

Company Registration No. 07731420 (England and Wales)

HILLVIEW GARDEN CENTRES (REDDITCH) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019

HILLVIEW GARDEN CENTRES (REDDITCH) LIMITED

COMPANY INFORMATION

Director	P Stubbs	(Appointed 19 December 2019)
Company number	07731420	
Registered office	Brigg Garden Centre Bigby High Road Brigg DN20 9HE	
Auditor	BHP LLP Rievaulx House 1 St Mary's Court Blossom Street York North Yorkshire YO24 1AH	

HILLVIEW GARDEN CENTRES (REDDITCH) LIMITED

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HILLVIEW GARDEN CENTRES (REDDITCH) LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2019

The director presents her strategic report for the Period ended 31 December 2019.

Fair review of the business

During the period under review the principal activity of the company was that of garden centre retailers, operating centres from its own premises and at premises owned by its fellow subsidiaries of Hillview Garden Centres Limited.

The company's key financial and other performance indicators during the period were as follows:

Turnover	£5,727,354
Gross profit margin	40.1%
Profit before tax	£5,273,719

Other performance indicators such as footfall per centre and average spend per customer are monitored closely by the Director.

On 19 December 2019 the ownership of the company was transferred from Hillview Garden Centres Limited to BGC South Ltd, who completed a transaction to acquire 100% of the shares in the company and also 100% of the shareholdings in the other subsidiaries. Further details on the impact on the basis of preparation of the accounts for this period of this transaction is set out in note 1.2.

The trade and assets of the company, with the exception of the property, were subsequently hived up to BGC South Ltd on 31 October 2020.

Principal risks and uncertainties

Reflecting everything noted above, the nature of the company's trade has changed to that of a company that now holds property on behalf of its parent, BGC South Limited. Consequently, the principal risks and uncertainties to the business are considered to be those that impact directly on the trading of BGC South Ltd, including:

Global pandemic – Covid-19

The impact of Covid-19 was felt during the period ended 31 December 2020 and has continued to be felt beyond the period end with the national lockdown continuing to place restrictions on trading operations along with the enforced closure of the restaurants. Whilst the UK Government has set out a roadmap that is intended to allow the reopening in full of all retail and hospitality, this ongoing situation is being monitored closely by the Director and the threat of restrictions being reintroduced does present an ongoing risk.

Weather risk

One of the principal risks to the trading of garden centres is the weather. Adverse weather can impact on footfall and sales of certain product lines at key trading times of the year. The Director is aware that BGC South Ltd diversifies its product offering and attractions to mitigate and spread this risk as far as able.

Supply chain risk

BGC South Ltd maintains strong relationships with its key suppliers with the Director regularly reviewing trading terms and monitoring alternative supply options.

National wage legislation

BGC South Ltd has a substantial number of employees and payroll costs is its largest overhead. The Director is aware that staffing levels are monitored on a daily basis in line with other factors such as the weather and expected footfall and staff numbers are adjusted accordingly.

HILLVIEW GARDEN CENTRES (REDDITCH) LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

Other information and explanations

The sale noted above was agreed on 27 September 2019 however the formal sale and purchase agreement did not complete until 19 December 2019. Between these dates a merchandising agreement was in place that meant that the trade during that period was for the benefit of BGC South Ltd.

Further detail on the operation and impact of this agreement is set out in note 1.2.

On behalf of the board

P Stubbs
Director

26 May 2021

HILLVIEW GARDEN CENTRES (REDDITCH) LIMITED

DIRECTOR'S REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2019

The director presents her annual report and financial statements for the Period ended 31 December 2019.

Principal activities

The principal activity of the company continued to be that of the operation of garden centres.

Results and dividends

The results for the Period are set out on page 8.

No ordinary dividends were paid. The director does not recommend payment of a final dividend.

