

Company Registration No. 02044770 (England and Wales)

**JAMES SMITH (SCOTLAND NURSERIES) LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 DECEMBER 2019**

**PAGES FOR FILING WITH REGISTRAR**

# **JAMES SMITH (SCOTLAND NURSERIES) LIMITED**

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# JAMES SMITH (SCOTLAND NURSERIES) LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2019

		31 December 2019		31 January 2019	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	5		469,592		513,069
<b>Current assets</b>					
Debtors	6	12,647		80,807	
<b>Creditors: amounts falling due within one year</b>	7	(2,718)		(271,911)	
<b>Net current assets/(liabilities)</b>			9,929		(191,104)
<b>Total assets less current liabilities</b>			479,521		321,965
<b>Capital and reserves</b>					
Called up share capital	8		6		6
Share premium account			532,602		532,602
Profit and loss reserves			(53,087)		(210,643)
<b>Total equity</b>			479,521		321,965

The director of the company has elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 26 May 2021 and are signed on its behalf by:

P Stubbs  
Director

Company Registration No. 02044770

# JAMES SMITH (SCOTLAND NURSERIES) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2019

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### 1 Accounting policies

#### Company information

James Smith (Scotland Nurseries) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Brigg Garden Centre, Bigby High Road, Brigg, DN20 9HE.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

The directors have considered the impact of COVID-19 on the company's trade, workforce and supply chain, as well as the wider economy. Whilst it is not considered practical to accurately assess the duration and extent of the disruption, the directors are confident that they have in place plans to deal with any financial losses that may arise.

In addition to this, the nature of the Company's operations are that of a company which holds property on behalf of its parent and any costs associated with this property will be recharged. It is the intention for the garden centres to continue trading within BGC South Ltd and the property held will continue to be used. It is for this reason that the directors continue to adopt the going concern basis in preparing the financial statements.

#### 1.3 Reporting period

The company has changed its accounting date from 31 January 2020 to 31 December 2019. This change has been applied to be in line with the other companies in the group. As a result of this change, the comparative amounts presented in the financial statements (including the related notes) are not entirely comparable.

#### 1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% on cost
Plant and equipment	10% on cost
Fixtures and fittings	20% on cost
Computer equipment	25% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Freehold property includes land and buildings; freehold land is not depreciated.

# JAMES SMITH (SCOTLAND NURSERIES) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

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### 1 Accounting policies

(Continued)

#### 1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

# JAMES SMITH (SCOTLAND NURSERIES) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts 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 creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

### 1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### **Critical judgements**

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### **Useful economic lives of tangible fixed assets**

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually and are amended when necessary to reflect current estimates.

### 3 Employees

The average monthly number of persons employed by the company during the period was:

	31 December 2019	31 January 2019
	Number	Number
Total	-	-
	==	==

# JAMES SMITH (SCOTLAND NURSERIES) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

### 4 Amounts written off investments

	31 December 2019	31 January 2019
	£	£
Amounts written back to financial assets held at cost	238,363	-
Amounts written off financial liabilities	(80,807)	-
	<u>157,556</u>	<u>-</u>

On 19 December 2019, BGC South Ltd acquired the entire share capital of the Company from Hillview Garden Centres Limited. As part of the Share Purchase Agreement, it was agreed that there would be no outstanding indebtedness between any member of the Company and the seller. As a result of this, amounts totalling £157,556 have been written off during the year.

### 5 Tangible fixed assets

	Freehold land and buildings	Plant and equipment	Fixtures and fittings	Computer equipment	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 February 2019	269,864	371,520	127,420	23,219	792,023
Additions	-	2,897	-	-	2,897
At 31 December 2019	<u>269,864</u>	<u>374,417</u>	<u>127,420</u>	<u>23,219</u>	<u>794,920</u>
<b>Depreciation and impairment</b>					
At 1 February 2019	25,319	148,478	91,359	13,798	278,954
Depreciation charged in the period	4,387	26,035	10,631	5,321	46,374
At 31 December 2019	<u>29,706</u>	<u>174,513</u>	<u>101,990</u>	<u>19,119</u>	<u>325,328</u>
<b>Carrying amount</b>					
At 31 December 2019	<u>240,158</u>	<u>199,904</u>	<u>25,430</u>	<u>4,100</u>	<u>469,592</u>
At 31 January 2019	<u>244,545</u>	<u>223,042</u>	<u>36,061</u>	<u>9,421</u>	<u>513,069</u>

