

Registered number: 09258861

## **SUTTONS SEEDS LIMITED**

### **ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JULY 2020**



## **SUTTONS SEEDS LIMITED**

### **COMPANY INFORMATION**

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<b>Directors</b>	D C Robinson R W Roberts
<b>Registered number</b>	09258861
<b>Registered office</b>	Woodview Road Paignton Devon TQ4 7NG
<b>Independent auditors</b>	Bishop Fleming LLP Chartered Accountants & Statutory Auditors 2nd Floor Stratus House Emperor Way Exeter Business Park Exeter EX1 3QS

# **SUTTONS SEEDS LIMITED**

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## **SUTTONS SEEDS LIMITED**

### **GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2020**

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#### **Introduction**

#### **Principal activities**

Suttons is a multi-channel business providing seeds, plants, bulbs, gardening equipment, outdoor furniture, beekeeping and wildlife related products and gifts via websites, catalogues and other direct to consumer channels.

Additionally, seeds and plants are supplied on a wholesale basis to retail outlets and the provision of fulfilment services to charities along with the Present Finder business, provide an additional income stream whilst contributing to Sutton's fixed costs during the traditionally quiet second quarter up to Christmas.

#### **Business review**

A year ago we stated that 2019 had been a pivotal transition year in the long history of Suttons. Continuing investments in personnel, systems and infrastructure had started to deliver the forecast increases in core business revenues, whilst two further company acquisitions had broadened the range of products and brands and delivered additional growth to customer databases and sales.

The benefits of these changes continued to deliver improvements in sales and profits at the start of this financial year. The general slowdown in economic activity due to pre-Brexit uncertainties in the Autumn slowed this growth but we then saw it accelerate again at the start of the New Year. Growing awareness of the potential impact of the COVID pandemic resulted in existing customers increasing their expenditure on plants, seeds and other gardening related products. There was also a dramatic increase in the number of new customers attracted to buy online from Suttons and our other horticulture brands. Although demand made it difficult to maintain stocks of all seed lines, we continued to supply seeds to garden centres that remained open and we are now seeing an increase in the number of new retail accounts and after several years of reducing sales into the retail sector we anticipate some modest growth next year.

The main trading entity in the group, Suttons Consumer Products Limited (SCP) enters the new financial year with more than double the numbers of new and active online customers than the previous year. Research indicates that a large majority do not see their initial orders as a 'one off' during COVID, indeed they are placing second and subsequent orders at a faster rate than usual. There is growing awareness of the measurable physical and mental health benefits derived from gardening and the housing market indicates a growing desire for homeowners to increase the size of their outdoor spaces. Suttons' moves towards more sustainable gardening; now growing over 1 million plants in peat free compost on our own nursery according to organic principles is the right thing to do but also reflects the growing awareness amongst gardeners of the need to protect the environment.

Unprecedented growth in the active customer databases; increased interest in gardening and a growing consumer desire to purchase from sustainable businesses is anticipated to continue the growth in both sales and EBITDA, in this year and into the future .

Strong sales and profit growth had been anticipated this year as the benefits from the previous two years' £2.5m working capital investment began to be felt. Increasing consumer interest in gardening and the acceleration of growth in online purchasing as a result of the Covid pandemic magnified this underlying improvement and the 12 months to 31 July 2020 produced a profit before tax of £4,419,419 (31 July 2019 £29,685) and a very strong year-end cash position of £4,802,053 (2019: £416,072 O/D). Significant recent increases in database size, allied with further investment in websites and database marketing are anticipated to provide sustained and significant improvements in both sales and profit against last year's results

The Directors' thank all the Suttons staff for their flexibility and loyal support which has enabled the business to progress so successfully.

## **SUTTONS SEEDS LIMITED**

### **GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020**

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#### **Principal risks and uncertainties**

In common with all companies operating in the horticultural market, Suttons is exposed to the risk of poor weather during its key selling season, we have reduced this risk by maintaining awareness of market trends, improving sustainability and increasing the offering of other products to cover periods outside of the key months. The directors have considered the ongoing impact that the COVID-19 could have upon the Group.