Director

The director who held office during the Period and up to the date of signature of the financial statements was as follows:

P Stubbs	(Appointed 19 December 2019)
B J Douglas-Davies	(Resigned 19 December 2019)
M S Gordon	(Resigned 19 December 2019)
L S Ditz	(Resigned 19 December 2019)

Auditor

BHP LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of director's responsibilities

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless she is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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. She is 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.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

HILLVIEW GARDEN CENTRES (REDDITCH) LIMITED

DIRECTOR'S REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

On behalf of the board

P Stubbs
Director

26 May 2021

HILLVIEW GARDEN CENTRES (REDDITCH) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HILLVIEW GARDEN CENTRES (REDDITCH) LIMITED

Qualified opinion on financial statements

We have audited the financial statements of Hillview Garden Centres (Redditch) Limited (the 'company') for the Period ended 31 December 2019 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the effects of the matter described in the Basis for qualified opinion paragraph, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the Period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for qualified opinion

The accounts in the prior period did not measure an interest free long term loan from a group company at net present value, which is a departure from the requirements of FRS 102. In the current year, the loan has been written off as part of a group restructure. If this loan had been correctly accounted for in the period to 31 January 2019, the credit to profit and loss account in relation to the loan write off would have been materially different in the period to 31 December 2019. We have obtained sufficient appropriate audit evidence that the balance sheet at the 31 December 2019 is materially correctly stated. The effect of this on the accounts is explained in notes 8 and 14.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

HILLVIEW GARDEN CENTRES (REDDITCH) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF HILLVIEW GARDEN CENTRES (REDDITCH) LIMITED

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the director's report for the financial Period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the director's report.

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director

As explained more fully in the director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

HILLVIEW GARDEN CENTRES (REDDITCH) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF HILLVIEW GARDEN CENTRES (REDDITCH) LIMITED

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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 her 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.

Daniel Sowden (Senior Statutory Auditor)
For and on behalf of BHP LLP

28 May 2021

Chartered Accountants
Statutory Auditor

Rievaulx House
1 St Mary's Court
Blossom Street
York
North Yorkshire
YO24 1AH

HILLVIEW GARDEN CENTRES (REDDITCH) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 31 DECEMBER 2019

		Period ended 31 December 2019 £	Year ended 31 January 2019 £
	Notes		
Turnover	3	5,727,354	10,102,694
Cost of sales		(3,433,043)	(5,598,091)
Gross profit		2,294,311	4,504,603
Administrative expenses		(3,005,799)	(5,251,786)
Other operating income		376,250	244,308
Operating loss	4	(335,238)	(502,875)
Interest payable and similar expenses	7	(13,119)	(93,136)
Amounts written off investments	8	5,622,076	-
Profit/(loss) before taxation		5,273,719	(596,011)
Tax on profit/(loss)	9	(368,799)	64,104
Profit/(loss) for the financial Period		4,904,920	(531,907)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

HILLVIEW GARDEN CENTRES (REDDITCH) LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31 DECEMBER 2019

	Period ended 31 December 2019 £	Year ended 31 January 2019 £
Profit/(loss) for the Period	4,904,920	(531,907)
Other comprehensive income	-	-
Total comprehensive income for the Period	<u>4,904,920</u>	<u>(531,907)</u>

HILLVIEW GARDEN CENTRES (REDDITCH) LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	31 December 2019 £	£	31 January 2019 £	£
Fixed assets					
Tangible assets	10	3,592,756		3,659,001	
Current assets					
Stocks	11	-		1,310,000	
Debtors	12	59,415		853,132	
Cash at bank and in hand		824,902		88,469	
		884,317		2,251,601	
Creditors: amounts falling due within one year	13	(554,279)		(3,995,751)	
Net current assets/(liabilities)		330,038		(1,744,150)	
Total assets less current liabilities		3,922,794		1,914,851	
Creditors: amounts falling due after more than one year	14	-		(2,896,977)	
Net assets/(liabilities)		3,922,794		(982,126)	
Capital and reserves					
Called up share capital	18	350,000		350,000	
Profit and loss reserves		3,572,794		(1,332,126)	
Total equity		3,922,794		(982,126)	

