

REGISTERED NUMBER: 08068424 (England and Wales)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2018
FOR
BURFORD HOUSE GARDEN STORE LIMITED**

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2018**

	Page
Company Information	1
Balance Sheet	2
Notes to the Financial Statements	3

BURFORD HOUSE GARDEN STORE LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 JANUARY 2018**

DIRECTORS:

L S Ditz
B J Douglas-Davies
N Livni
M S Gordon

REGISTERED OFFICE:

Harben House
Harben Parade
Finchley Road
London
NW3 6LH

REGISTERED NUMBER:

08068424 (England and Wales)

AUDITORS:

KBSP Partners LLP
Chartered Accountants
Statutory Auditors
Harben House
Harben Parade
Finchley Road
LONDON
NW3 6LH

BURFORD HOUSE GARDEN STORE LIMITED (REGISTERED NUMBER: 08068424)**BALANCE SHEET
31 JANUARY 2018**

	Notes	2018 £	£	2017 £	£
FIXED ASSETS					
Tangible assets	4		1,016,349		1,039,452
CURRENT ASSETS					
Stocks	5	-		676,189	
Debtors	6	53,828		156,286	
Cash at bank and in hand		-		<u>156,318</u>	
		53,828		988,793	
CREDITORS					
Amounts falling due within one year	7	<u>1,035,860</u>		<u>1,945,834</u>	
NET CURRENT LIABILITIES			<u>(982,032)</u>		<u>(957,041)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>34,317</u>		<u>82,411</u>
CAPITAL AND RESERVES					
Called up share capital			200,100		200,100
Retained earnings			<u>(165,783)</u>		<u>(117,689)</u>
SHAREHOLDERS' FUNDS			<u>34,317</u>		<u>82,411</u>

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Profit and loss account has not been delivered.

The financial statements were approved by the Board of Directors on 30 October 2018 and were signed on its behalf by:

B J Douglas-Davies - Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2018**

1. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. Under Companies Act 2006, Section 454, on a voluntary basis, the directors can amend the financial statements if they subsequently prove to be defective.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Going concern

On the basis that Hillview Garden Centres Limited, the parent company, has formally pledged its present intention to continue to provide financial support to this company and its fellow subsidiaries for the foreseeable future, the accounts are prepared on the going concern basis.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Significant judgements and estimates

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

i) Critical judgement in applying the entity's accounting policies

There are no judgements in applying the entity's accounting policies that have a significant risk of causing a material misstatement to the financial statements.

ii) Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) 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.

(b) Taxation

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

Turnover

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

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JANUARY 2018**

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Short leasehold	- Over the life of the lease
Plant and machinery	- 10% on cost
Fixtures and fittings	- 20% on cost
Computer equipment	- 25% on cost

Depreciation is charged to administrative expenses in the profit and loss account.

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs.

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within the statement of comprehensive income.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

At the end of each reporting period stock is assessed for impairment. If an item of stock is impaired, it is reduced to its selling price less costs to sell and an impairment charge is recognised in the profit and loss accounts. Where a reversal of the impairment is recognised the impairment charge is reversed, upto the original impairment loss and is recognised in the profit and loss account.

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of timing difference.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JANUARY 2018**

2. ACCOUNTING POLICIES - continued

Foreign currencies

(i) Functional and presentational currency

The company's functional and presentational currency is Pound Sterling for all years presented.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using spot exchange rates at the date of transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within 'finance (expenses)/income'. All other foreign exchange gains and losses are presented in the profit and loss account within 'Other operating (losses)/gains'.

Hire purchase and leasing commitments

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

Pension costs and other post-retirement benefits

The company contributes to money purchase pension schemes for the benefit of certain employees. Contributions payable are charged to the profit and loss account in the period to which they relate.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JANUARY 2018**

2. ACCOUNTING POLICIES - continued

Financial instruments

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where a transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. 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 and loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payable, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at present value of the future receipts discounted a market rate of interest.

