

EAST COAST NURSERY LIMITED

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

EAST COAST NURSERY LIMITED

COMPANY INFORMATION

Directors

E G White
D G Cartwright
G J White
M J Grey
D I White
P Bulpitt
P M Bosher

Company secretary

D G Cartwright

Registered number

02141745

Registered office

Robertson House
Laundry Loke
North Walsham
Norfolk
NR28 0BX

Accountants

Price Bailey LLP
Chartered Accountants
Anglia House, 6 Central Avenue
St Andrews Business Park
Thorpe St Andrew
Norwich
Norfolk
NR7 0HR

EAST COAST NURSERY LIMITED

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EAST COAST NURSERY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their report and the financial statements for the year ended 31 December 2020.

Directors' responsibilities statement

The directors are responsible for preparing 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments 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 to 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.

Directors

The directors who served during the year were:

E G White
D G Cartwright
G J White
M J Grey
D I White
P Bulpitt
P M Boshier

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 27 September 2021 and signed on its behalf.

D G Cartwright
Secretary

EAST COAST NURSERY LIMITED

**CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED
STATUTORY FINANCIAL STATEMENTS OF EAST COAST NURSERY LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2020**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of East Coast Nursery Limited for the year ended 31 December 2020 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes from the Company's accounting records and from information and explanations you have given to us.

As a member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at icaew.com/regulation.

This report is made solely to the Board of Directors of East Coast Nursery Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the financial statements of East Coast Nursery Limited and state those matters that we have agreed to state to them in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than East Coast Nursery Limited and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that East Coast Nursery Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the Company's assets, liabilities, financial position and profit. You consider that East Coast Nursery Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of East Coast Nursery Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Price Bailey LLP

Chartered Accountants

Anglia House, 6 Central Avenue
St Andrews Business Park
Thorpe St Andrew
Norwich
Norfolk
NR7 0HR

28 September 2021

EAST COAST NURSERY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £
Turnover		7,374,456	8,601,245
Cost of sales		(6,713,631)	(7,446,202)
Gross profit		<u>660,825</u>	<u>1,155,043</u>
Distribution costs		(269,396)	(472,198)
Administrative expenses		(699,120)	(1,281,685)
Other operating income		378,311	-
Operating profit/(loss)		<u>70,620</u>	<u>(598,840)</u>
Interest receivable and similar income		56	226
Interest payable and similar expenses		(4,791)	(12,726)
Profit/(loss) before tax		<u>65,885</u>	<u>(611,340)</u>
Tax on profit/(loss)	5	(856)	856
Profit/(loss) for the financial year		<u><u>65,029</u></u>	<u><u>(610,484)</u></u>

The notes on pages 6 to 12 form part of these financial statements.

EAST COAST NURSERY LIMITED
REGISTERED NUMBER: 02141745

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	6	40,479	49,595
		<u>40,479</u>	<u>49,595</u>
Current assets			
Stocks	7	1,047,484	1,497,201
Debtors: amounts falling due within one year	8	1,659,779	1,664,490
Cash at bank and in hand		498,164	15,677
		<u>3,205,427</u>	<u>3,177,368</u>
Creditors: amounts falling due within one year	9	(1,911,673)	(1,953,583)
Net current assets		<u>1,293,754</u>	<u>1,223,785</u>
Total assets less current liabilities		<u>1,334,233</u>	<u>1,273,380</u>
Net assets		<u><u>1,334,233</u></u>	<u><u>1,273,380</u></u>
Capital and reserves			
Called up share capital		50,000	50,000
Foreign exchange reserve		-	4,176
Profit and loss account		1,284,233	1,219,204
		<u><u>1,334,233</u></u>	<u><u>1,273,380</u></u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 September 2021.

E G White
Director

D G Cartwright
Director

The notes on pages 6 to 12 form part of these financial statements.

EAST COAST NURSERY LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital £	Foreign exchange reserve £	Profit and loss account £	Total equity £
At 1 January 2019	50,000	4,176	1,829,688	1,883,864
Comprehensive income for the year				
Loss for the year	-	-	(610,484)	(610,484)
At 1 January 2020	50,000	4,176	1,219,204	1,273,380
Comprehensive income for the year				
Profit for the year	-	-	65,029	65,029
Foreign exchange reserve movement	-	(4,176)	-	(4,176)
At 31 December 2020	50,000	-	1,284,233	1,334,233

The notes on pages 6 to 12 form part of these financial statements.

EAST COAST NURSERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

East Coast Nursery Limited is a private company limited by shares, incorporated in the UK and registered at Robertson House, Laundry Loke, North Walsham, Norfolk, NR28 0BX.

The financial statements are rounded to the nearest £.

The principal activity of the company is the import and retail of nursery products.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on the going concern basis which the directors consider to be appropriate. The onset of the global COVID-19 pandemic during and after the year end, combined with other economic conditions continue to have a significant effect on trading, however, the company has been able to make use of available grants such as the furlough scheme to partly alleviate the situation. The directors are confident that the company has sufficient resources to continue as a going concern and the financial statements do not contain any adjustments that would be required if the company were not able to continue as a going concern.

