

Company Registration No. 02044770 (England and Wales)

JAMES SMITH (SCOTLAND NURSERIES) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

PAGES FOR FILING WITH REGISTRAR

JAMES SMITH (SCOTLAND NURSERIES) LIMITED

CONTENTS

	Page
Balance sheet	1
Notes to the financial statements	2 - 7

JAMES SMITH (SCOTLAND NURSERIES) LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	5		235,666		469,592
Current assets					
Debtors	6	243,855		12,647	
Creditors: amounts falling due within one year	7	-		(2,718)	
Net current assets			243,855		9,929
Net assets			479,521		479,521
Capital and reserves					
Called up share capital	8		6		6
Share premium account			532,602		532,602
Profit and loss reserves			(53,087)		(53,087)
Total equity			479,521		479,521

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 August 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 YEAR ENDED 31 DECEMBER 2020

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

In the prior year the company changed its accounting date from 31 January 2020 to 31 December 2019. The change was applied to bring the Company in line with the accounting date of its parent. As a result of this change, the comparative amounts provided in the financial statements (including 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
Computers	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.

JAMES SMITH (SCOTLAND NURSERIES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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 YEAR ENDED 31 DECEMBER 2020

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 life 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 year was:

	2020 Number	2019 Number
Total	-	-

JAMES SMITH (SCOTLAND NURSERIES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

4 Amounts written off investments

	2020 £	2019 £
Amounts written off financial assets held at cost	-	(80,807)
Amounts written back to financial liabilities	-	238,363
	<u>-</u>	<u>157,556</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 were written off during the previous period.

5 Tangible fixed assets

	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Computers £	Total £
Cost					
At 1 January 2020	269,864	374,417	127,420	23,219	794,920
Additions	-	5,333	-	-	5,333
Transfers	-	(379,750)	(127,420)	(23,219)	(530,389)
	<u>269,864</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>269,864</u>
At 31 December 2020	269,864	-	-	-	269,864
Depreciation and impairment					
At 1 January 2020	29,706	174,513	101,990	19,119	325,328
Depreciation charged in the year	4,492	23,950	9,511	3,823	41,776
Transfers	-	(198,463)	(111,501)	(22,942)	(332,906)
	<u>34,198</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,198</u>
At 31 December 2020	34,198	-	-	-	34,198
Carrying amount					
At 31 December 2020	<u>235,666</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>235,666</u>
At 31 December 2019	<u>240,158</u>	<u>199,904</u>	<u>25,430</u>	<u>4,100</u>	<u>469,592</u>

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

6 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Amounts owed by group undertakings	<u>243,855</u>	<u>12,647</u>

JAMES SMITH (SCOTLAND NURSERIES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

6 Debtors (Continued)

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

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

7 Creditors: amounts falling due within one year

	2020 £	2019 £
Amounts owed to group undertakings	-	2,718

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

During the previous 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

	2020 Number	2019 Number	2020 £	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

On 19 December 2019 the company entered into a cross guarantee agreement 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 YEAR ENDED 31 DECEMBER 2020

11 Related party transactions

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

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

In the prior period, amounts owed to Hillview Garden Centres Limited totalling £157,556 were waived. At the balance sheet date, the total amount owed to Hillview Garden Centres Limited was £nil (2019: £nil).

12 Parent company

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.