Whilst, as noted above, to date the Group has benefitted from increased demand in its products, it remains reliant on its staff to pack products for dispatch and on the postal network for wider distribution. It also relies on the supply of some product from mainland Europe. As such, a further prolonged period of lockdown could lead to difficulties in supplying products to customers. However, the Group and its team were able to operate to a high standard throughout the period of lockdown instigated in March 2020 and the directors are confident that it would withstand a further period of restrictions. As such, the directors do not anticipate any material change to the current business model as a result of COVID-19.

The directors are continuing to monitor developments in a rapidly changing business environment and will endeavour to take such steps as are required to ensure the Group is able to continue to function for the foreseeable future.

#### **Going concern**

At 31 July 2020, the Group is well placed to manage its business risks and has adequate capacity to continue its operations for the foreseeable future. Accordingly, the Directors' have continued to adopt the going concern basis in the preparation of these accounts.

#### **Environmental and social responsibility**

The Directors' committed to the Torbay Development Agency in 2015 to maintain their current level of employment for a minimum of 3 years. Over this period, employee numbers have grown from 126 to 223. The Directors' of the business are committed to growing the business in an ethical and sustainable manner.

#### **Political and charitable contributions**

By working with specific charities, the Group has either donated directly, or helped charities raise donations through fulfillment agreements.

In 2020, the Group made charitable donations of £22,323 (2019: £30,007).

## SUTTONS SEEDS LIMITED

### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

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#### Financial key performance indicators

Please find below the primary financial key performance indicators for Suttons Consumer Products Ltd (SCP) and the consolidated position including The Present Finder Ltd (PF) a wholly owned subsidiary of SCP acquired on 2nd November 2017.

	2020 £'000	2019 £'000
Revenue	24,462.7	15,430.5
Profit before interest and taxation	4,476.2	95.9
EBITDA	4,870.5	415.0
Net assets	6,200.4	2,736.4

Note: EBITDA is calculated as profit before tax excluding interest paid and received, depreciation, amortisation, release of negative goodwill, impairment of goodwill and profit/loss on disposal of fixed assets.

This report was approved by the board and signed on its behalf.



**D C Robinson**  
Director

Date: 19-10-20

## **SUTTONS SEEDS LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2020**

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The directors present their report and the financial statements for the year ended 31 July 2020.

#### **Directors' responsibilities statement**

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £3,598,973 (2019: £48,833).

The directors do not anticipate any further dividend being declared in respect of the year ended 31 July 2020.

#### **Directors**

The directors who served during the year were:

D C Robinson  
R W Roberts

#### **Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

#### **Post balance sheet events**

There have been no significant events affecting the Group since the year end.

**SUTTONS SEEDS LIMITED**

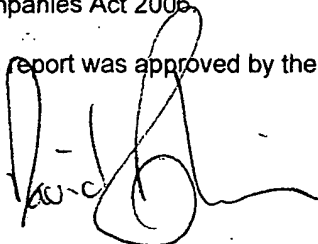
**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2020**

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**Auditors**

The auditors, Bishop Fleming LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

A handwritten signature in black ink, appearing to be 'R.W. Roberts', written over a horizontal line.

~~R.W. Roberts~~ R.C. Robinson  
Director

Date: 14-10-20

Woodview Road  
Paignton  
Devon  
TQ4 7NG



## **SUTTONS SEEDS LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUTTONS SEEDS LIMITED**

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#### **Opinion**

We have audited the financial statements of Suttons Seeds Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 July 2020, which comprise the Consolidated Statement of income and retained earnings, the Consolidated and Company Statements of financial position, the Consolidated Statement of cash flows and the related notes, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 July 2020 and of the Group's profit for the year 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 opinion**

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent 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.

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our Auditors' report thereon. 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.

## **SUTTONS SEEDS LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUTTONS SEEDS LIMITED (CONTINUED)**

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#### **Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group strategic report and the Directors' 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 Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement on page 4, the directors are 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 directors determine 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 directors are responsible for assessing the Group's and the parent 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 directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

#### **Auditors' 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 Auditors' 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

**SUTTONS SEEDS LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUTTONS SEEDS LIMITED (CONTINUED)**

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**Use of our report**

This report is made solely to the Company's members in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members for our audit work, for this report, or for the opinions we have formed.



