

Company Registration No. 07731420 (England and Wales)

HILLVIEW GARDEN CENTRES (REDDITCH) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

PAGES FOR FILING WITH REGISTRAR

HILLVIEW GARDEN CENTRES (REDDITCH) LIMITED

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HILLVIEW GARDEN CENTRES (REDDITCH) LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2020

		2020		2019 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	5		3,142,717		3,592,756
Current assets					
Debtors	6	82,900		59,415	
Cash at bank and in hand		268		824,902	
		<u>83,168</u>		<u>884,317</u>	
Creditors: amounts falling due within one year	7	<u>-</u>		<u>(861,246)</u>	
Net current assets			83,168		23,071
Net assets			<u>3,225,885</u>		<u>3,615,827</u>
Capital and reserves					
Called up share capital	8		350,000		350,000
Profit and loss reserves			2,875,885		3,265,827
Total equity			<u>3,225,885</u>		<u>3,615,827</u>

The director of the company has elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and signed by the director and authorised for issue on 26 August 2021

P Stubbs

Director

Company Registration No. 07731420

HILLVIEW GARDEN CENTRES (REDDITCH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

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

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 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 11). 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.

HILLVIEW GARDEN CENTRES (REDDITCH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.3 Reporting period

In the prior year the company changed its accounting date from 31 January 2020 to 31 December 2019. The change was applied to bring the Company in line with the accounting date of its parent. As a result of this change, the comparative amounts provided in the financial statements (including related notes) are not entirely comparable.

1.4 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.

1.5 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.

1.6 Impairment of fixed assets

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

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

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

HILLVIEW GARDEN CENTRES (REDDITCH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

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.

1.7 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.

1.8 Financial instruments

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

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

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

Basic financial assets

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

Classification of financial liabilities

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

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 YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.9 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.

1.10 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.

1.11 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.

1.12 Retirement benefits

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

1.13 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.

HILLVIEW GARDEN CENTRES (REDDITCH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.14 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.15 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.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

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.

HILLVIEW GARDEN CENTRES (REDDITCH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

3 Employees

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

	2020 Number	2019 Number
Total	208	211

4 Amounts written off investments

	2020 £	2019 £
Amounts written off current assets held at cost	-	(167,324)
Amounts written back to financial liabilities	-	5,482,433

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 £5,315,109 were written off during the previous period.

5 Tangible fixed assets

	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Computers £	Total £
Cost					
At 1 January 2020	3,180,577	578,156	209,199	133,248	4,101,180
Additions	-	52,121	13,511	1,090	66,722
Transfers	-	(630,277)	(222,710)	(134,338)	(987,325)
At 31 December 2020	3,180,577	-	-	-	3,180,577
Depreciation and impairment					
At 1 January 2020	31,667	207,288	156,656	112,813	508,424
Depreciation charged in the year	6,193	52,211	21,408	13,019	92,831
Transfers	-	(259,499)	(178,064)	(125,832)	(563,395)
At 31 December 2020	37,860	-	-	-	37,860
Carrying amount					
At 31 December 2020	3,142,717	-	-	-	3,142,717
At 31 December 2019	3,148,910	370,868	52,543	20,435	3,592,756

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

HILLVIEW GARDEN CENTRES (REDDITCH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

6 Debtors	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	-	2,050
Amounts owed by group undertakings	82,900	47,745
Other debtors	-	9,620
	<u>82,900</u>	<u>59,415</u>

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

During the previous period and prior to the acquisition of the company by BGC South Ltd, the amounts owed by group undertakings were waived by the Company, which amounted to £167,324.

7 Creditors: amounts falling due within one year	2020	2019
	£	£
Amounts owed to group undertakings	-	861,246
	<u>-</u>	<u>861,246</u>

During the previous period and prior to the acquisition of the company by BGC South Ltd, the amounts owed to group undertakings were waived by the respective group undertaking, which amounted to £5,789,400.

8 Called up share capital	2020	2019	2020	2019
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	350,000	350,000	350,000	350,000
	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>

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

9 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Daniel Sowden.
The auditor was BHP LLP.

HILLVIEW GARDEN CENTRES (REDDITCH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

10 Financial commitments, guarantees and contingent liabilities

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

11 Operating lease commitments

Lessee

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

2020	2019
£	£
22,724	42,440
<u>22,724</u>	<u>42,440</u>

The commitments as at 31 December 2020 relate to plant and machinery used within the group's garden centre trade.

12 Related party transactions

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 previous period.

During the year purchases of garden centre products were made from Woodthorpe Hall Garden Centres Limited, an entity in which the director is also the secretary, totalling £442,149 (2019: £nil).

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

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

13 Parent company

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.

14 Prior period adjustment

Changes to the balance sheet

	As previously reported	Adjustment	As restated at 31 Dec 2019
	£	£	£
Creditors due within one year			
Other creditors	(554,279)	(306,967)	(861,246)
	<u>(554,279)</u>	<u>(306,967)</u>	<u>(861,246)</u>

HILLVIEW GARDEN CENTRES (REDDITCH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

14 Prior period adjustment

(Continued)

	As previously reported £	Adjustment £	As restated at 31 Dec 2019 £
Capital and reserves			
Profit and loss reserves	3,572,794	(306,967)	3,265,827
	<u> </u>	<u> </u>	<u> </u>

Changes to the profit and loss account

	As previously reported £	Adjustment £	As restated £
Period ended 31 December 2019			
Amounts written off investments	5,622,076	(306,967)	5,315,109
Profit for the financial period	4,904,920	(306,967)	4,597,953
	<u> </u>	<u> </u>	<u> </u>

Notes to reconciliation

Correction to intercompany write off

During the prior period, amounts owing to the Company's previous parent were written off. The amounts and reasoning for this occurring have been disclosed in note 4 to the accounts. During the current year, it has since been identified that amounts totalling £306,967 had not been included within this intercompany write off. As a result, a prior year adjustment has been made to correct this.

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.