Blooms of Bressingham Limited

Report and Financial Statements

27 December 2009

Registered Company Number: 03659183

Blooms of Bressingham Limited
(Registered number· 03659183)

Report and financial statements 2009

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Officers and professional advisors

Directors

Antonia Jenkinson
David Pierpoint
Nicholas Marshall
Richard Kozlowski

Company Secretary

Antonia Jenkinson

Registered Office

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

Auditors

Deloitte LLP
Chartered Accountants and Statutory Auditors
Birmingham
United Kingdom

Blooms of Bressingham Limited
(Registered number· 03659183)

Report and financial statements 2009

Directors' report

The directors present their annual report and the audited financial statements of Blooms of Bressingham Limited ("the Company") for the year ended 27 December 2009 The results of the Company are consolidated into The Garden Centre Group Limited (formerly West Coast Capital (Hortis) 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 principal activity of the Company until November 2009 was that of garden centre operators The trade and assets of the Company (excluding the freehold land and buildings and amounts owed to or due from other Group companies) were transferred to The Garden Centre Group Trading Limited (formerly Wyevale (Leisure) Centres Limited) on 19 November 2009 and these accounts represent eleven months of trading

The Group operates in a competitive market which is a continuing risk and may result in sales being lost to competitors The Group manages this risk by aiming to provide value for money and good customer service

Sales for the year ended 27 December 2009 were £24 1 million (2008 £26 7 million) Gross margin was 49 8% as compared to 45 8% reported for the year to 28 December 2008

Operating profit before exceptional costs was £0 7 million (2008 operating loss of £0 9 million) Operating loss after exceptional costs was £2 5 million (2008 £0 9 million)

Finance costs were £0 2million (2008 £0 5 million)

Loss before tax was £2 6 million (2008 £1 4 million)

No dividends were paid in the year (2008 £nil)

Net assets at 27 December 2009 were £19 3 million (2008 £19 5 million)

The Company's business continued to develop during the year The Company monitored its performance using a range of KPIs The Directors considered the main KPI to be operating profit margin Performance on this measure was in-line with the expectations of the Board The Company also monitored staff turnover which at 1 5% was very low (2008 1 5%)

Going concern
On 19 November 2009, the Company ceased trading and all of the trade and assets (excluding the freehold land and buildings and amounts owed to or due from other Group companies) were transferred to The Garden Centre Group Trading Limited The financial statements have therefore been prepared on a basis other than that of a going concern which includes, where appropriate, the writing-down of the Company's assets to net realisable value The financial statements do not include any provision for the future costs of terminating the business of the Company except to the extent that such were committed at the Balance sheet date

Directors' report (continued)

Fmancial risk management objectives and pohcies
The dırectors managed lıquıdıty rısk by maıntaınıng adequate reserves, bankıng facılıtıes and reserve borrowıng facılıtıes ın the Group, by monıtorıng forecast and actual cash flows contınuously and matchıng the maturıty profiles of borrowıngs and undrawn facılıtıes that the Group has at ıts dısposal to further reduce lıquıdıty rısk As a result of the transfer of the trade and assets (excludıng the freehold land and buıldıngs and amounts owed or due from other Group companıes) of the Company, the Company has now ceased to trade

Donations
The Company made £nıl donatıons to charıtable organısatıons durıng the year (2008 £nıl)

Policy on payment of supphers
The Groups' polıcy concernıng the payment of supplıers ıs to agree terms of payment at the start of busıness wıth each supplıer and to adhere to these terms ın accordance wıth the contractual oblıgatıons Trade credıtors for the Group at 27 December 2009 represented 62 days of annual purchases (2008 54 days)

Directors
The dırectors who served durıng the year and subsequently were as follows

Antonıa Jenkınson (appoınted 24/02/09)
Davıd Pıerpoınt (appoınted 12/02/09)
Nıcholas Marshall (appoınted 24/02/09)
Peter Brıgden (resıgned 20/03/09)
Rıchard Kozlowskı (appoınted 24/04/09)
Wıllıam Lıvıngston (resıgned 12/02/09)

