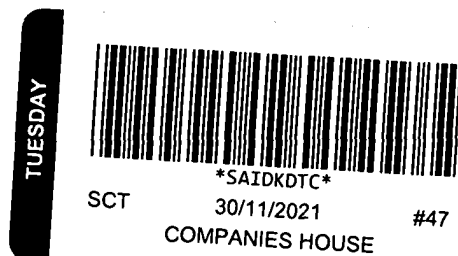


Dobbies Garden Centres Limited
Annual Report and Financial Statements
For the 52 weeks ended 28 February 2021
Registered Number: SC010975

COMPANIES HOUSE
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EDINBURGH MAILBOX



DOBBIES GARDEN CENTRES LIMITED

STRATEGIC REPORT FOR THE 52 WEEKS ENDED 28 FEBRUARY 2021

The Directors present their Strategic Report for Dobbies Garden Centres Limited (the "Company") for the 52 weeks ended 28 February 2021 (prior 53 week period ended 1 March 2020).

Business review and principal activities

The principal activity of the Company is the operation of garden centres in the United Kingdom. The Directors' strategic plan is to lead the future of garden centre retailing. Dobbies differentiates itself as a leading destination garden centre retailer through range authority, a best-in-class hospitality experience and strong concession relationships.

The onset of the COVID-19 pandemic in March 2020 resulted in a temporary but significant impact on the operations of the Company. All of the Company's garden centres and restaurants were required to close from 24 March 2020 until lockdown measures were eased slightly from May onwards. By the end of May 2020, all of the Company's garden centres were permitted to re-open with restaurants re-opening by the end of July 2020. Further restrictions were introduced in November and December with all garden centres and restaurants not fully re-opening until May 2021.

During this period, the Board acted quickly to maintain the financial stability of the Company. Additional shareholder equity funding of £7.5m was raised by the Company's ultimate parent undertaking, DanAtAugusta Equityco Limited with the funds from this issue provided as a loan to the Company to assist with cash flow. The Company utilised the Coronavirus Job Retention Scheme, implemented cost management measures and developed further the Company's online retail and "click and collect" services.

Despite the pandemic, the Company demonstrated resilience and progress with the following key highlights;

- Wholesale food partnership with Sainsbury's launched in July 2020, and now in operation in 52 of our foodhalls;
- Investment across the estate, including retail and restaurant refurbishments at Gloucester, Huntington and Woodcote Green;
- Launch of "little dobbies", a small store format;
- A review of the labour model across the Company, resulting in a significant annual reduction in operating costs;
- Supply chain transformation, including the appointment of a new partner to provide consolidated warehousing, distribution and home delivery services; and
- Implementation of a new ERP system.

Sustainability remains at the core of the business with the Company launching #sustainabledobbies in the period. In addition, the Company has maintained its market leading position on peat-free and other gardening products, and, became a supporter of HRH The Prince of Wales' Sustainable Markets Initiative Terra Carta.

During 2020, we passed the £1m donation milestone for our partnership with Teenage Cancer Trust and established a new national partnership with the Stroke Association. Through local community projects and our "Little Seedlings" programme we have been able to engage with a broad range of gardeners.

Results and dividends

The results for the period show net sales of £216.0m (2020: £235.0m) with the reduction in sales driven by temporary store closures due to the COVID-19 pandemic, in line with Government guidance. Closed period losses were broadly offset by government grant income of £17.1m in relation to the Coronavirus Job Retention Scheme (CJRS) and rates relief. Results for the year also include four months of trading for the Woodcote Green store which was hived up on 26 October 2020. EBITDA was £39.6m (2020: £17.6m), benefitting from 2020 being the first year of trading the spring season in the new stores acquired in 2019, the assistance of furlough and rates relief and management actions to reduce costs, offset by closed period losses.

