

Blooms of Bressingham Limited
Report and Financial Statements
26 December 2010

Registered Company Number: 03659183

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Blooms of Bressingham Limited
(Registered number: 03659183)

Report and financial statements 2010

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Blooms of Bressingham Limited
(Registered number: 03659183)

Report and financial statements 2010

Officers and professional advisers

Directors

Nicholas Marshall
Antonia Jenkinson

Company secretary

Antonia Jenkinson

Registered office

c/o The Garden Centre Group Holdings Limited
258 Bath Road
Slough
SL1 4DX

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
Birmingham
United Kingdom

Blooms of Bressingham Limited
(Registered number: 03659183)

Report and financial statements 2010

Directors' report

The directors present their annual report and the audited financial statements of Blooms of Bressingham Limited ("the Company") for the year ended 26 December 2010. The results of the Company are consolidated into The Garden Centre Group Limited (the "Group") and the principal activity of the Group is the operation of garden centres in the United Kingdom.

Principal activity and business review

The Company did not trade, receive income or incur any expenditure during the year. As a result of the simplification exercise completed during the year, freehold land and buildings and amounts owed to or due from other Group companies were transferred to Blooms of Bressingham Holdings Limited.

Sales for the year ended 26 December 2010 were £nil million (2009: £24.1 million). Gross margin was 49.8% in 2009.

Operating loss before exceptional costs was £0.2 million (2009: operating profit of £0.7 million). Operating loss after exceptional costs was £0.2 million (2009: £2.5 million).

Finance costs were £nil (2009: £0.2 million).

Loss before tax was £0.2 million (2009: £2.6 million).

During the year, the Company paid a dividend in specie of £19.1 million to its immediate parent undertaking, Blooms of Bressingham Holdings Limited.

Net assets at 26 December 2010 were £nil (2009: £19.3 million).

The Group of which the Company is a member, has a large number of long-term staff and staff turnover is low across the Group. Over 560 members of staff have been with the Group for longer than 10 years (2009: 510), of which at least 125 have served for over 20 years (2009: 110).

Going concern

During the year, the Company distributed all its remaining assets to Blooms of Bressingham Holdings Limited, its immediate parent company, via a dividend in specie of £19.1 million. The financial statements have been prepared on a basis other than going concern. The financial statements do not include any provision for the future costs of terminating the business of the Company on the basis that no such costs will be incurred.

Financial risk management objectives and policies

The directors managed liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities in the Group, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of borrowings and undrawn facilities that the Group has at its disposal to further reduce liquidity risk. As a result of the hive-up of the trade and assets of the Company, the Company has now ceased to trade.

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Report and financial statements 2010

Directors' report (continued)

Donations

The Company made £nil donations to charitable organisations during the year (2009 £nil)

Policy on payment of suppliers

The Groups' policy concerning the payment of suppliers is to agree terms of payment at the start of business with each supplier and to adhere to these terms in accordance with the contractual obligations. Trade creditors for the Group at 26 December 2010 represented 83 days of annual purchases (2009 62 days)

Directors

The directors who served during the year and subsequently were as follows

Nicholas Marshall
Antonia Jenkinson
David Pierpoint (resigned 11/05/10)
Richard Kozlowski (resigned 30/09/10)

Disclosure of information to the auditor

Each of the persons who is a director at the date of approval of this report confirms that

- (1) so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- (2) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006

Auditor

Deloitte LLP has expressed its willingness to continue in office as auditor. A resolution to reappoint Deloitte will be proposed at the forthcoming Annual General Meeting

Approved by the Board of Directors on 28/3/ 2011 and signed on behalf of the Board



Antonia Jenkinson
Director

Blooms of Bressingham Limited
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Directors' responsibilities statement

The directors are responsible for preparing the Annual 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 loss of the Company for that period. In preparing these financial statements, International Accounting Standard 1 requires that directors

- properly select and apply accounting policies,
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance, and
- make an assessment of the Company's ability to continue as a going concern

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 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.

Independent auditor's report to the members of Blooms of Bressingham Limited

We have audited the financial statements of Blooms of Bressingham Limited for the year ended 26 December 2010 which comprise the Income Statement, the Statement of Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Cash Flow Statement and the related notes 1 to 23. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 Directors' Responsibilities Statement, 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 Ethical Standards for Auditors.