Disclosure of information to auditors
Each of the persons who ıs a dırector at the date of approval of thıs report confırms that
(1) so far as the dırector ıs aware, there ıs no relevant audıt ınformatıon of whıch the Company's audıtors are unaware, and
(2) the dırector has taken all the steps that he/she ought to have taken as a dırector ın order to make hımself/herself aware of any relevant audıt ınformatıon and to establısh that the Company's audıtors are aware of that ınformatıon

Thıs confırmatıon ıs gıven and should be ınterpreted ın accordance wıth the provısıons of sectıon 418 of the Companıes Act 2006

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Directors' report (continued)

Auditors
Deloitte LLP have expressed their willingness to continue in office as auditors A resolution to reappoint them will be proposed at the forthcoming Annual General Meeting

Approved by the Board of Directors on 31 March 2010 and signed on behalf of the Board

Richard Kozlowski
Director

Blooms of Bressingham Limited
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Directors' responsibilities statement

The dırectors are responsıble for preparıng the financıal statements ın accordance wıth applıcable law and regulatıons

Company law requıres the dırectors to prepare financıal statements for each financıal year Under that law the dırectors have elected to prepare the financıal statements ın accordance wıth Internatıonal Fınancıal Reportıng Standards (IFRSs) as adopted by the European Unıon Under company law the dırectors must not approve the financıal statements unless they are satısfied that they gıve a true and faır vıew of the state of affaırs of the Company and of the loss of the Company for that perıod In preparıng these financıal statements, Internatıonal Accountıng Standard 1 requıres that dırectors

- properly select and apply accountıng polıcıes,
- present ınformatıon, ıncludıng accountıng polıcıes, ın a manner that provıdes relevant, relıable, comparable and understandable ınformatıon,
- provıde addıtıonal dısclosures when complıance wıth the specıfic requırements ın IFRSs are ınsuffıcıent to enable users to understand the ımpact of partıcular transactıons, other events and condıtıons on the entıty's financıal posıtıon and financıal performance, and
- make an assessment of the Company's abılıty to contınue as a goıng concern

The dırectors are responsıble for keepıng adequate accountıng records that are suffıcıent to show and explaın the Company's transactıons and dısclose wıth reasonable accuracy at any tıme the financıal posıtıon of the Company and enable them to ensure that the financıal statements comply wıth the Companıes Act 2006 They are also responsıble for safeguardıng the assets of the Company and hence for takıng reasonable steps for the preventıon and detectıon of fraud and other ırregularıtıes

Independent auditors' report to the members of Blooms of Bressingham Limited

We have audited the financial statements of Blooms of Bressingham Limited for the year ended 27 December 2009 which comprise the Income statement, the Statement of recognised income and expense, the Balance sheet, the Cash flow statement and the related notes 1 to 25 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 auditors' 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 auditors

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 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 (APB'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 27 December 2009 and of the Company's loss for the year then ended,
- the financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006

Emphasis of matter - financial statements prepared on basis other than that of a going concern

In forming our opinion on the financial statements, which is not qualified, 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

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

Independent auditors' report to the members of Blooms of Bressingham Limited (continued)

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 by the Company, or returns adequate for our audit have not been received from branches not visited by us, or
- the Company 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 Auditors
Birmingham, United Kingdom
21 April 2010

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Income statement
For the year ended 27 December 2009

	Notes	Year ended Dec-09 £'000	Year ended Dec-08 £'000
Revenue	2,3,4	24,082	26,687
Cost of sales		(12,086)	(14,468)
Gross profit		11,996	12,219
Sales & distribution costs		(15,743)	(14,296)
Exceptional items included within sales & distribution cost			
Investment impairment	5	(3,117)	-
Other operating income	3	1,281	1,133
Operating loss	6	(2,466)	(944)
Investment income	3	41	53
Finance costs	8	(181)	(534)
Loss before tax		(2,606)	(1,425)
Tax on loss on ordinary activities	9	(90)	(57)
Loss for the financial period		(2,696)	(1,482)

All results are from discontinued operations

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Statement of recognised income and expense
For the year ended 27 December 2009