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

P Stubbs
Director

Company Registration No. 07731420

HILLVIEW GARDEN CENTRES (REDDITCH) LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 DECEMBER 2019

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 February 2018	350,000	(800,219)	(450,219)
Year ended 31 January 2019:			
Loss and total comprehensive income for the year	-	(531,907)	(531,907)
Balance at 31 January 2019	350,000	(1,332,126)	(982,126)
Period ended 31 December 2019:			
Profit and total comprehensive income for the period	-	4,904,920	4,904,920
Balance at 31 December 2019	350,000	3,572,794	3,922,794

HILLVIEW GARDEN CENTRES (REDDITCH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2019

1 Accounting policies

Company information

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

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

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

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: The disclosure requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b), and 12.29A;
- Section 26 'Share based Payment': Share based payment arrangements required under FRS 102 paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of BGC South Ltd. These consolidated financial statements are freely available from Companies House.

1.2 Basis of preparation

On 27 September 2019, the company's then parent company, Hillview Garden Centres Limited, agreed the sale of all its subsidiaries, including Hillview Garden Centres (Redditch) Limited to BGC South Ltd. The formal sale and purchase agreement did not complete until 19 December 2019, however, on 27 September 2019 Hillview Garden Centres Limited entered into a merchandise agreement with BGC South Ltd. The Company agreed to take stocks of goods from BGC South Ltd for sale on a consignment basis and merchandise and offer such stocks for sale in its business for the benefit of BGC South Ltd. During the merchandise agreement period, all costs, charges and outgoings of the Company along with all income received in respect of the business is for the benefit of BGC South Ltd. The transactions relating to this period, along with the corresponding asset and liability balances have been charged to BGC South Limited and as such sit as an intercompany balance at the period end.

Whilst the merchandise agreement was between Hillview Garden Centres Limited and BGC South Ltd, the commercial impact of this agreement was that the trading of Hillview Garden Centres (Redditch) Limited, being the only entity within the Hillview Garden Centre Limited group undertaking a trading activity, was undertaken for the benefit of BGC South Ltd and hence the transactions of the company from 27 September are accounted for in the financial statements of BGC South Ltd.

Despite the merchandise agreement expiring on completion of the sale to BGC South Ltd, given the proximity to the Company's year end the director extended this period to expire on 31 December 2019.

HILLVIEW GARDEN CENTRES (REDDITCH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.3 Going concern

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

On 31 October 2020, the trade and assets, with the exception of the property, were hived up into its parent company, BGC South Ltd (see note 21 and 24). As a result of this event, the nature of the Company's operations have changed to that of a company which holds property on behalf of its parent and any costs associated with this property will be recharged. It is the intention for the garden centres to continue trading within BGC South Ltd and the property held will continue to be used. It is for this reason that the directors continue to adopt the going concern basis in preparing the financial statements.

1.4 Reporting period

The company has changed its accounting date from 12 months ending 31 January 2020 to 11 months ending 31 December 2019. This change has been applied to bring the company in line with the other companies in the group. As a result of this change, the comparative amounts presented in the financial statements (including the related notes) are not entirely comparable.

1.5 Turnover

Turnover represents garden centre takings, net of discounts and value added tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.6 Tangible fixed assets

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

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

Freehold land and buildings	2% straight line
Plant and equipment	10% straight line
Fixtures and fittings	20% straight line
Computers	25% straight line

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

1.7 Impairment of fixed assets

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

HILLVIEW GARDEN CENTRES (REDDITCH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

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

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

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

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.9 Cash and cash equivalents

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

1.10 Financial instruments

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

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

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

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

HILLVIEW GARDEN CENTRES (REDDITCH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end 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 have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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

Basic financial liabilities

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

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

HILLVIEW GARDEN CENTRES (REDDITCH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.11 Equity instruments

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

1.12 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes 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 reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end 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 profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

HILLVIEW GARDEN CENTRES (REDDITCH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

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

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

HILLVIEW GARDEN CENTRES (REDDITCH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

2 Judgements and key sources of estimation uncertainty

(Continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

Taxation

The company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities.