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.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 26 December 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of Matter – financial statements prepared other than on a going concern basis

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

**Independent auditor's report to the members of Blooms of Bressingham Limited
(continued)**

Separate opinion in relation to IFRSs as issued by the IASB

As explained in Note 2 to the financial statements, the company in addition to applying IFRSs as adopted by the European Union, has also applied IFRSs as issued by the International Accounting Standards Board (IASB)

In our opinion the financial statements comply with IFRSs as issued by the IASB

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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



Jane Whitlock (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

Birmingham, United Kingdom

20 March 2011

Blooms of Bressingham Limited
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Income statement
For the year ended 26 December 2010

	Notes	2010 £'000	2009 £'000
Revenue	2,3,4	-	24,082
Cost of sales		<u>-</u>	<u>(12,086)</u>
Gross profit		-	11,996
Sales and distribution costs		(188)	(15,743)
Exceptional items included within sales and distribution cost			
Investment impairment	5	-	(3,117)
Other operating income	3	<u>-</u>	<u>1,281</u>
Operating loss	6	(188)	(2,466)
Investment income	3	-	41
Finance costs	8	<u>-</u>	<u>(181)</u>
Loss before tax		(188)	(2,606)
Tax on loss on ordinary activities	9	<u>-</u>	<u>(90)</u>
Loss for the financial year		<u>(188)</u>	<u>(2,696)</u>

All results are from discontinued operations

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Statement of other comprehensive income
For the year ended 26 December 2010

	Notes	2010 £'000	2009 £'000
Loss for the financial year		<u>(188)</u>	<u>(2,696)</u>
Total Comprehensive income and expense for the year	17	<u><u>(188)</u></u>	<u><u>(2,696)</u></u>
Attributable to:			
Equity holders of the parent		<u><u>(188)</u></u>	<u><u>(2,696)</u></u>

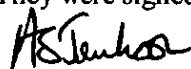
Blooms of Bressingham Limited
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Balance sheet
As at 26 December 2010

	Notes	2010 £'000	Restated 2009 £'000
Non-current assets			
Intangible assets	10	-	-
Property, plant and equipment	11	-	16,252
Investments	12	-	-
		<u>-</u>	<u>16,252</u>
Current assets			
Trade and other receivables	13	-	13,627
		<u>-</u>	<u>13,627</u>
Total assets		<u>-</u>	<u>29,879</u>
Current liabilities			
Other payables	15	-	(10,402)
		<u>-</u>	<u>(10,402)</u>
Net current assets		<u>-</u>	<u>3,225</u>
Non-current liabilities			
Deferred tax	14	-	(164)
		<u>-</u>	<u>(164)</u>
Net Assets		<u>-</u>	<u>19,313</u>
Equity			
Share capital	16	-	-
Share premium	17	-	-
Retained earnings	17	-	19,313
Reserves	17	-	-
		<u>-</u>	<u>-</u>
Total Equity		<u>-</u>	<u>19,313</u>

The financial statements were approved by the Board of Directors and authorised for issue on ~~28~~ 31 2011

They were signed on its behalf by



Antonia Jenkinson
Director

Blooms of Bressingham Limited
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Statement of changes in equity
As at 26 December 2010

	Share Capital £000	Share Premium Account £000	Restated Retained Earnings (Refer to note 17) £000	Restated Capital contribution reserve (Refer to note 17) £000	Total Equity £000
Balance at 28 December 2008	731	4,500	1,331	12,983	19,545
Loss for the year	-	-	(2,696)	-	(2,696)
Total comprehensive expense for the year	-	-	(2,696)	-	(2,696)
Issue of new shares	2,464	-	-	-	2,464
Reduction of share capital	(3,195)	-	3,195	-	-
Reduction in share premium	-	(4,500)	4,500	-	-
Reduction in capital reserve	-	-	12,983	(12,983)	-
Balance at 27 December 2009	-	-	19,313	-	19,313
Loss for the year	-	-	(188)	-	(188)
Total comprehensive expense for the year	-	-	(188)	-	(188)
Dividend in specie	-	-	(19,125)	-	(19,125)
Balance at 26 December 2010	-	-	-	-	-

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Cash flow statement
For the year ended 26 December 2010