	Notes	Year ended Dec-09 £'000	Year ended Dec-08 £'000
Loss for the year		(2,696)	(1,482)
Total recognised income and expense for the year	19	(2,696)	(1,482)
Attributable to:			
Equity holders of the parent		(2,696)	(1,482)

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Balance sheet
As at 27 December 2009

	Notes	2009 £'000	2008 £'000
Non-current assets			
Intangible assets	10	-	389
Property, plant and equipment	11	16,252	18,850
Investments	12	-	2,296
		16,252	21,535
Current assets			
Inventories	13	-	2,183
Trade and other receivables	14	13,627	15,460
Cash	15	-	1,228
		13,627	18,871
Total assets		29,879	40,406
Current liabilities			
Trade and other payables	17	(10,402)	(20,861)
Net current assets/(liabilities)		3,225	(1,990)
Non-current liabilities			
Deferred tax	16	(164)	-
Net Assets		19,313	19,545
Equity			
Share capital	18	-	731
Share premium	19	-	4,500
Retained earnings	19	6,330	1,331
Reserves	19	12,983	12,983
Total Equity		19,313	19,545

The financial statements were approved by the Board of Directors and authorised for issue on 31 March 2010 They were signed on its behalf by

Richard Kozlowski
Director

Blooms of Bressingham Limited
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Cash flow statement
For the year ended 27 December 2009

	Notes	2009 £'000	2008 £'000
Net cash used in operating activities	21	(114)	(831)
Investing activities			
Interest received		41	53
Purchases of property, plant and equipment		(974)	(741)
Net cash used in investing activities		(933)	(688)
Financing activities			
Interest paid		(181)	(8)
Net cash used in financing activities		(181)	(8)
Net decrease in cash and cash equivalents		(1,228)	(1,527)
Cash at the beginning of period	21	1,228	2,755
Cash at the end of period	21	-	1,228

Notes to financial statements
For the year ended 27 December 2009

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 29 December 2008 to 27 December 2009

Adoption of new and revised standards

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

- Amendments to various standards arising from annual improvements issued in April 2009
- IFRS 2 Share based payments cash settled transactions
- IFRS 7(amendment) Improving Disclosures about Financial Instruments
- IAS 1 (revised 2007) Presentation of Financial Statements
- IAS 24 Related party Disclosures
- IAS 27 (revised 2008) Amendments arising from amendments to IFRS 3
- IAS 31 (revised 2008) Amendments arising from amendments to IFRS 3
- IAS 32 (revised 2009) Amendments relating to classification of rights issues
- IFRS 9 Financial Instruments
- Improvements to IFRS's

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

In the current financial year, the Group has adopted "IFRS 8 Operating Segments", IFRIC 13 "Customer Loyalty Programmes" and IFRIC 14 "IAS 19 – The limit on a defined benefit asset" The adoption of these standards has not led to any changes in the groups accounting policies

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 27 December 2009 (2008 28 December 2008) as it is not more than 7 days after or before the end of the year dated 31 December 2009 (2008 31 December 2008)

2. Significant accounting policies (continued)

Going concern
On 19 November 2009, the Company ceased trading and all of the trade and assets (excluding the freehold land and buildings and amounts owed to or due from other Group companies) were transferred to The Garden Centre Group Trading Limited The financial statements have therefore been prepared on a basis other than that of a going concern which includes, where appropriate, the writing-down of the Company's assets to net realisable value The financial statements do not include any provision for the future costs of terminating the business of the Company except to the extent that such were committed at the Balance sheet date

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 228 of the Companies Act 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

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

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

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 irrecoverable 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 27 December 2009

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 judgements and key sources of estimation uncertainty

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

Tax provisions
Assessing the outcome of uncertain tax positions requires judgments to be made regarding the result of negotiations with and enquiries from tax authorities The assessments made are based on advice from independent tax advisers and the status of on-going discussions with the relevant tax authorities

3. Revenue

An analysis of the Company's revenue is as follows

	2009	2008
	£'000	£'000
Sales of goods	24,082	26,687
Other operating income	1,281	1,133
Investment income	41	53
	25,404	27,873