Underlying operating profit before exceptional items was £16.2m (2020: £7.5m) reflecting an increase of 118% during the year due to the aforementioned factors. Exceptional items of £4.8m (2020: £6.9m) were

DOBBIES GARDEN CENTRES LIMITED

STRATEGIC REPORT FOR THE 52 WEEKS ENDED 28 FEBRUARY 2021 (continued)

Results and dividends (continued)

incurred during the year arising from COVID-19 related stock wastage and obsolescence, security, warehousing and other operational costs as well as restructuring costs. Loss after tax of £16.4m (2020: £21.9m), reflects the impact of store closures in Scotland, Northern Ireland and Wales and restaurant closures across the estate.

The Directors do not recommend payment of a dividend for the 52 weeks ended 28 February 2021 (2020: £nil).

Principal risks and uncertainties

We manage our key risks strategically at Dobbies Garden Centres Group Limited (the 'Group') Board level and operationally via weekly senior leadership team meetings. An annual risk review was completed and reviewed by the Board in February 2021. Key risks remain aligned with strategic priorities and, as summarised below, continue to be managed robustly with no material changes in the year.

Weather: This is a key risk to the Group due to the seasonal nature of the sale of plants, gardening and outdoor living products. Adverse weather can lead to reduced footfall, impacting both profit and stock levels. Our improved indoor retail and hospitality offerings, including Sainsbury's food halls, reduce our reliance on fair weather.

Supply chain: We have a diversified international supply chain which is managed through a rigorous procurement process with end-to-end safety checks and quality assurance processes. We have ensured that there is no risk of a single point of failure. Furthermore, a cross-functional Brexit team has ensured minimal disruption to operations, reporting to the senior leadership team weekly on readiness, risks and mitigating actions.

Competition: The Group competes with a variety of retailers including other garden centres, DIY retailers and, in some categories, supermarkets and discount retailers. We closely monitor our position and remain competitive on range, value, quality and service.

Interest rate and foreign exchange risk: Some of the Group's products are globally sourced and as such we are exposed to the risks associated with international trade. We hedge our exposure and manage risk through forward contracts and an interest rate cap.

Cyber security and data protection: These continue to be managed by robust IT security measures, supported by the recent implementation of new ERP and digital platforms.

Biosecurity: The Group has robust processes in place to identify and minimise potential biosecurity risks. We engage only with reputable suppliers, focusing on low-risk product categories, and plant passporting procedures are rigorously adhered to.

Further COVID-19 impact: The Group has demonstrated resilience throughout the COVID-19 pandemic, adopting mitigation measures as required and benefitting from being classed as an "essential retailer" in England. We have adopted market-leading COVID-secure measures, endorsed by AA "COVID Confident" accreditations in all of our centres together with appropriate steps to safeguard the health and wellbeing of our customers and team members. Additionally, the Directors continue to closely monitor the position with COVID-19 in relation to the balance sheet position, the borrowing facilities available to the Group and projected trading performance of the business.

Key performance indicators (KPIs)

During the last financial year, we have utilised a variety of KPIs for internal performance management to monitor and drive the Group's performance, such as sales, EBITDA, and net cash from operating activities.

DOBBIES GARDEN CENTRES LIMITED

STRATEGIC REPORT FOR THE 52 WEEKS ENDED 28 FEBRUARY 2021 (continued)

Corporate Governance Arrangements

In accordance with the Companies (Miscellaneous Reporting) Regulations 2018, the Company is required to include a statement of its corporate governance arrangements in this annual report for the financial year ending on 28 February 2021 ("FY21").

The Group adopted the Wates Corporate Governance Principles for Large Private Companies in the previous year. As part of the Group, the Company benefits from the application of these Principles and we set out below how the Principles were applied during FY21.

Principle 1: Purpose and leadership

Our purpose is to deliver sustainable growth for all of our stakeholders by digitally leading the future of garden centre retailing. We achieve this by:

- Operating the business in line with a strategic business plan which is reviewed annually;
- Building upon the "customer first" approach;
- Operating best-in-class garden centres and restaurants;
- Developing a robust and efficient platform to support our growth;
- Sourcing quality products using only suppliers who comply with our responsible sourcing policies;
- Maintaining strong relationships with our suppliers, service providers and other stakeholders; and
- Ensuring that our company values are reflected in everything that we do through our Ways of Working (WoW) framework.