	Notes	2010 £'000	2009 £'000
Net cash used in operating activities	19	-	(114)
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Investing activities			
Interest received		-	41
Purchases of property, plant and equipment		-	(974)
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Net cash used in investing activities		-	(933)
<hr/>			
Financing activities			
Interest paid		-	(181)
<hr/>			
Net cash used in financing activities		-	(181)
<hr/>			
Net decrease in cash and cash equivalents		-	(1,228)
<hr/>			
Cash at the beginning of year	19	-	1,228
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Cash at the end of year	19	-	-
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Blooms of Bressingham Limited
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Notes to financial statements
For the year ended 26 December 2010

1. General information

Blooms of Bressingham Limited is a Company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 1. The nature of the Company's principal activities is set out on page 2. The Group into which the results of the Company are consolidated is The Garden Centre Group Limited (the "Group").

These accounts represent the year from 28 December 2009 to 26 December 2010.

Adoption of new and revised standards

In the current financial year, the Company has adopted the following which did not have a material impact:

- IAS1 (revised 2007) – Presentation of financial statements
- IAS27 (revised 2008) – Consolidated and separate financial statements
- IAS31 (revised 2008) – Interests in joint ventures
- IFRS3 (revised 2008) – Business combinations
- Amendments to various standards arising from annual improvements issued in April 2009

At the date of authorisation of these financial statements, the following Standards and Interpretations, which have not yet been applied in these financial statements, were in issue, but not yet effective:

- IAS 24 (revised November 2009) – Related party disclosures,
- Amendment to IAS 32 (issued October 2009) – Classification of rights issues,
- Amendment to IFRIC 14 (issued November 2009) – Prepayments of a minimum funding requirement

The directors anticipate that the adoption of these Standards and Interpretations in future periods will not have a material impact on the financial statements of the Company.

2. Significant accounting policies

Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs). The financial statements have also been prepared in accordance with the IFRSs adopted by the European Union and therefore comply with Article 4 of the EU IAS Regulation.

The financial statements have been prepared on a historical cost basis.

The Company has opted to apply Section 390(3) of the Companies Act 2006. This permits the Company to end its financial year on 26 December 2010 (2009: 27 December 2009) as it is not more than 7 days after or before the end of the year dated 31 December 2010 (2009: 31 December 2009).

Notes to financial statements (continued)
For the year ended 26 December 2010

2. Significant accounting policies (continued)

Going concern

During the year the Company distributed all its remaining assets to Blooms of Bressingham Holdings Limited, its immediate parent company, via a dividend in specie of £19.1 million. The financial statements have been prepared on a basis other than that of a going concern. The financial statements do not include any provision for the future costs of terminating the business of the Company.

The directors managed liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities in the Group, by monitoring forecast and actual cash flows continuously and matching the maturity profiles of borrowings and undrawn facilities that the Group has at its disposal to further reduce liquidity risk. As a result of the transfer of the trade and assets of the Company, the Company has now ceased to trade.

The principal accounting policies adopted are set out as follows:

Exemption from consolidation

The Company is a wholly owned subsidiary of another company incorporated in the EU and in accordance with section 401 of the Companies Act 2006 is not required to produce consolidated accounts.

Goodwill

Goodwill arising on acquisition of trade and assets represents the excess of the cost of acquisition over the Company's interest at fair value of identifiable assets, liabilities and contingent liabilities. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill which is recognised as an asset is reviewed for impairment at least annually. Any impairment is recognised immediately in profit or loss and is not subsequently reversed.

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units (CGUs) that are expected to benefit from the synergies of the business combination.

Cash generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit, pro-rata on the basis of the carrying amount of each asset in the unit. Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units to which goodwill has been allocated. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates, property valuations and cash flow forecasts. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the cash generating units. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Notes to financial statements (continued)
For the year ended 26 December 2010

2. Significant accounting policies (continued)

Amortisation of trademarks

Amortisation is calculated so as to write-off the cost of trademarks, less its estimated residual value, over the useful economic life of the trademarks as follows

Trademarks - 5% straight-line

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents sales of goods and services in the normal course of business, net of applicable discounts, value added tax and other sales related taxes. Sales of goods are recognised when goods are delivered and title has passed. Concession income and rental income are accrued on a time basis and are recognised within 'other operating income'.