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 - the Company recognised an investment impairment charge of £3,117,000 (2008 £nil) during the year Please refer to note 12

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Notes to financial statements (continued)
For the year ended 27 December 2009

6. Operating loss

Operating loss for the year has been arrived at after charging

	2009 £'000	2008 £'000
Depreciation of property plant and equipment	1,078	1,056
Cost of inventories recognised as expense	12,086	13,649
Inventory written-down	-	819
Auditors' remuneration (see below)	-	12
Operating lease costs		
Land and buildings	-	1,025

There were no non-audit fees in either period and audit fees for the year ended 27 December 2009 of £12,000 (2008 £12,000) were borne by another Group company in the current year only

7. Staff costs

The average monthly number of employees was

	2009 Number	2008 Number
Selling	326	367
Administration	21	23
	347	390

Their aggregate remuneration comprised	2009 £'000	2008 £'000
Wages and salaries	4,583	5,366
Redundancy costs	-	3
Social security costs	286	372
Other pension costs	108	5
	4,977	5,746

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 will occur in the future

The key management personnel of the Company are not remunerated by the Company but are remunerated by the Group During 2009, the key management personnel received the following remuneration

	2009 £'000	2008 £'000
Emoluments	2,664	1,061
Compensation for loss of office	133	153
Company contributions to defined contribution schemes	157	79
	2,954	1,293

Directors' emoluments include an unallocated bonus provision of £993,000 (2008 £nil)

7. Staff costs (continued)

At 27 December 2009, retirement benefits were accruing to £nil (2008 £nil) for directors under the defined benefit scheme The number of directors who were members of pension schemes during the year was as follows

	2009 Number	2008 Number
Defined contribution schemes	7	4

Highest paid director

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

	2009 £'000	2008 £'000
Emoluments	771	193
Compensation for loss of office	-	153
Company contributions to defined contribution schemes	49	-
	820	346

The accrued pension entitlement under the Company's defined benefit schemes of the highest paid director at 27 December 2009 was £nil (2008 £nil)

8. Finance costs

	2009 £'000	2008 £'000
Inter-company interest payable	181	526
Bank charges	-	8
	181	534

9. Tax

	£'000	£'000
Current tax		
UK corporation tax	-	-
Group relief receivable	-	-
Adjustment in respect of prior year	-	57
Total current tax	-	57
Deferred tax (note 16)		
Current year	-	-
Adjustment in respect of prior year	90	-
Total deferred tax	90	-
Total tax charge	90	57

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Notes to financial statements (continued)
For the year ended 27 December 2009

9. Tax (continued)

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

	£'000	£'000
Loss before tax	(2,606)	(1,425)
Tax at the UK corporation tax rate of 28% (2008 28 5%)	(730)	(406)
Tax effect of expenses that are not deductible in determining taxable profit	-	(2)
Losses carried forward not recognised	-	206
Prior year losses recognised	(277)	(8)
IBA abolished	-	68
Impairment	873	-
Adjustment in respect of prior year - deferred tax	90	-
Adjustment in respect of prior year - corporation tax	-	58
Non-qualifying depreciation	134	141
Tax charge for the period	90	57

10. Intangible assets

	Goodwill £'000	Trademarks £'000	Total £'000
Cost			
At 30 December 2007, 28 December 2008 and 27 December 2009	568	44	612
Amortisation and impairment			
At 30 December 2007 and 28 December 2008	201	22	223
Transfer to Group undertakings (refer to note 20)	367	22	389
At 27 December 2009	568	44	612
Carrying amount			
At 28 December 2008	367	22	389
At 27 December 2009	-	-	-

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Notes to financial statements (continued)
For the year ended 27 December 2009

10. Intangible assets (continued)

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

The recoverable value has been determined from an assessment of the underlying value of the assets held by the subsidiary companies

Trademarks
The trademarks relates to the brand name 'Blooms'