Stock provision

At each reporting date and assessment is made for provisions required to recognise damaged, slow moving and obsolete goods. Any excess of the carrying amount of stock over its estimated selling price less costs to sell is recognised as an impairment loss in profit and loss and provided for in the balance sheet. Reversals of any provisions are also recognised in profit and loss.

3 Turnover and other revenue

	31 December 2019 £	31 January 2019 £
Turnover analysed by class of business		
Sale of goods	5,727,354	10,102,694
	<u> </u>	<u> </u>
	31 December 2019 £	31 January 2019 £
Other significant revenue		
Rents received	87,689	128,603
Sundry receipts	123	4,803
Allocation of profit on sale of garden centres from Burford House Garden Store Ltd	261,437	110,902
	<u> </u>	<u> </u>
	31 December 2019 £	31 January 2019 £
Turnover analysed by geographical market		
United Kingdom	5,727,354	10,102,694
	<u> </u>	<u> </u>

HILLVIEW GARDEN CENTRES (REDDITCH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

4 Operating loss

	31 December 2019 £	31 January 2019 £
Operating loss for the period is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	-	49,200
Depreciation of owned tangible fixed assets	99,001	112,425
Operating lease charges	145,673	312,038
Hire of plant and machinery	-	68,226
	<u> </u>	<u> </u>

Fees payable to for the audit of the financial statements are included in the group audit fee, and as such, disclosed within the financial statements of the parent company.

5 Employees

The average monthly number of persons (including directors) employed by the company during the Period was:

	31 December 2019 Number	31 January 2019 Number
Garden centre staff	199	238
Administration staff	9	13
Warehouse staff	3	4
	<u> </u>	<u> </u>
Total	211	255
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	31 December 2019 £	31 January 2019 £
Wages and salaries	1,693,917	2,576,892
Social security costs	87,633	136,380
Pension costs	20,044	29,394
	<u> </u>	<u> </u>
	1,801,594	2,742,666
	<u> </u>	<u> </u>

HILLVIEW GARDEN CENTRES (REDDITCH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

6 Director's remuneration

	31 December 2019 £	31 January 2019 £
Remuneration for qualifying services	30,425	2,480
Company pension contributions to defined contribution schemes	-	9,996
	<u>30,425</u>	<u>12,476</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 0 (31 January 2019 - 1).

7 Interest payable and similar expenses

	31 December 2019 £	31 January 2019 £
Interest on bank overdrafts and loans	13,119	93,136
	<u>13,119</u>	<u>93,136</u>

8 Amounts written off investments

	31 December 2019 £	31 January 2019 £
Amounts written off current assets held at cost	(167,324)	-
Amounts written back to financial liabilities	5,789,400	-
	<u>5,622,076</u>	<u>-</u>

On 19 December 2019, BGC South Ltd acquired the entire share capital of the Company from Hillview Garden Centres Limited. As part of the Share Purchase Agreement, it was agreed that there would be no outstanding indebtedness between any member of the Company and the seller. As a result of this, amounts totalling £5,622,076 were written off during the year.