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

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. 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 profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

These are satisfied at the point when goods are delivered to customers.

2.5 Operating leases: the Company as lessee

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

2.6 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants become receivable

for the purpose of giving immediate financial support to the entity with no future related costs shall be

recognised as income in the period in which it becomes receivable.

2.7 Finance costs

Finance costs are charged to profit or loss 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. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.9 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)**2.10 Taxation**

Tax is recognised in profit or loss except that a charge attributable to an item of income and 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 balance sheet date in the countries where the Company operates and generates income.

2.11 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	-	20%	straight-line
Motor vehicles	-	25%	straight-line
Fixtures and fittings	-	20%	straight-line

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 in profit or loss.

2.12 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet 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.

2.13 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.14 Creditors

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

EAST COAST NURSERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.15 Financial instruments

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and Loss Account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

3. Turnover

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	7,128,165	8,047,775
Rest of Europe	78,547	42,129
Rest of the world	167,744	511,341
	<u>7,374,456</u>	<u>8,601,245</u>

4. Employees

The average monthly number of employees, including directors, during the year was 62 (2019 - 71).

5. Taxation

	2020 £	2019 £
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	856	(856)
Total deferred tax	<u>856</u>	<u>(856)</u>
Taxation on profit/(loss) on ordinary activities	<u>856</u>	<u>(856)</u>

EAST COAST NURSERY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

5. Taxation (continued)

Factors affecting tax charge for the year

There were no factors that affected the tax charge for the year which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 19% (2019 - 19%).

6. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 January 2020	709,703	190,559	164,099	1,064,361
Additions	-	14,620	-	14,620
Disposals	-	(27,970)	-	(27,970)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2020	709,703	177,209	164,099	1,051,011
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 January 2020	675,973	184,282	154,511	1,014,766
Charge for the year on owned assets	15,999	5,386	2,350	23,735
Disposals	-	(27,969)	-	(27,969)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2020	691,972	161,699	156,861	1,010,532
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 December 2020	<u>17,731</u>	<u>15,510</u>	<u>7,238</u>	<u>40,479</u>
At 31 December 2019	<u>33,730</u>	<u>6,277</u>	<u>9,588</u>	<u>49,595</u>

7. Stocks

	2020 £	2019 £
Raw materials and consumables	147,363	173,111
Work in progress	93,276	99,740
Finished goods and goods for resale	806,845	1,224,350
	<hr/>	<hr/>
	<u>1,047,484</u>	<u>1,497,201</u>

EAST COAST NURSERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

8. Debtors

	2020 £	2019 £
Trade debtors	1,157,276	1,066,599
Amounts owed by group undertakings	316,158	138,638
Other debtors	10,943	5,032
Prepayments	175,402	454,221
	<u>1,659,779</u>	<u>1,664,490</u>

9. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank overdrafts	-	320,271
Trade creditors	579,338	629,363
Amounts owed to group undertakings	1,093,739	828,979
Taxation and social security	198,283	77,489
Other creditors	20,383	59,059
Accruals	19,930	38,422
	<u>1,911,673</u>	<u>1,953,583</u>

The aggregate amount of secured liabilities at the year end amounts to £Nil (2019: £320,271). The

bank overdraft is secured by a fixed and floating charge over the assets and undertakings of the company.

10. Contingent liabilities

The company has given an unlimited guarantee to Lloyds Bank Plc, secured by fixed and floating charges over the company's assets in respect of the borrowings of East Coast Nursery Limited, East Coast Plastics Limited and Bebecar UK Limited. At 31 December 2020 the net indebtedness of Bebecar UK Limited amounted to £Nil (2019: £Nil) and East Coast Plastics Limited amounted to £Nil (2019: £119,110).

11. Pension commitments

The group operates defined contribution pension schemes which are open to all staff. The schemes are administered by companies that are independent of the group's finances. The company's contributions are charged to the profit and loss account in the year in which they are made. The pension charge for the year was £82,091 (2019: £89,359). Contributions totalling £2,382 (2019: £3,781) were outstanding at the year end.

EAST COAST NURSERY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

12. Commitments under operating leases

At 31 December 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £	2019 £
Not later than 1 year	148,500	148,500
Later than 1 year and not later than 5 years	185,625	334,125
	<u>334,125</u>	<u>482,625</u>

13. Controlling party

The ultimate parent company is The East Coast Group Limited, a company which is incorporated and registered in England and Wales.

The largest group in which the results of the company are consolidated is that headed by The East Coast Group Limited.

No other group financial statements include the results of the company. A copy of the financial statements of The East Coast Group Limited can be obtained from Companies House where they are filed.

The ultimate controlling party of the company is Mr E G White by virtue of his 81% interest in the issued share capital of The East Coast Group Limited.

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.