 2017**

2. ACCOUNTING POLICIES - continued

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of timing difference.

Foreign currencies

(i) Functional and presentational currency

The company's functional and presentational currency is Pound Sterling for all years presented.

(ii) Transactions and balances

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within 'finance (expenses)/income'. All other foreign exchange gains and losses are presented in the profit and loss account within 'Other operating (losses)/gains'.

Hire purchase and leasing commitments

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

Pension costs and other post-retirement benefits

The company contributes to money purchase pension schemes for the benefit of certain employees. Contributions payable are charged to the profit and loss account in the period to which they relate.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JANUARY 2016 TO 31 JANUARY 2017**

2. ACCOUNTING POLICIES - continued

Financial instruments

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where a transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit and loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payable, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

Cash and cash equivalents

Cash includes cash in hand and deposits held with banks. Bank overdrafts, when applicable, are shown within borrowings in current liabilities. Cash equivalents are highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JANUARY 2016 TO 31 JANUARY 2017**

2. ACCOUNTING POLICIES - continued

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.

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 the statement of comprehensive income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet 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 Balance Sheet.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as deduction, net of tax, from the proceeds.

Transition to FRS 102

This is the first period the company has presented its results under FRS 102. The last financial statements under UK GAAP were for the year ended 31 December 2015. The date of transition to FRS 102 was 1 January 2015, and there are no transitional adjustments arising as a result of the changes in accounting policies which reconcile profit for the financial year ended 31 December 2015 and the total equity as at 31 December 2014 and 31 December 2015 between UK GAAP as previously reported and FRS 102.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the period was 44 (2015 - 44) .

4. AUDITORS' REMUNERATION

	period 1.1.16 to 31.1.17 £	year ended 31.12.15 £
Fees payable to the company's auditors for the audit of the company's financial statements	<u><u>6,777</u></u>	<u><u>-</u></u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JANUARY 2016 TO 31 JANUARY 2017**

5. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 January 2016	277,942	96,796	71,022
Additions	25,434	159,961	10,624
Disposals	(38,832)	-	-
At 31 January 2017	<u>264,544</u>	<u>256,757</u>	<u>81,646</u>
DEPRECIATION			
At 1 January 2016	-	85,572	52,802
Charge for period	16,545	8,142	3,896
Eliminated on disposal	-	-	-
At 31 January 2017	<u>16,545</u>	<u>93,714</u>	<u>56,698</u>
NET BOOK VALUE			
At 31 January 2017	<u>247,999</u>	<u>163,043</u>	<u>24,948</u>
At 31 December 2015	<u>277,942</u>	<u>11,224</u>	<u>18,220</u>
	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 January 2016	10,705	-	456,465
Additions	-	21,335	217,354
Disposals	(10,705)	-	(49,537)
At 31 January 2017	<u>-</u>	<u>21,335</u>	<u>624,282</u>
DEPRECIATION			
At 1 January 2016	7,317	-	145,691
Charge for period	-	2,228	30,811
Eliminated on disposal	(7,317)	-	(7,317)
At 31 January 2017	<u>-</u>	<u>2,228</u>	<u>169,185</u>
NET BOOK VALUE			
At 31 January 2017	<u>-</u>	<u>19,107</u>	<u>455,097</u>
At 31 December 2015	<u>3,388</u>	<u>-</u>	<u>310,774</u>

6. STOCKS

	31/1/17 £	31/12/15 £
Stocks	<u>92,268</u>	<u>79,416</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JANUARY 2016 TO 31 JANUARY 2017**

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/1/17	31/12/15
	£	£
Trade debtors	600	5,520
Amounts owed by group undertakings	80,807	-
Other debtors	1,221	-
Tax	-	4,800
Deferred tax asset	101,672	-
Prepayments and accrued income	11,410	11,899
	<u>195,710</u>	<u>22,219</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/1/17	31/12/15
	£	£
Bank loans and overdrafts (see note 10)	-	8,700
Trade creditors	136,247	114,666
Amounts owed to group undertakings	91,381	-
Social security and other taxes	4,766	3,901
VAT	5,555	40,833
Other creditors	33,977	46,369
Directors' current accounts	-	39,607
Accrued expenses	9,267	13,748
	<u>281,193</u>	<u>267,824</u>

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31/1/17	31/12/15
	£	£
Bank loans (see note 10)	-	56,357
Other loans (see note 10)	58,574	-
	<u>58,574</u>	<u>56,357</u>

Amounts falling due in more than five years:

Repayable otherwise than by instalments		
Other loans more 5yrs non-inst	<u>58,574</u>	<u>-</u>
Repayable by instalments		
Bank loans more 5 yr by instal	<u>-</u>	<u>24,029</u>

10. LOANS

An analysis of the maturity of loans is given below:

	31/1/17	31/12/15
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>-</u>	<u>8,700</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JANUARY 2016 TO 31 JANUARY 2017**

10. LOANS - continued

	31/1/17	31/12/15
	£	£
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>-</u>	<u>8,700</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>-</u>	<u>23,628</u>
Amounts falling due in more than five years:		
Repayable otherwise than by instalments		
Other loans more 5yrs non-inst	<u>58,574</u>	<u>-</u>
Repayable by instalments		
Bank loans more 5 yr by instal	<u>-</u>	<u>24,029</u>

11. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31/1/17	31/12/15
	£	£
Within one year	2,640	586
Between one and five years	<u>660</u>	<u>-</u>
	<u>3,300</u>	<u>586</u>

12. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was qualified on the following basis:

Basis for qualified opinion on financial statements

With respect to the opening balances and comparative information shown in the financial statements we were unable to obtain sufficient audit evidence as the financial statements have not been audited in previous years. We were unable to obtain sufficient appropriate audit evidence regarding the opening balances and comparative information disclosed by using other audit procedures.

Trevor Berkley FCA (Senior Statutory Auditor)
for and on behalf of KBSP Partners 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.