Fleur Lewis FCA (Senior statutory auditor)  
for and on behalf of

**Bishop Fleming LLP**  
Chartered Accountants  
Statutory Auditors  
2nd Floor Stratus House  
Emperor Way  
Exeter Business Park  
Exeter  
EX1 3QS

Date: *20 October 2020*

**SUTTONS SEEDS LIMITED**

**CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS  
FOR THE YEAR ENDED 31 JULY 2020**

	Note	2020 £	2019 £
Turnover	4	24,462,732	15,430,538
Cost of sales		(12,947,515)	(8,942,117)
<b>Gross profit</b>		<b>11,515,217</b>	<b>6,488,421</b>
Distribution costs		(1,989,921)	(2,284,817)
Administrative expenses		(5,179,540)	(4,544,518)
Other operating income	5	215,351	313,745
Release of negative goodwill		255,788	123,041
<b>Operating profit</b>	6	<b>4,816,895</b>	<b>95,872</b>
Impairment of goodwill		(340,732)	-
Interest receivable and similar income		10	1
Interest payable and expenses	10	(56,754)	(66,188)
<b>Profit before tax</b>		<b>4,419,419</b>	<b>29,685</b>
Tax on profit	11	(820,446)	19,148
<b>Profit after tax</b>		<b>3,598,973</b>	<b>48,833</b>
Retained earnings at the beginning of the year		2,716,413	2,685,580
		2,716,413	2,685,580
Profit for the year attributable to the owners of the parent		3,598,973	48,833
Dividends declared and paid		(135,000)	(18,000)
<b>Retained earnings at the end of the year</b>		<b>6,180,386</b>	<b>2,716,413</b>

There were no recognised gains and losses for 2020 or 2019 other than those included in the consolidated statement of income and retained earnings.

The notes on pages 15 to 35 form part of these financial statements.

**SUTTONS SEEDS LIMITED**  
**REGISTERED NUMBER:09258861**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 JULY 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Intangible assets	13	1,025,860	1,188,236
Tangible assets	14	1,625,237	1,828,355
Investments	15	10,950	10,867
		<u>2,662,047</u>	<u>3,027,458</u>
<b>Current assets</b>			
Stocks	16	2,406,692	2,642,145
Debtors: amounts falling due within one year	17	1,006,433	850,826
Cash at bank and in hand	18	4,821,018	58,507
		<u>8,234,143</u>	<u>3,551,478</u>
Creditors: amounts falling due within one year	19	<u>(4,519,774)</u>	<u>(3,399,430)</u>
<b>Net current assets</b>		<u>3,714,369</u>	<u>152,048</u>
<b>Total assets less current liabilities</b>		<u>6,376,416</u>	<u>3,179,506</u>
Creditors: amounts falling due after more than one year	20	(69,240)	(443,093)
Deferred taxation	24	(106,790)	-
<b>Net assets</b>		<u><u>6,200,386</u></u>	<u><u>2,736,413</u></u>
<b>Capital and reserves</b>			
Called up share capital	25	20,000	20,000
Profit and loss account	26	6,180,386	2,716,413
		<u><u>6,200,386</u></u>	<u><u>2,736,413</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

  
**D C Robinson**  
 Director

Date: 19 - 10 - 20

The notes on pages 15 to 35 form part of these financial statements.

**SUTTONS SEEDS LIMITED**  
**REGISTERED NUMBER:09258861**

**COMPANY STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 JULY 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Investments	15	101	1
		<u>101</u>	<u>1</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	17	71,999	37,999
		<u>71,999</u>	<u>37,999</u>
Creditors: amounts falling due within one year	19	(35,100)	-
		<u></u>	<u></u>
<b>Net current assets</b>		<b>36,899</b>	<b>37,999</b>
<b>Total assets less current liabilities</b>		<b>37,000</b>	<b>38,000</b>
		<u></u>	<u></u>
<b>Net assets</b>		<b>37,000</b>	<b>38,000</b>
		<u></u>	<u></u>
<b>Capital and reserves</b>			
Called up share capital	25	20,000	20,000
Profit and loss account brought forward		18,000	-
Profit for the year		134,000	36,000
Dividends paid		(135,000)	(18,000)
		<u></u>	<u></u>
Profit and loss account carried forward		17,000	18,000
		<u>37,000</u>	<u>38,000</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



**D C Robinson**  
Director

Date: 19-10-20

The notes on pages 15 to 35 form part of these financial statements.