Operating loss

Operating loss is stated before investment income and finance costs

Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and any provision for impairment. Depreciation is provided on all property, plant and equipment, except land, at rates calculated to write-off the cost, less residual value of each asset on a straight-line basis over its expected useful life as follows

- Plant and equipment 10 - 33% of cost per annum
- Motor vehicles 25% of cost per annum
- Freehold buildings Over 50 years on cost or valuation less residual value
- Freehold land is not depreciated

The estimated residual values of assets are determined by the directors by reference to the ongoing review of the condition of the assets and consideration of other factors relevant to the market values excluding inflation. Annual impairment tests are performed on these properties.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Income statement. Assets held under finance leases are depreciated over the expected useful lives on the same basis as owned assets or, where shorter, over the relevant lease term.

Investments

Investments are stated at cost less any provision for impairment. Cost of investments includes costs directly attributable to their acquisition.

Impairment of assets (other than goodwill)

The Company reviews the carrying amounts of its tangible and intangible assets annually to determine whether those assets have suffered an impairment loss. If any such loss exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less disposal costs and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using the Company's weighted average cost of capital.

Blooms of Bressingham Limited

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Notes to financial statements (continued)

For the year ended 26 December 2010

2. Significant accounting policies (continued)**Impairment of assets (other than goodwill) (continued)**

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less costs to be incurred in marketing, selling and distribution.

Taxation

The tax expense represents the sum of the tax payable currently and deferred tax.

The corporation tax currently payable is based on taxable profit for the year at a rate of 28%. Taxable profit differs from profit before tax as reported in the Income statement because it excludes some items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the Balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the Balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each Balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the Income statement, except when it relates to items charged or credited to equity directly, in which case the deferred tax is also dealt with in equity.

Financial instruments

Financial assets and liabilities are recognised on the Company's Balance sheet when the Company becomes party to the contractual provisions of the instrument. The Company has determined the classes of financial assets and liabilities to be trade and other receivables, and trade and other payables.

Financial assets

Financial assets are assessed for indicators of impairment at each Balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Notes to financial statements (continued)
For the year ended 26 December 2010

2. Significant accounting policies (continued)

Financial assets (continued)

Objective evidence of impairment could include

- significant financial difficulty of the issuer or counterparty
- default in interest or principal payments
- it becoming probable that the borrower will enter bankruptcy

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectable, it is written-off against the allowance account.

Trade and other receivables

Trade and other receivables are measured at initial recognition at their fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated unrecoverable amounts are recognised in the Income statement when there is objective evidence that the asset is impaired.

Financial liabilities

Trade and other payables

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Company at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the Balance sheet as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs.

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

Exceptional items

Exceptional items are income or expenditure, which individually or, if of a similar type, in aggregate should, in the opinion of the directors, be disclosed by virtue of their size or nature if the financial statements are to give a true and fair view.

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Notes to financial statements (continued)
For the year ended 26 December 2010

2. Significant accounting policies (continued)

Share capital

Equity share capital represents the Ordinary shares issued by the Company and are recorded at the proceeds received less direct issue costs

Critical accounting judgments and key sources of estimation uncertainty

In the process of applying the Company's accounting policies which are described above, management have not made any significant judgements that effect on the amounts recognised in the financial statements

Depreciation and carrying amounts of property, plant and equipment

Calculating the depreciation charge and hence the carrying value for property, plant and equipment requires estimates to be made of the useful lives of the assets. The estimates are based on the Group's experience of similar assets. Details are set out earlier in note 2

3. Revenue

An analysis of the Company's revenue is as follows

	2010	2009
	£'000	£'000
Sales of goods	-	24,082
Other operating income	-	1,281
Investment income	-	41
	<u>-</u>	<u>25,404</u>

4. Business and geographical segments

For management purposes the Company has one class of business and all income is generated within the United Kingdom. Consequently the revenue, segment result, carrying amount of segment assets, segment liabilities, segment capital additions and segment depreciation are disclosed within these financial statements for the Company as a whole

5. Exceptional costs

The cost below is deemed to be non-recurring and have been disclosed separately to ensure the underlying performance of the business is clearly identified

Impairment charge – in the prior year the Company recognised an investment impairment charge of £3,117,000. Please refer to note 12

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Notes to financial statements (continued)
For the year ended 26 December 2010