Principle 2: Board composition

Details of our Board members can be found on page 8.

Our Chairman was re-appointed for a further year in July 2020 and continues to lead the Board, taking account of the views of all Directors. Although there are no independent directors on the Board, our Directors are experienced business leaders and have considered the interests of all stakeholders in their decision-making processes during an unprecedented year. Having led and held senior executive positions in other leading businesses, the Directors bring extensive experience in retail, hospitality, leisure and financial services to the Group.

Below the Board, the Chief Executive Officer has responsibility for all operational matters, supported by the Chief Financial Officer and Senior Leadership Team ("SLT"). The SLT members have clearly defined responsibilities and bring operational expertise and experience to the Group. Furthermore, the SLT presents regular briefings to the Board in relation to business issues and developments. During the COVID-19 pandemic, the SLT has operated remotely when required, holding daily meetings and ensuring regular engagement with team members. This approach has enabled the Board to make informed decisions on key matters, including strategy and risk management.

Principle 3: Board responsibilities

Decisions are made in accordance with the principles of the Group's shareholders' agreement and the constitutional documents for each member of the Group. In reaching their decisions, the Directors also have regard to the Group's obligations to its financial and other stakeholders. In accordance with the Company's articles of association and applicable law, the Directors do not take part in any discussion or decision in which they have a conflict of interest. The Company Secretary guides the Directors in relation to such matters.

The Directors receive detailed reports relating to the operations and performance of the Group via weekly updates and monthly Board meetings. Board meetings were held at least weekly during the year, ensuring the risks and impact of the COVID-19 pandemic were managed appropriately. The Remuneration and Audit Committees also support the Board in its decision-making processes.

DOBBIES GARDEN CENTRES LIMITED

STRATEGIC REPORT FOR THE 52 WEEKS ENDED 28 FEBRUARY 2021 (continued)

Corporate Governance Arrangements (continued)

Principle 4: Opportunity and risk

The Group maintains a comprehensive financial review process, including annual budgets, business plans and regular forecasting. Key performance indicators are monitored by the SLT and managed through regular operational meetings and action plans. All Directors receive regular and timely information to enable them to perform their duties, including information on the Group's operational and financial performance, customer service, health and safety performance and forward trends. Board meetings are held monthly in order to review these. During the year, Board meetings were held more frequently in order to manage the emerging risks throughout the COVID-19 pandemic. Furthermore, the Board reviews medium and long-term strategy on a regular basis and engages directly with shareholders for their views. A Long-Range Plan was approved by the Board in January 2021. In this way, the Board assesses the prospects of the Group using all the information at its disposal.

The Board also has responsibility for determining the nature and extent of the principal risks the Group is willing to take to achieve its strategic objectives, and for the Group's internal control framework. The Audit Committee oversees the Group's risk management and internal control systems and the effectiveness of all material controls. The principal risks, and mitigating factors, of the Group are disclosed in the Strategic report on page 2 and are reviewed by the Board at least bi-annually.

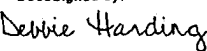
Principle 5: Remuneration

The Remuneration Committee ensures that levels of compensation across the Group are sufficiently competitive to retain talent within the Group, as well as benchmarking the remuneration packages of the executive Directors and SLT. Additionally, the Remuneration Committee reviews the Group's performance with regard to diversity and inclusion criteria, including annual review of the Group's Gender Pay Gap report.

Principle 6: Stakeholder relationships and engagement

The Board continues to place great emphasis on communication and engagement with the Group's shareholders and team members. The Chairman and Chief Executive Officer engage regularly with major shareholders to discuss the Group's performance, strategic issues and shareholder investment objectives, and provide regular and comprehensive feedback to the Board. In addition, the Board participates in regular site visits, engaging with team members directly. The Group has launched internal apprenticeship and development programmes, supporting continued growth and development together with investment in a new e-learning platform and engagement tools.