**SUTTONS SEEDS LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 JULY 2020**

	2020 £	2019 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	3,598,973	48,833
<b>Adjustments for:</b>		
Amortisation of intangible assets	77,432	169,082
Depreciation of tangible assets	218,246	233,773
Impairments of goodwill	340,732	-
Loss on disposal of tangible assets	13,748	39,392
Interest paid	56,754	66,188
Interest received	(10)	(1)
Taxation charge	820,446	(18,638)
Decrease/(increase) in stocks	235,453	(3,618)
(Increase)/decrease in debtors	(266,713)	212,189
Increase/(decrease) in creditors	1,215,882	(697,501)
Release of negative goodwill	(255,788)	(123,041)
Exchange adjustments	(83)	(78)
<b>Net cash generated from operating activities</b>	<b>6,055,072</b>	<b>(73,420)</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(31,584)	(123,237)
Sale of tangible fixed assets	2,708	-
Interest received	10	1
HP interest paid	(15,433)	(12,963)
<b>Net cash from investing activities</b>	<b>(44,299)</b>	<b>(136,199)</b>

**SUTTONS SEEDS LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2020**

	2020 £	2019 £
<b>Cash flows from financing activities</b>		
Repayment of loans	-	(8,995)
Other new loans	-	250,000
Repayment of other loans	(454,843)	(391,860)
Repayment of/new finance leases	(71,865)	219,518
Dividends paid	(100,000)	(18,000)
Interest paid	(41,321)	(53,225)
<b>Net cash used in financing activities</b>	<b>(668,029)</b>	<b>(2,562)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>5,342,744</b>	<b>(212,181)</b>
Cash and cash equivalents at beginning of year	(521,726)	(309,545)
<b>Cash and cash equivalents at the end of year</b>	<b>4,821,018</b>	<b>(521,726)</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	4,821,018	58,507
Bank overdrafts	-	(580,233)
	<b>4,821,018</b>	<b>(521,726)</b>

The notes on pages 15 to 35 form part of these financial statements.



**SUTTONS SEEDS LIMITED****CONSOLIDATED ANALYSIS OF NET DEBT  
FOR THE YEAR ENDED 31 JULY 2020**

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	At 1 August 2019 £	Cash flows £	At 31 July 2020 £
Cash at bank and in hand	58,507	4,762,511	4,821,018
Bank overdrafts	(580,233)	580,233	-
Debt due after 1 year	(295,440)	295,440	-
Debt due within 1 year	(674,646)	185,635	(489,011)
Finance leases	(219,518)	71,865	(147,653)
	<u>(1,711,330)</u>	<u>5,895,684</u>	<u>4,184,354</u>

The notes on pages 15 to 35 form part of these financial statements.

## **SUTTONS SEEDS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020**

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#### **1. General information**

Suttons Seeds Limited is a private company limited by share capital, incorporated in England and Wales. The address of the registered office is Woodview Road, Paignton, Devon, TQ4 7NG. The principal activity of the Company is that of a holding company.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of income and retained earnings in these financial statements.

The following principal accounting policies have been applied:

##### **2.2 Basis of consolidation**

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of income and retained earnings from the date on which control is obtained. They are deconsolidated from the date control ceases.

The directors consider that The Present Finder Limited is entitled to exemption from audit under section 479A of the Companies Act 2006.

The members have not required The Present Finder Limited to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

## **SUTTONS SEEDS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020**

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## **2. Accounting policies (continued)**

### **2.3 Going concern**

The directors have considered the ongoing impact that the COVID-19 could have upon the Group.

As noted in the strategic report, whilst to date the Group has benefitted from increased demand for its products, it remains reliant upon its staff to pack products for dispatch and on the postal network for wider distribution. It also relies on the supply of certain products from mainland Europe. As such, a further prolonged period of lockdown could lead to difficulties in supplying products to customers. However, the Group and its team were able to operate to a high standard throughout the period of lockdown instigated in March 2020 and the directors are confident the Group would withstand further restrictions.

The directors have reviewed current stockholdings and are confident that the Group will be able to meet the demands of its customer base. There has been no reduction in supply of product to date and as such, the directors do not anticipate any material change to the current business model as a result of COVID-19. In light of this, the directors consider it appropriate for the financial statements to be prepared on a going concern basis.

### **2.4 Foreign currency translation**

#### **Functional and presentation currency**

The Company's functional and presentational currency is GBP.