6. Operating loss

Operating loss for the year has been arrived at after charging

	2010	2009
	£'000	£'000
Depreciation of property plant and equipment	89	1,078
Cost of inventories recognised as expense	-	12,086
Auditor's remuneration (see below)	-	-
Management recharge	99	-
	<u> </u>	<u> </u>

There were no non-audit fees in either year and audit fees for the year ended 26 December 2010 of £7,200 (2009 £12,000) were borne by another Group company

7. Staff costs

	2010	2009
	Number	Number
Selling	-	326
Administration	-	21
	<u> </u>	<u> </u>
	-	347

Their aggregate remuneration comprised

	2010	2009
	£'000	£'000
Wages and salaries	-	4,583
Social security costs	-	286
Other pension costs	-	108
	<u> </u>	<u> </u>
	-	4,977

All employees are employed by The Garden Centre Group Holdings Limited, another company in the Group, and as a result of the transfer of trade and assets, no recharge occurred in 2010

The Directors, who are key management personnel of the Company are not remunerated by the Company but are remunerated by the Group. During 2010, the key management personnel received the following remuneration

	2010	2009
	£'000	£'000
Emoluments	761	913
Compensation for loss of office	-	133
Company contributions to defined contribution schemes	92	98
	<u> </u>	<u> </u>
	853	1,144

Directors' emoluments include an unallocated bonus provision of £nil (2009 £993,000)

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Notes to financial statements (continued)
For the year ended 26 December 2010

7. Staff costs (continued)

At 26 December 2010, retirement benefits were accruing to £nil (2009 £nil) for directors under the defined benefit scheme. The number of directors who were members of pension schemes during the year was as follows

	2010 Number	2009 Number
Defined contribution schemes	<u>4</u>	<u>6</u>

Highest paid director

The above amounts include the following in respect of the highest paid director

	2010 £'000	2009 £'000
Emoluments	360	771
Company contributions to defined contribution schemes	<u>49</u>	<u>49</u>
	<u>409</u>	<u>820</u>

The accrued pension entitlement under the Company's defined benefit schemes of the highest paid director at 26 December 2010 was £nil (2009 £nil)

8. Finance costs

	2010 £'000	2009 £'000
Inter-company interest payable	<u>-</u>	<u>181</u>
	<u>-</u>	<u>181</u>

9. Tax

	2010 £'000	2009 £'000
Deferred tax		
Adjustment in respect of prior year	<u>-</u>	<u>90</u>
Total deferred tax	<u>-</u>	<u>90</u>
Total tax charge	<u>-</u>	<u>90</u>

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Notes to financial statements (continued)
For the year ended 26 December 2010

9. Tax (continued)

The charge for the year can be reconciled to the loss per the Income statement as follows

	2010	2009
	£'000	£'000
Loss before tax	<u>(188)</u>	<u>(2,606)</u>
Tax at the UK corporation tax rate of 28% (2009 28%)	(53)	(730)
Group Relief	28	-
Prior year losses recognised	-	(277)
Impairment	-	873
Adjustment in respect of prior year - deferred tax	-	90
Non-qualifying depreciation	<u>25</u>	<u>134</u>
Tax charge for the period	<u>-</u>	<u>90</u>

10. Intangible assets

	Goodwill	Trademarks	Total
	£'000	£'000	£'000
Cost			
At 28 December 2008	568	44	612
Transfer to Group undertakings	<u>(568)</u>	<u>(44)</u>	<u>(612)</u>
At 27 December 2009 and 26 December 2010	<u>-</u>	<u>-</u>	<u>-</u>
Amortisation and impairment			
At 28 December 2008	201	22	223
Transfer to Group undertakings	<u>(201)</u>	<u>(22)</u>	<u>(223)</u>
At 27 December 2009 and 26 December 2010	<u>-</u>	<u>-</u>	<u>-</u>
Carrying amount			
At 27 December 2009 and 26 December 2010	<u>-</u>	<u>-</u>	<u>-</u>

Goodwill

The Company tests goodwill for impairment annually or more frequently, if there are indications that investments might be impaired

Trademarks

The trademarks related to the brand name 'Blooms'

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Notes to financial statements (continued)
For the year ended 26 December 2010