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

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Financial assets and liabilities are offset and 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.

Cash and cash equivalents

Cash includes cash in hand and deposits held with banks. Bank overdrafts, when applicable, are shown within borrowings in current liabilities. Cash equivalents are highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JANUARY 2018

2. ACCOUNTING POLICIES - continued**Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the statement of comprehensive income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as deduction, net of tax, from the proceeds.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was NIL (2017 - 106).

4. TANGIBLE FIXED ASSETS

	Freehold property £	Short leasehold £	Plant and machinery £
COST OR VALUATION			
At 1 February 2017	737,634	57,464	146,733
Additions	9,520	3,308	27,101
At 31 January 2018	<u>747,154</u>	<u>60,772</u>	<u>173,834</u>
DEPRECIATION			
At 1 February 2017	12,105	3,271	21,850
Charge for year	2,342	-	19,061
At 31 January 2018	<u>14,447</u>	<u>3,271</u>	<u>40,911</u>
NET BOOK VALUE			
At 31 January 2018	<u>732,707</u>	<u>57,501</u>	<u>132,923</u>
At 31 January 2017	<u>725,529</u>	<u>54,193</u>	<u>124,883</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JANUARY 2018

4. TANGIBLE FIXED ASSETS - continued

	Fixtures and fittings £	Computer equipment £	Totals £
COST OR VALUATION			
At 1 February 2017	177,189	22,753	1,141,773
Additions	-	4,256	44,185
At 31 January 2018	<u>177,189</u>	<u>27,009</u>	<u>1,185,958</u>
DEPRECIATION			
At 1 February 2017	53,218	11,877	102,321
Charge for year	36,666	9,219	67,288
At 31 January 2018	<u>89,884</u>	<u>21,096</u>	<u>169,609</u>
NET BOOK VALUE			
At 31 January 2018	<u>87,305</u>	<u>5,913</u>	<u>1,016,349</u>
At 31 January 2017	<u>123,971</u>	<u>10,876</u>	<u>1,039,452</u>

5. STOCKS

	2018 £	2017 £
Stocks	<u>-</u>	<u>676,189</u>

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade debtors	-	5,609
Amounts owed by group undertakings	53,828	-
Other debtors	-	7,338
Deferred tax asset	-	48,094
Prepayments and accrued income	-	95,245
	<u>53,828</u>	<u>156,286</u>

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

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade creditors	2	490,455
Amounts owed to group undertakings	1,035,858	1,276,451
Social security and other taxes	-	11,032
VAT	-	66,051
Other creditors	-	70,066
Accruals and deferred income	-	31,779
	<u>1,035,860</u>	<u>1,945,834</u>

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

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JANUARY 2018**

8. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2018	2017
	£	£
Within one year	257,000	228,677
Between one and five years	948,000	914,707
In more than five years	<u>2,205,917</u>	<u>1,267,890</u>
	<u>3,410,917</u>	<u>2,411,274</u>

Commitments under operating leases included above relate to the company's leasehold land and buildings. The leasehold land and buildings are used by a fellow subsidiary for the carrying on of a garden centre trade. In practice this fellow subsidiary pays the rent when demanded.

Operating lease commitments totalling £1,584,000 are included above that relate to a leasehold property that was sold subsequent to the year end.

9. SECURED DEBTS

The following secured debts are included within creditors:

2018	2017
<u>£</u>	<u>£</u>

10. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

Trevor Berkley (Senior Statutory Auditor)
for and on behalf of KBSP Partners LLP

11. CONTINGENT LIABILITIES

The company entered into a cross guarantee agreement along with its parent and fellow subsidiaries relating to a group wide bank overdraft facility. The overdrawn balance at the year end was £772,966 (2017: £946,302).

The company also entered a cross guarantee and pledged certain of its freehold and leasehold properties as security on its parent company's bank loan. At the year end the balance on this loan was £2,274,310 (2017: £2,415,235).

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.