11. Property, plant and equipment

	Land and buildings £'000	Plant and equipment £'000	Motor vehicles £'000	Total £'000
Cost or valuation:				
At 30 December 2007	19,937	3,018	135	23,090
Additions	263	499	-	762
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
Accumulated depreciation:				
At 30 December 2007	2,458	1,401	87	3,946
Charged during the year	573	454	29	1,056
At 28 December 2008	3,031	1,855 -	116	5,002
Charge for the period	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
Carrying amount:				
At 27 December 2009	16,252	-	-	16,252
At 28 December 2008	17,169	1,662	19	18,850

The carrying amount of the land and buildings includes an amount of £nil (2008 £nil) in respect of assets held under finance leases, these assets are not depreciated

12. Investments

	£'000
Cost	
At 30 December 2007and 28 December 2008	2,296
Additions	821
At 27 December 2009	3,117
Accumulated impairment	
At 30 December 2007and 28 December 2008	-
Impairment charge	3,117
At 27 December 2009	3,117
At 27 December 2009	-
At 28 December 2008	2,296

During the year, the Company purchased shares in its subsidiary Company, Blooms Garden Centres Limited, for a consideration of £821,000 The company was subsequently transferred to another Group undertaking and as a result the investment has been impaired

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%
Blooms Garden Centres Limited	UK	100%
Gardeneasy com Limited (indirect)	UK	100%
Blooms Properties Limited Partnership (indirect)	UK	50%

13. Inventories

	2009 £'000	2008 £'000
Finished goods	-	2,166
Consumables	-	17
	-	2,183

The replacement cost of inventories did not differ significantly from the above amount at the Balance sheet date

14. Trade and other receivables

	2009 £'000	2008 £'000
Trade receivables	-	504
Other receivables	-	357
Prepayments and accrued income	-	397
Corporation tax	2	2
Amounts owed by Group undertakings	13,625	14,200
	13,627	15,460

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 are cash and trade and other receivables, which represent the Company's maximum exposure to credit risk in relation to financial assets The Company's credit risk is primarily attributable to trade and other receivables The amounts presented in the Balance sheet are net of allowances for doubtful receivables, estimated by the Company's management based on prior experience and their assessment of the current economic environment

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

Liquidity Risk
Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities in the Group in which the Company is a member, by monitoring forecast and actual cash flows continuously and matching profiles of borrowing and undrawn facilities that the Group has at its disposal to further reduce liquidity risk

15. Cash

	£'000	£'000
Cash in hand and at bank	-	1,228

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Notes to financial statements (continued)
For the year ended 27 December 2009

16. 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

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

2008

	Short-term timing differences £'000	Accelerated capital allowances £'000	Unutilised losses £'000	Total £'000
At 30 December 2007	(1)	362	(361)	-
Adjustment in respect of prior years	(72)	99	(27)	-
Current year charge	-	8	(8)	-
At 28 December 2008	(73)	469	(396)	-

The amounts unprovided for deferred taxation are set out below

	2009 £'000	2008 £'000
The Company has the following unrecognised deferred tax asset		
Losses not recognised	-	1,068
	-	1,068

The asset is not recognised due to the uncertainty of the period over which the losses will be utilised

Notes to financial statements (continued)
For the year ended 27 December 2009

17. Trade and other payables

	2009 £'000	2008 £'000
Current liabilities		
Trade payables	-	2,562
Amounts owed to Group undertakings	10,402	16,000
Other payables	-	1,068
Accruals and deferred income	-	1,231
	10,402	20,861

The directors consider that the carrying amount of the trade and other payables approximate their fair value Interest is charged on amounts due to Group undertakings at a rate of 2 7% (2008 7 5%)

18. Share capital

	2009 £'000	2008 £'000
Authorised:		
7,310,339 Ordinary shares of 10p each	-	731
35,000,000 Ordinary shares of 10p each	3,500	-
	3,500	731

Allotted, issued and fully paid:	2009 £'000	2008 £'000
7,310,339 Ordinary shares of 10p each	-	731
9 Ordinary shares of 10p each	-	-
	-	731