11. Property, plant and equipment

	Land and buildings £'000	Plant and equipment £'000	Motor vehicles £'000	Total £'000
Cost or valuation:				
At 28 December 2008	20,200	3,517	135	23,852
Additions	71	903	-	974
Reclassification	(557)	557	-	-
Transfer to Group undertakings	-	(4,977)	(135)	(5,112)
At 27 December 2009	19,714	-	-	19,714
Dividend in Specie (Refer to Note 18)	(19,714)	-	-	(19,714)
At 26 December 2010	-	-	-	-
Accumulated depreciation:				
At 28 December 2008	3,031	1,855	116	5,002
Charge for the year	534	525	19	1,078
Reclassification	(103)	103	-	-
Transfer to Group undertakings	-	(2,483)	(135)	(2,618)
At 27 December 2009	3,462	-	-	3,462
Charge for the year	89	-	-	89
Dividend in Specie (Refer to Note 18)	(3,551)	-	-	(3,551)
At 26 December 2010	-	-	-	-
Carrying amount:				
At 26 December 2010	-	-	-	-
At 27 December 2009	16,252	-	-	16,252

The Company does not have any assets held under finance leases

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Notes to financial statements (continued)
For the year ended 26 December 2010

12. Investments

	£'000
Cost	
At 28 December 2008	2,296
Additions	821
At 27 December 2009 and 26 December 2010	<u>3,117</u>
Accumulated impairment	
At 28 December 2008	-
Impairment charge	3,117
At 27 December 2009 and 26 December 2010	<u>3,117</u>
Carrying Amount	
At 26 December 2010	<u>-</u>
At 27 December 2009	<u>-</u>

A list of the significant investments in subsidiaries, including the name, country of incorporation, proportion of ownership interest is shown below

Name	Country of incorporation	Percentage holding
Blooms New Plants Limited	UK	100%
Gardeneasy com Limited (indirect)	UK	100%

13. Other receivables

	2010	2009
	£'000	£'000
Amounts owed by Group undertakings	<u>-</u>	<u>13,627</u>
	<u>-</u>	<u>13,627</u>

The directors consider that the carrying amount of the other receivables approximates their fair value. Provision for doubtful receivables is not considered to be material. No interest is charged on the amounts owed by Group undertakings.

Credit risk

The Company's principal financial assets were cash and trade and other receivables, which represented the Company's maximum exposure to credit risk in relation to financial assets.

The Company's credit risk was primarily attributable to trade and other receivables. The amounts presented in the Balance sheet were net of allowances for doubtful receivables, estimated by the Company's management based on prior experience and their assessment of the economic environment.

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Notes to financial statements (continued)
For the year ended 26 December 2010

13. Other receivables (continued)

The doubtful receivables are not material and therefore no further disclosures are provided in relation to overdue unimpaired receivables. The directors consider the credit risk attached to amounts receivable from Group undertakings to be immaterial.

14. Deferred Tax

The following are the major deferred tax liabilities and assets recognised by the Company and movements thereon during the current and prior reporting period.

2010	Short-term timing differences £'000	Accelerated capital allowances £'000	Total £'000
At 27 December 2009	-	164	164
Transfer to Group Undertaking	-	(164)	(164)
At 26 December 2010	-	-	-

2009	Short-term timing differences £'000	Accelerated capital allowances £'000	Unutilised losses £'000	Total £'000
At 29 December 2008	(73)	469	(396)	-
Adjustment in respect of prior years	73	(379)	396	90
Transfer from Group undertaking	-	74	-	74
At 27 December 2009	-	164	-	164

The Company does not have any unrecognised deferred tax.

15. Other payables

	2010 £'000	2009 £'000
Amounts owed to Group undertakings	-	10,402
	-	10,402

The directors consider that the carrying amount of the trade and other payables approximate their fair value.

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Notes to financial statements (continued)
For the year ended 26 December 2010

16. Share capital

	2010 £'000	2009 £'000
Authorised:		
35,000,000 Ordinary shares of 10p each	3,500	3,500
	2010 £'000	2009 £'000
Allotted, issued and fully paid:		
9 Ordinary shares of 10p each	-	-

17. Reserves

	Share premium £'000	Restated Capital contribution reserves £'000	Restated Retained earnings £'000
Balances at 28 December 2008	4,500	12,983	1,331
Total comprehensive expense	-	-	(2,696)
Reduction in share capital	-	-	3,195
Reduction in share premium	(4,500)	-	4,500
Balances at 27 December 2009 (as stated)	-	12,983	6,330
Reduction Capital contribution reserves	-	(12,983)	12,983
Balances at 27 December 2009 (as restated)	-	-	19,313
Total comprehensive expense	-	-	(188)
Dividend in Specie	-	-	(19,125)
Balances at 26 December 2010	-	-	-

The comparative figures for the prior year have been restated to reflect the impact of the resolution dated 19 November 2009 to cancel the capital contribution reserve and transfer the balance to retained earnings which was incorrectly omitted from the 2009 financial statements. There is no impact on total equity or the statement of other comprehensive income or cashflow statement, of the restatement.