### 6 Debtors

	31 December 2019	31 January 2019
	£	£
<b>Amounts falling due within one year:</b>		
Amounts owed by group undertakings	<u>12,647</u>	<u>80,807</u>

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

During the period and prior to the acquisition of the company by BGC South Ltd, the amounts owed from group undertakings were waived by the respective group undertaking. The total of the amounts waived during the period is shown in note 4 to the accounts.

# JAMES SMITH (SCOTLAND NURSERIES) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

### 7 Creditors: amounts falling due within one year

	31 December 2019 £	31 January 2019 £
Amounts owed to group undertakings	2,718	271,911

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

During the period and prior to the acquisition of the company by BGC South Ltd, the amounts owed to group undertakings were waived by the respective group undertaking. The total of the amounts waived during the period is shown in note 4 to the accounts.

### 8 Called up share capital

	31 December 2019 Number	31 January 2019 Number	31 December 2019 £	31 January 2019 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	6	6	6	6

### 9 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Daniel Sowden.  
The auditor was BHP LLP.

### 10 Financial commitments, guarantees and contingent liabilities

During the year ended 31 January 2017 the company entered into a cross guarantee agreement along with its parent and fellow subsidiaries relating to group wide bank overdraft and loan facilities. The guarantee was secured by a fixed and floating charge over the company's assets. As at 31 January 2019 the overdrawn balance was £834,971 and the bank loan balance was £2,135,669. As part of the terms and conditions of the sale on 19 December 2019 (see note 12), the loan balance remained with the parent company, Hillview Garden Centres Limited and, as a result of this, there is no longer a cross guarantee in place for the company.

On 19 December 2019 the company entered into a new cross guarantee agreement along with its parent, BGC South Ltd, and fellow subsidiaries relating to loan notes totalling £10,000,000 issued in BGC South Ltd. The guarantee is secured by a fixed and floating charge over the company's assets.

# **JAMES SMITH (SCOTLAND NURSERIES) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE PERIOD ENDED 31 DECEMBER 2019***

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### **11 Events after the reporting date**

In the first quarter of 2020 the Covid-19 pandemic resulted in governments across the World introducing stringent measures to prevent the spread of the coronavirus disease. These measures included population 'lock-down' and led to a significant reduction in economic activity which in turn has led to significant falls in global markets, including the FTSE100.

It is the view of the Directors that the events which have significantly impacted the Company are the direct result of Government and international policy in response to the pandemic (for example restrictions on travel, trade and personal interactions) and such policy only arose after the balance sheet date. The Directors therefore consider the impact of the COVID-19 on the business to be a non-adjusting post-balance sheet event.

On 31 October 2020, the trade and assets of the Company with the exception of the property held were transferred to BGC South Ltd.

# **JAMES SMITH (SCOTLAND NURSERIES) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE PERIOD ENDED 31 DECEMBER 2019***

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### **12 Related party transactions**

During the year, amounts owed to Hillview Garden Centres Limited totalling £58,573 were waived. At the balance sheet date, the total amount owed to Hillview Garden Centres Limited was £nil (31 January 2019: £58,573).

The Company has taken the exemption set out in FRS 102 from disclosing transactions with other wholly owned members of the group.

### **13 Parent company**

On 19 December 2019 a third party, BGC South Ltd, acquired the entire share capital of the Company from the Company's previous parent, Hillview Garden Centres Limited. The terms of the agreement stipulated that the Company was to be acquired debt free, with no outstanding loans, obligations or guarantees in place at this date.

Following this transaction, the Company's immediate parent is BGC South Ltd, incorporated in England and Wales, and is the parent of both the smallest and largest group preparing consolidated financial statements that include the Company. Copies of the financial statements for this company can be obtained from Companies House.

The ultimate controlling party is considered to be P Stubbs and H Thomis by virtue of their shareholding in BGC South Ltd.

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.