#### **Transactions and balances**

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

### **2.5 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

#### **Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

## **SUTTONS SEEDS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020**

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#### **2. Accounting policies (continued)**

##### **2.6 Operating leases: the Group as lessee**

Rentals paid under operating leases are charged to the Consolidated statement of income and retained earnings on a straight line basis over the lease term.

##### **2.7 Interest income**

Interest income is recognised in the Consolidated statement of income and retained earnings using the effective interest method.

##### **2.8 Finance costs**

Finance costs are charged to the Consolidated statement of income and retained earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

##### **2.9 Borrowing costs**

All borrowing costs are recognised in the Consolidated statement of income and retained earnings in the year in which they are incurred.

##### **2.10 Pensions**

###### **Defined contribution plan**

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2020**

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**2. Accounting policies (continued)**

**2.11 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2020

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2. Accounting policies (continued)

2.12 Intangible assets

**Negative Goodwill**

Negative goodwill arising on consolidation in respect of acquisitions is included within fixed assets and released to the profit and loss account in periods in which the fair values of the non-monetary assets purchased on the same acquisition are recovered, whether through depreciation or sale.

**Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated statement of income and retained earnings over its useful economic life.

**Other intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following bases:

Trademarks	-	5 % per annum
Computer software	-	13 % per annum
Purchased database	-	33 % per annum

2.13 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2020

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2. Accounting policies (continued)

2.13 Tangible fixed assets (CONTINUED)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long-term leasehold property	-	4% per annum
Short-term leasehold property	-	over the remaining period of the lease
Plant and machinery	-	10% - 20% per annum
Motor vehicles	-	10% - 20% per annum
Computer equipment	-	20% - 25% per annum
Other fixed assets	-	33% per annum

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 in the Consolidated statement of income and retained earnings.

The directors consider the net realisable value of freehold property to be at least equivalent to the current book value and, therefore, consider that any depreciation charge would be negligible.

2.14 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.15 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted equity shares are measured at cost less impairment.

2.16 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.17 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2020

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2. Accounting policies (continued)

2.17 Financial instruments (CONTINUED)

third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

2.18 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.19 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.20 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.21 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group 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 Consolidated statement of income and retained earnings in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position 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 Statement of financial position.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2020

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2. Accounting policies (continued)

2.22 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.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described above, the directors are required to make judgments, estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The following are the critical judgments and estimates that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

**Critical judgments and estimates**

There are two key provisions in the accounts:

Stock Obsolescence

The provision is based on historical performance, age of products with time limited sell by dates and future product ranges

Sale or Return

Some retail clients are offered the facility to return unsold stock at the end of the season. The provision is based on historic returns performance, contractual changes and retail market performance.

# SUTTONS SEEDS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

### 4. Turnover

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Seeds and plants	22,857,395	13,823,020
Bee supplies	739,841	625,034
Gifts	865,496	982,484
	<u>24,462,732</u>	<u>15,430,538</u>

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	24,344,732	15,053,212
Rest of the world	118,000	377,326
	<u>24,462,732</u>	<u>15,430,538</u>

### 5. Other operating income

	2020 £	2019 £
Rental and other income	215,351	313,745
	<u>215,351</u>	<u>313,745</u>

### 6. Operating profit

The operating profit is stated after charging:

	2020 £	2019 £
Exchange differences	(2,884)	(2,687)
Other operating lease rentals	21,683	45,522
Depreciation of tangible fixed assets	218,246	233,773
Amortisation of intangible fixed assets	77,432	169,082
Release of negative goodwill	(255,788)	(123,041)
Loss/(profit) on disposal	13,748	39,392
	<u>13,748</u>	<u>39,392</u>

**SUTTONS SEEDS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2020**

**7. Auditors' remuneration**

	2020 £	2019 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<u>17,150</u>	<u>17,150</u>
<b>Fees payable to the Group's auditor and its associates in respect of:</b>		
Taxation compliance services	3,550	3,550
All other services	3,220	3,200
	<u>6,770</u>	<u>6,750</u>

**8. Employees**

Staff costs were as follows:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Wages and salaries	4,136,804	3,641,352	-	-
Social security costs	303,087	279,982	-	-
Cost of defined contribution scheme	127,057	91,552	-	-
	<u>4,566,948</u>	<u>4,012,886</u>	<u>-</u>	<u>-</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2020 No.	2019 No.
Administration	36	50
Warehouse and logistics	112	89
Sales and support staff	75	59
	<u>223</u>	<u>198</u>

The Company has no employees other than the directors, who did not receive any remuneration (2019: *£NIL*)

## SUTTONS SEEDS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

#### 9. Directors' remuneration

The directors are employed by Suttons Consumer Products Limited, and the directors' remuneration for the year for the group was £180,200 (2019: £180,200)

During the year retirement benefits were accruing to no directors (2019: 2) in respect of defined contribution pension schemes.