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Notes to financial statements (continued)
For the year ended 26 December 2010

18. Dividend in specie

On 01 March 2010, as a result of Group corporate simplification exercise, the Company distributed following items to Blooms of Bressingham Holdings Limited via a dividend in specie

	2010 £'000
Amounts owed to Group undertakings	2,962
Land and Buildings	16,163
	<u>19,125</u>

19. Notes to the Cash flow statement

	2010 £'000	2009 £'000
Operating loss from discontinued operations	(188)	(2,466)
Adjustments for		
Depreciation of plant and equipment	89	1,078
Exceptional non-cash items	-	3,117
Bad debt write-off	-	71
	<u>(99)</u>	<u>1,800</u>
Operating cash flows before movements in working capital		
Increase in inventories	-	(648)
Decrease in receivables	99	7,609
Decrease in payables	-	(8,875)
	<u>99</u>	<u>(1,914)</u>
Cash generated by/(used in) operations		
	<u>-</u>	<u>(114)</u>

Cash

For the purposes of the Cash flow statement, cash comprises the following Balance sheet amounts

	2010 £'000	2009 £'000
Cash at bank	<u>-</u>	<u>-</u>

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Notes to financial statements (continued)
For the year ended 26 December 2010

20. Operating lease arrangements

The Company as lessee

	2010	2009
	£'000	£'000
Minimum lease payments under operating leases recognised in the Income statement for the year	-	2,756

At the Balance sheet date, the Company had outstanding commitments for the future minimum lease payments under non-cancellable operating leases which fall due as follows

	2010	2009
	£'000	£'000
Within one year	-	2,756
In the second to fifth years inclusive	-	11,349
After five years	-	66,100
	-	80,205

The operating lease has been transferred to The Garden Centre Group Holding Limited, another member company of the Group

21. Remuneration of key management personnel and related party transactions

The directors of the Company who are also the key management personnel are not remunerated by the Company. They are instead remunerated by the Group. The remuneration is set out in aggregate for each of the categories specified in IAS 24 Related Party Disclosures in note 7.

Trading transactions

During the year, the Company was charged £nil (2009 £nil) from another Group undertaking, in relation to notional rent for freehold premises and £nil (2009 £858,000) in relation to the management charges.

At 26 December 2010, the Company was owed £nil (2009 £13,625,000) from other Group undertakings.

At 26 December 2010, the Company owed £nil (2009 £10,402,000) to other Group undertakings.

During the year the Company transferred its' freehold land and buildings and amounts owed or due from other Group companies to Blooms of Bressingham Holdings Limited via a dividend in specie.

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Notes to financial statements (continued)
For the year ended 26 December 2010

22. Ultimate parent undertaking and controlling party

The Company's immediate parent undertaking is Blooms of Bressingham Holdings Limited, a Company registered in England and Wales

The Company's ultimate parent undertaking and controlling party and the only Group into which the results of the Company are consolidated is The Garden Centre Group Limited, a company registered in Scotland

23. Financial instruments disclosure

Capital risk management

The Company managed its capital by ensuring that it had no debt. The capital structure of the Company consists of equity attributable to equity holders of the parent, reserves and retained earnings as disclosed in notes 16 and 17. The equity includes all capital and reserves of the Company attributable to equity holders of the parent.

Externally imposed capital requirement

The Company is not subject to externally imposed capital requirements.

Financial liabilities analysed by maturity

All legal contracts for leased assets have been transferred to The Garden Centre Group Holdings Limited.

Financial risk management objectives

The Company monitors and manages the financial risks relating to its operations through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include credit risk and liquidity risk.

The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the company. The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. This information is supplied by independent rating agencies where available and if not available the company uses other publicly available financial information and its own trading records to rate its major customers.

The Company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Company defines counterparties as having similar characteristics if they are connected entities.