During the year the share capital of the Company was altered as follows

- 24 February 2009, the Company issued 24,640,870 Ordinary shares for 10p each
- 20 November 2009, the share capital was reduced via a solvency statement (Companies Act 2006) by 31,951,200 of 10p each

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Notes to financial statements (continued)
For the year ended 27 December 2009

19. Reserves

	Share premium £'000	Retained earnings £'000	Capital contribution reserves £'000
Balances at 30 December 2007	4,500	2,813	12,983
Total recognised income and expense	-	(1,482)	-
Balances at 28 December 2008	4,500	1,331	12,983
Total recognised income and expense	-	(2,696)	-
Reduction in share capital	-	3,195	-
Reduction in share premium	(4,500)	4,500	-
Balances at 27 December 2009	-	6,330	12,983

On 20 November 2009, the Company reduced its share premium via a solvency statement (Companies Act 2006)

20. Disposal of trade and assets

On 19 November 2009, the Company transferred its trade and assets (excluding the freehold land and buildings and amounts owed to or due from other Group companies) to The Garden Centre Group Trading Limited via an inter-company transfer

	22-Nov-09 £'000
Plant and equipment	2,494
Intangible assets	389
Inventories	2,831
Trade receivables	232
Other receivables	441
Bank and cash balances	331
Trade payables	(5,631)
Other payables	(2,717)
	(1,630)
Total consideration	1,630
Satisfied by	
Inter-company loan	1,630
Net cash outflow arising on disposal	
- Cash and cash equivalent transferred	331

There was no cash consideration

21. Notes to the Cash flow statement

	2009 £'000	2008 £'000
Operating loss from discontinued operations	(2,466)	(944)
Adjustments for		
Depreciation of plant and equipment	1,078	1,056
Exceptional non-cash items	3,117	-
Bad debt write-off	71	-
Operating cash flows before movements in working capital	1,800	112
(Increase)/decrease in inventories	(648)	591
Decrease/(increase) in receivables	7,609	(14,061)
(Decrease)/increase in payables	(8,875)	12,527
Cash used in operations	(1,914)	(943)
Net cash outflow from operating activities	(114)	(831)

Cash

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

	2009 £'000	2008 £'000
Cash at bank	-	1,228

22. Operating lease arrangements

The Company as lessee

	2009 £'000	2008 £'000
Minimum lease payments under operating leases recognised in the Income statement for the year	2,756	2,725

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

	2009 £'000	2008 £'000
Within one year	2,756	2,725
In the second to fifth years inclusive	11,349	11,219
After five years	66,100	60,265
	80,205	74,209

Operating lease payments represent rentals payable by the Company for Bicester and Cardiff garden centres The leases held expire on May 2057 and September 2032 respectively

23. 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 Please refer to note 20 for details of the inter-group transfer of the trade and assets of the Company

Trading transactions
During the year, the Company was charged £nil (2008 £285,000) from another Group undertaking, in relation to notional rent for freehold premises and £858,000 (2008 £1,053,000) in relation to the management charges

At 27 December 2009, the Company was owed £13,625,000 (2008 £14,200,000) from other Group undertakings

At 27 December 2009, the Company owed £10,402,000 (2008 £16,000,000) to other Group undertakings

During the year the Company transferred its trade and assets (excluding the freehold land and buildings and amounts owed or due from other Group companies) to The Garden Centre Group Trading Limited via an inter-company transfer

24. 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

25. 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 18 and 19

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

27 December 2009	**Trade payables £'000**	**Other payables £'000**
Due within one year	-	-
	-	-

28 December 2008	**Trade payables £'000**	**Other payables £'000**
Due within one year	2,562	1,068
	2,562	1,068

All legal titles in leased assets have been transferred to The Garden Centre Group Trading Limited

Financial risk management objectives

The Company monitors and manages the financial risks relating to its operations through internal risk reports which analyses 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

25. Financial instruments disclosure (continued)

Credit risk management

Credit risk refers to the risk that a 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

Guarantees

The assets of this Company are used as cross-collateral for external borrowings for the following Group undertakings

- Garden Centre Holdings Limited
- Wyevale Acquisitions Borrower Limited