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £5100 (2019: £5,100).

#### 10. Interest payable and similar expenses

	2020 £	2019 £
Bank interest payable	9,932	11,740
Other loan interest payable	31,389	41,485
Finance leases and hire purchase contracts	15,433	12,963
	<u>56,754</u>	<u>66,188</u>

#### 11. Taxation

	2020 £	2019 £
<b>Corporation tax</b>		
Current tax on profits for the year	602,550	(19,860)
Adjustments in respect of previous periods	19,860	(510)
	<u>622,410</u>	<u>(20,370)</u>
<b>Total current tax</b>	<u>622,410</u>	<u>(20,370)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	198,036	1,222
<b>Total deferred tax</b>	<u>198,036</u>	<u>1,222</u>
<b>Taxation on profit/(loss) on ordinary activities</b>	<u>820,446</u>	<u>(19,148)</u>

# SUTTONS SEEDS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

### 11. Taxation (continued)

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019: lower than) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	<b>4,419,419</b>	29,685
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	<b>839,690</b>	5,640
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	<b>91,278</b>	10,472
Adjustments to tax charge in respect of prior periods	<b>19,860</b>	4,559
Fixed asset timing differences	<b>10,476</b>	13,496
Non-taxable income	<b>(185)</b>	(466)
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	<b>(21,996)</b>	(18,105)
Deferred tax adjustments	<b>(34,143)</b>	(318)
Deferred tax not recognised	<b>(35,912)</b>	(11,048)
Other adjustments	<b>(22)</b>	-
Negative goodwill release	<b>(48,600)</b>	(23,378)
<b>Total tax charge for the year</b>	<b>820,446</b>	(19,148)

### 12. Dividends

	2020 £	2019 £
Dividends	<b>135,000</b>	18,000
	<b>135,000</b>	18,000

**SUTTONS SEEDS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2020**

**13. Intangible assets**

**Group and Company**

	Dev'n exp £	Trade- marks £	Software £	Goodwill £	Negative goodwill £	Total £
<b>Cost</b>						
At 1 August 2019	25,000	1,513,272	514,231	425,916	(2,336,221)	142,198
At 31 July 2020	25,000	1,513,272	514,231	425,916	(2,336,221)	142,198
<b>Amortisation</b>						
At 1 August 2019	25,000	160,870	510,757	85,184	(1,827,849)	1,046,038
Charge for the year	-	75,668	1,764	-	(255,788)	(178,356)
Impairment charge	-	-	-	340,732	-	340,732
At 31 July 2020	25,000	236,538	512,521	425,916	(2,083,637)	(883,662)
<b>Net book value</b>						
At 31 July 2020	-	1,276,734	1,710	-	(252,584)	1,025,860
At 31 July 2019	-	1,352,402	3,474	340,732	(508,372)	1,188,236

The directors consider each acquisition separately for the purpose of determining the amortisation period of any goodwill that arises.

Negative goodwill arising on the acquisition of Suttons Consumer Products Limited on 30 November 2017 was equal to the fair value of assets acquired as at that date. An amount equal to the fair value of the non-monetary assets acquired is being released to the profit and loss account commensurately with the recovery of the non-monetary assets acquired whether through depreciation or sale of assets and utilisation of deferred tax. It is anticipated that the closing balance in respect of non-monetary assets of £252,584 will be release over the next 3 years.

The company had no intangible fixed assets.