By order of the Board

DocuSigned by:

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Debbie Harding
Company Secretary
30 November 2021

DOBBIES GARDEN CENTRES LIMITED

DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 28 FEBRUARY 2021

The Directors present their Report and the audited financial statements of Dobbies Garden Centres Limited (the "Company") for the 52 weeks ended 28 February 2021.

Business performance and principal risks and uncertainties

The results for the period are set out in the Income Statement on page 15. The results for the period and principal risks and uncertainties have been discussed in the Strategic Report on page 2.

Political contributions

There were no political donations in the period.

Future developments

The Company continues to differentiate its retail experience and evolve its hospitality offering accordingly. As the UK's leading garden centre retailer, we are committed to strengthening this position through further investment in our existing estate and the development of new opportunities. The below elements underpin our growth strategy:

- Further development and acquisitions in strategic locations, including new-build developments;
- Following a trial period, roll out of little dobbies;
- Strengthen customer engagement through focus on NPS and enhancements to our loyalty scheme;
- Continuing to ensure that sustainability remains at the core of our business; and
- Becoming a digitally lead garden centre retailer.

Going concern

The Company's operations are closely linked to the performance of the wider Group and are funded through the Group structure, with funding being transferred via intercompany balances. The Directors have performed a robust appraisal of the Company's operational and financial strength and its ability to meet its obligations as they fall due over the period to 30 November 2022. As the Company has a dependency on intergroup balances, investments and trade, this appraisal has included the assessment of the wider Group. In doing so, the Directors have reviewed current performance, financial projections including the long-range plan and sensitivities to test the robustness of the assumptions made. As discussed more fully below, the Directors also considered the ability of the Group to refinance its term loan of £224.6m which matures on 20 July 2022.

Due to the interdependency on wider Group operations, the Directors have received assurances from the Directors of Dobbies Garden Centres Group Limited that financial support will be provided to assist the Company in meeting its liabilities as they fall due, to the extent that it is required for a period to 30 November 2022.

The going concern assessment for the Group included a review of forecast profits, cash flows, liquidity and covenant compliance, a severe but plausible downside scenario and a further stress test downside scenario applying a highly unlikely downside scenario to establish the impact on the results through the going concern period.

The Directors considered the ability of the Group to refinance current loan facilities totalling £224.6m which expire on 20 July 2022. Full Investment Committee approval has been received from the Group's existing lenders to extend current Senior Facilities to a new maturity date of 28 February 2023 which is expected to complete in the next few weeks. Given our current scale, strong trading position and growth ambitions, the Group has continued to progress discussions with other banking institutions who have also provided indicative proposals for full refinancing. The Directors have also received advice from independent specialists, who confirmed that current market conditions are supportive of a full refinancing in excess of the maturing debt with institutional loan and high yield bond markets pricing record volumes of capital at spreads that are close to ten year lows. Overall, on the basis of this information, the Directors consider it implausible that the term loan facilities will not be extended.

DOBBIES GARDEN CENTRES LIMITED

DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 28 FEBRUARY 2021 (continued)

Going concern (continued)

Based on the progress made to date, the strength of current trading, advice received from external specialists and the liquidity in external debt markets the Directors are also confident that there are realistic prospects for a full refinancing to be concluded well in advance of the revised 28 February 2023 maturity date.

The Directors continue to closely monitor the current and projected trading performance of the business, the improved leverage position of the Group and the positive impact of this on financing costs, and the facilities available to the Group and conclude that the Company has adequate resources to continue to operate for the period to 30 November 2022. Accordingly, the financial statements have been prepared on a going concern basis. Further details on the basis of the going concern assessment are included in Note 2.2 (a).

Enhancing our governance

Section 172 of the Companies Act 2006 requires a Director of a company to act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole. The Board places great emphasis on communication and engagement with its key stakeholders, including team members, customers, suppliers, service providers and the local community. The Board reviews the outcomes of customer insight and engagement projects regularly and monitors net promoter scores.