9 Taxation

	31 December 2019 £	31 January 2019 £
Deferred tax		
Origination and reversal of timing differences	368,799	(64,104)
	<u>368,799</u>	<u>(64,104)</u>

HILLVIEW GARDEN CENTRES (REDDITCH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

9 Taxation

(Continued)

The actual charge/(credit) for the Period can be reconciled to the expected charge/(credit) for the Period based on the profit or loss and the standard rate of tax as follows:

	31 December 2019 £	31 January 2019 £
Profit/(loss) before taxation	5,273,719	(596,011)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (31 January 2019: 19.00%)	1,002,007	(113,242)
Tax effect of income not taxable in determining taxable profit	(1,117,868)	-
Change in unrecognised deferred tax assets	465,104	49,138
Group relief	18,379	-
Permanent capital allowances in excess of depreciation	1,177	-
Taxation charge/(credit) for the period	368,799	(64,104)

10 Tangible fixed assets

	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Computers £	Total £
Cost					
At 1 February 2019	3,180,577	560,911	193,688	133,248	4,068,424
Additions	-	17,245	15,511	-	32,756
At 31 December 2019	3,180,577	578,156	209,199	133,248	4,101,180
Depreciation and impairment					
At 1 February 2019	25,474	155,849	137,037	91,063	409,423
Depreciation charged in the Period	6,193	51,439	19,619	21,750	99,001
At 31 December 2019	31,667	207,288	156,656	112,813	508,424
Carrying amount					
At 31 December 2019	3,148,910	370,868	52,543	20,435	3,592,756
At 31 January 2019	3,155,103	405,062	56,651	42,185	3,659,001

11 Stocks

	31 December 2019 £	31 January 2019 £
Finished goods and goods for resale	-	1,310,000

HILLVIEW GARDEN CENTRES (REDDITCH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

(Continued)

11 Stocks

On 27 September 2019, the Company entered into a merchandise agreement with BGC South Ltd. As part of this agreement it agreed to take stocks of goods for sale at its premises on a consignment basis. As at 31 December 2019 all stock on the Company's premises was owned by BGC South Ltd.

12 Debtors

	31 December 2019 £	31 January 2019 £
Amounts falling due within one year:		
Trade debtors	2,050	12,713
Amounts owed by group undertakings	47,745	261,538
Other debtors	9,620	14,340
Prepayments and accrued income	-	195,742
	<hr/>	<hr/>
	59,415	484,333
Deferred tax asset (note 16)	-	368,799
	<hr/>	<hr/>
	59,415	853,132
	<hr/> <hr/>	<hr/> <hr/>

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

During the period and prior to the acquisition of the company by BGC South Ltd, the amounts owed by group undertakings were waived by the Company. The total of the amounts waived during the period is shown in note 8 to the accounts.

HILLVIEW GARDEN CENTRES (REDDITCH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

13 Creditors: amounts falling due within one year

		31 December 2019 £	31 January 2019 £
	Notes		
Bank overdraft	15	-	834,971
Trade creditors		-	1,452,358
Amounts owed to group undertakings		554,279	895,330
Taxation and social security		-	496,560
Other creditors		-	212,291
Accruals and deferred income		-	104,241
		<u>554,279</u>	<u>3,995,751</u>

Included in creditors due within one year are secured debts totalling £nil (31 January 2019: £834,971) which represent the total bank overdrafts at this date.

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

During the period and prior to the acquisition of the company by BGC South Ltd, the amounts owed to group undertakings were waived by the respective group undertaking. The total of the amounts waived during the period is shown in note 8 to the accounts.

14 Creditors: amounts falling due after more than one year

		31 December 2019 £	31 January 2019 £
	Notes		
Other borrowings	15	-	2,730,175
Other creditors		-	166,802
		<u>-</u>	<u>2,896,977</u>

"Other borrowings" due in over 5 years were payable to the old parent company, Hillview Garden Centres Limited, and interest is charged at its discretion.

The previous directors had not measured the "Other borrowings" balance at net present value on the basis that, in their opinion, this treatment does not reflect the substance of the transaction. Instead the balance is measured at amortised cost. This is a departure from the requirements of FRS 102. If the "Other borrowings" balance had been discounted to net present value the effect on the accounts in the previous year would be as follows: - a reduction in the loan balance of £828,448 and an addition to the capital contribution reserve of the same amount. In future years the discounting would be unwound through the profit and loss account to the "Other borrowings" cash value at the expected date of repayment.