**SUTTONS SEEDS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2020**

**14. Tangible fixed assets**

**Group**

	Land and buildings £	Plant, fixtures, fittings and equipment £	Motor vehicles £	Computer equipment £	Total £
<b>Cost or valuation</b>					
At 1 August 2019	2,277,090	1,996,542	197,988	412,304	4,883,924
Additions	8,182	7,192	-	16,210	31,584
Disposals	(90,509)	-	-	-	(90,509)
At 31 July 2020	<u>2,194,763</u>	<u>2,003,734</u>	<u>197,988</u>	<u>428,514</u>	<u>4,824,999</u>
<b>Depreciation</b>					
At 1 August 2019	1,100,745	1,454,232	128,669	371,923	3,055,569
Charge for the year on owned assets	69,861	92,577	33,292	22,516	218,246
Disposals	(74,053)	-	-	-	(74,053)
At 31 July 2020	<u>1,096,553</u>	<u>1,546,809</u>	<u>161,961</u>	<u>394,439</u>	<u>3,199,762</u>
<b>Net book value</b>					
At 31 July 2020	<u>1,098,210</u>	<u>456,925</u>	<u>36,027</u>	<u>34,075</u>	<u>1,625,237</u>
At 31 July 2019	<u>1,176,345</u>	<u>542,310</u>	<u>69,319</u>	<u>40,381</u>	<u>1,828,355</u>

The net book value of land and buildings may be further analysed as follows:

	2020 £	2019 £
Freehold	781,213	781,213
Long leasehold	204,831	241,313
Short leasehold	112,166	153,819
	<u>1,098,210</u>	<u>1,176,345</u>

## SUTTONS SEEDS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

#### 15. Fixed asset investments

##### Group

	Unlisted investments £
<b>Cost or valuation</b>	
At 1 August 2019	10,867
Foreign exchange movement	83
At 31 July 2020	<u>10,950</u>

##### Company

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 August 2019	1
Additions	100
At 31 July 2020	<u>101</u>

#### Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
Suttons Consumer Products Limited	Ordinary	100%
Beesdirect Limited	Ordinary	100%

Suttons Consumer Products Limited holds 100% of the ordinary shares of The Present Finder Limited. The registered office of Suttons Consumer Products, Beesdirect Limited and The Present Finder Limited is Woodview Road, Paignton, Devon, TQ4 7NG.

All subsidiaries are consolidated into the financial statements of Suttons Seeds Limited.



**SUTTONS SEEDS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2020**

**16. Stocks**

	<b>Group 2020 £</b>	<b>Group 2019 £</b>
Raw materials and consumables	<b>156,630</b>	169,148
Packaging and other stock	<b>109,236</b>	253,984
Finished stock	<b>1,621,669</b>	1,677,538
Bulk seed stock	<b>519,157</b>	541,475
	<b><u>2,406,692</u></b>	<b><u>2,642,145</u></b>

**17. Debtors**

	<b>Group 2020 £</b>	<b>Group 2019 £</b>	<b>Company 2020 £</b>	<b>Company 2019 £</b>
Trade debtors	<b>667,560</b>	159,350	-	-
Amounts owed by group undertakings	-	-	<b>71,999</b>	37,999
Other debtors	<b>38,782</b>	386,162	-	-
Prepayments and accrued income	<b>300,091</b>	194,208	-	-
Tax recoverable	-	19,860	-	-
Deferred taxation	-	91,246	-	-
	<b><u>1,006,433</u></b>	<b><u>850,826</u></b>	<b><u>71,999</u></b>	<b><u>37,999</u></b>

**18. Cash and cash equivalents**

	<b>Group 2020 £</b>	<b>Group 2019 £</b>
Cash at bank and in hand	<b>4,821,018</b>	58,507
Less: bank overdrafts	-	(580,233)
	<b><u>4,821,018</u></b>	<b><u>(521,726)</u></b>

**SUTTONS SEEDS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2020**

**19. Creditors: Amounts falling due within one year**

	<b>Group 2020 £</b>	<b>Group 2019 £</b>	<b>Company 2020 £</b>	<b>Company 2019 £</b>
Bank overdrafts	-	580,233	-	-
Other loans	318,597	478,000	-	-
Trade creditors	2,414,789	1,280,350	-	-
Provisions for returns	135,414	196,646	-	-
Amounts owed to group undertakings	-	-	100	-
Corporation tax	602,550	-	-	-
Other taxation and social security	90,378	73,646	-	-
Obligations under finance lease and hire purchase contracts	78,413	71,865	-	-
Other creditors	43,907	5,529	35,000	-
Accruals and deferred income	835,726	713,161	-	-
	<b>4,519,774</b>	<b>3,399,430</b>	<b>35,100</b>	<b>-</b>

**20. Creditors: Amounts falling due after more than one year**

	<b>Group 2020 £</b>	<b>Group 2019 £</b>
Other loans	-	295,440
Net obligations under finance leases and hire purchase contracts	69,240	147,653
	<b>69,240</b>	<b>443,093</b>

The hire purchase liabilities are secured against the assets to which they relate.