During the period and prior to the acquisition of the company by BGC South Ltd, the "Other borrowings" due to the old parent company were waived by the respective group undertaking. These amounts are included in the total of the amounts waived during the period shown in note 8 to the accounts.

HILLVIEW GARDEN CENTRES (REDDITCH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

15 Loans and overdrafts

	31 December 2019	31 January 2019
	£	£
Bank loans	-	834,971
Other loans	-	2,730,175
	<u>-</u>	<u>3,565,146</u>
Payable within one year	-	834,971
Payable after one year	-	2,730,175
	<u>-</u>	<u>2,730,175</u>

The other loans as at 31 January 2019 comprised shareholder loans and were fully subordinated in nature to the bank loans. These amounts have been included in the amounts waived during the year.

16 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Assets 31 December 2019	Assets 31 January 2019
	£	£
Balances:		
Accelerated capital allowances	-	(84,169)
Tax losses	-	452,968
	<u>-</u>	<u>368,799</u>
		31 December 2019
Movements in the Period:		£
Asset at 1 February 2019		(368,799)
Charge to profit or loss		368,799
		<u>-</u>
Liability at 31 December 2019		<u>-</u>

Deferred tax is not recognised in respect of tax losses of £2,820,496 as it is not probable that they will be recovered against the reversal of deferred tax liabilities or future taxable profits.

HILLVIEW GARDEN CENTRES (REDDITCH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

17 Retirement benefit schemes

	31 December 2019 £	31 January 2019 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	20,044	29,394

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. At 31 December 2019 the company had no outstanding contributions payable (2019 - £4,632, which were included within other creditors due within one year).

18 Share capital

	31 December 2019 Number	31 January 2019 Number	31 December 2019 £	31 January 2019 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	350,000	350,000	350,000	350,000

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

19 Financial commitments, guarantees and contingent liabilities

During the year ended 31 January 2017 the company entered into a cross guarantee agreement along with its parent and fellow subsidiaries relating to group wide bank overdraft and loan facilities. The guarantee was secured by a fixed and floating charge over the company's assets. As at 31 January 2019 the overdrawn balance was £834,971 and the bank loan balance was £2,135,669. As part of the terms and conditions of the sale on 19 December 2019 (see note 24), the loan and overdraft balance remained with the parent company, Hillview Garden Centres Limited and, as a result of this, there is no longer a cross guarantee in place for the company.

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

20 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	31 December 2019 £	31 January 2019 £
Within one year	19,716	194,690
Between two and five years	22,724	544,809
In over five years	-	1,573,717
	42,440	2,313,216

HILLVIEW GARDEN CENTRES (REDDITCH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

20 Operating lease commitments

(Continued)

In the previous year operating lease commitments included £2,171,676 relating to leasehold properties held by fellow subsidiaries. These commitments were included here because this company uses those properties for its garden centre trade and in practice will settle rent payable demands as they fall due. Following a change of accounting treatment, these commitments are now only recognised in the entities in which they relate to. The commitments as at 31 December 2019 fully relate to plant and machinery used within the garden centre trade.

21 Events after the reporting date

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

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

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

22 Related party transactions

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

23 Directors' transactions

As part of the Share Purchase Agreement, it was agreed that there would be no outstanding indebtedness between any member of the Company and the seller. As a result of this, amounts owed to the directors totalling £198,853 were written off during the period.

Description	% Rate	Opening balance £	Amounts advanced £	Amounts written off £	Closing balance £
B J Douglas-Davies -	-	166,802	32,051	(198,853)	-
		166,802	32,051	(198,853)	-

HILLVIEW GARDEN CENTRES (REDDITCH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

24 Ultimate controlling party

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

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

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

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.