**SUTTONS SEEDS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2020****21. Loans**

Analysis of the maturity of loans is given below:

	<b>Group 2020 £</b>	<b>Group 2019 £</b>
<b>Amounts falling due within one year</b>		
Other loans	<b>318,597</b>	478,000
	<b>318,597</b>	478,000
<b>Amounts falling due 1-2 years</b>		
Other loans	-	295,440
	-	295,440
	<b>318,597</b>	773,440

Other borrowings are interest free and are secured on the trademarks capitalised by the Group and recorded in Note 13 of the accounts.

**22. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	<b>Group 2020 £</b>	<b>Group 2019 £</b>
Within one year	<b>78,413</b>	71,865
Between 1-5 years	<b>69,240</b>	147,653
	<b>147,653</b>	219,518

**SUTTONS SEEDS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2020**

**23. Financial instruments**

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
<b>Financial assets</b>				
Cash and cash equivalents	4,821,018	58,507	-	-
Financial assets that are debt instruments measured at amortised cost	706,342	545,512	71,999	37,999
	<u>5,527,360</u>	<u>604,019</u>	<u>71,999</u>	<u>37,999</u>
<b>Financial liabilities</b>				
Bank overdraft	-	(580,233)	-	-
Financial liabilities measured at amortised cost	(2,991,120)	(2,032,390)	35,100	-
	<u>(2,991,120)</u>	<u>(2,612,623)</u>	<u>35,100</u>	<u>-</u>

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, intercompany debtors and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, returns and rebates, accruals, loans and intercompany creditors.

**24. Deferred taxation**

**Group**

	2020 £	2019 £
At beginning of year	91,246	92,468
Charged to profit or loss	(198,036)	(1,222)
<b>At end of year</b>	<u>(106,790)</u>	<u>91,246</u>
	<b>Group 2020 £</b>	<b>Group 2019 £</b>
Accelerated capital allowances	(106,790)	91,246
	<u>(106,790)</u>	<u>91,246</u>

# SUTTONS SEEDS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

### 25. Share capital

	2020 £	2019 £
<b>Allotted, called up and fully paid</b>		
20,000 (2019: 20,000) Ordinary 'A' shares of £1.00 each	<u>20,000</u>	<u>20,000</u>

### 26. Reserves

#### Profit and loss account

The profit and loss account represents cumulative profit or losses, net of dividends paid and other adjustments.

### 27. Share based payments

At the balance sheet date there are Enterprise Management Incentive (EMI) agreements in place with one employee.

The agreements which were entered into on 20 January 2017 and on 7 March 2019 provides the participant with the option to acquire 1,138 shares in the Company at a price of £4.27 per share.

Options under the above agreements become exercisable only in the event of a qualifying business sale event.

### 28. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £127,057 (2019: £91,552). Contributions totalling £24,590 (2019: £24,590) were payable to the fund at the reporting date and are included in creditors.

### 29. Commitments under operating leases

At 31 July 2020 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2020 £	Group 2019 £
Not later than 1 year	307,115	298,833
Later than 1 year and not later than 5 years	568,695	825,596
	<u>875,810</u>	<u>1,124,429</u>

## **SUTTONS SEEDS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020**

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#### **30. Related party transactions**

During the year, the Group made purchases from a company whose shareholders include close family members of the directors. During the year purchases totalled £54,268 and at 31 July 2020, £6,250 remained outstanding.

During the year a close family member of a director was employed on a temporary basis. Total payments to the family member amounted to £2,133 (2019: £1,245).

#### **31. Controlling party**

Suttons Seeds Limited is controlled by the directors, Mr R W Roberts and Mr D C Robinson. There is no one controlling party.

#### **32. PARENT COMPANY GUARANTEE**

Subsidiaries of parent companies established within the European Economic Area are exempt from an audit if a guarantee is provided by the parent for the subsidiary liabilities and the shareholders are in unanimous agreement. The Group will be exempting The Present Finder Limited from an audit for the period ended 31 July 2020 under section 479A of the Companies Act 2006. The Present Finder has been consolidated into the financial statements of Suttons Seeds Limited.