Furthermore, the Directors participate in the Company's conferences for team members and suppliers, meet with team members on site visits and hold regular meetings with key suppliers.

The Company's "ways of working" remain embedded across the business and form part of everyday decision-making processes. The views of team members are welcomed and actively encouraged. The Senior Leadership team has continued to hold company-wide "huddles" via videoconference on a weekly basis during the COVID-19 pandemic to provide updates and sustain engagement. All new team members complete a comprehensive induction and training process. Annual performance and development reviews are undertaken across the business and were most recently completed in early 2021.

The Company is committed to community engagement at local and national levels. Teenage Cancer Trust are our National Charity Partner and we have raised over £1m for them to-date. We also work with Stroke Association and in 2021 we were the official partner for Butterfly Conservation's Nurture for Nature campaign. We have relaunched Helping Your Community Grow, enabling team members to support local projects, as well as virtual Little Seedlings. We have a public facing Sustainability Policy to engage team members, customers and suppliers with our sustainable products and practices.

By engaging with stakeholders in these ways, the Board is cognisant of their contributions to the Company and makes decisions which are aligned with customer sentiment, take account of the views of team members and are supportive of the Company's suppliers.

Engagement with suppliers, customers and others in a business relationship with the Company

A summary of how the Directors have had regard to the need to foster the Company's business relationships with suppliers, customers and others, and the effect of that regard, including on the principal decisions taken by the Company during the financial year, is included in the Corporate Governance Arrangements section of the Strategic Report.

Research and development

The Company does not undertake any research and development activities.

DOBBIES GARDEN CENTRES LIMITED

DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 28 FEBRUARY 2021 (continued)

Employees

The Company depends on the skills and commitment of its employees in order to achieve its objectives and has a learning and development programme in place. The Company is committed to equality and continually strives to ensure a working environment in which all individuals are able to make best use of their skills and talents, free from discrimination or harassment, and in which all decisions are based on merit.

Applications for employment from candidates with a disability are given full and fair consideration and candidates are assessed in accordance with their particular skills and abilities. Furthermore, the Company is committed to ensuring that appropriate training, career development and promotion opportunities are available to all employees, regardless of any disability.

The Company makes every effort to provide continuity of employment should any colleague become disabled whilst with us, with attempts always made to provide ongoing employment, whether this involves adapting the current job role or moving to a more appropriate role.

The Company is confident that all of its team members in similar roles are paid equally. Having recently published its 2021 Gender Pay Gap Report, the Company was pleased to report a median pay gap of 0%. The Senior Leadership Team is over 62% female and work continues to increase female participation in other senior management roles across the business.

Internal communications are designed to ensure that employees are well informed about the business. In the past year, the Company has launched a new e-learning platform with updated equality and inclusion training, together with expanded mental health first aid training across the business. A programme of continuous development is underway.

The Company had 3,941 employees on average during the 52 weeks ended 28 February 2021 (2020: 4,193).

Directors and their interests

The following Directors served during the period and up to the date of signing the financial statements.

Andrew Bracey
David Burgess
Aidan Clegg
Neil Currie
Lynne Gilder (appointed 21 April 2021)
Frederick Goltz
Graeme Jenkins
Fiona Larkin (resigned 20 April 2021)

None of the Directors had any disclosable interests in the Company during this period. The Company has maintained a directors' and officers' liability insurance policy throughout the financial period.

Disclosure of information to auditors

Each Director who is a Director of the Company at the date of approval of this Annual Report and Financial Statements confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- he/she has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Ernst & Young LLP offer themselves for reappointment as auditors in accordance with section 485(4) of the Companies Act 2006. A resolution to reappoint them will be proposed at a forthcoming Board meeting.

DOBBIES GARDEN CENTRES LIMITED

DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 28 FEBRUARY 2021 (continued)

Events after the Balance Sheet date

On 19 April 2021, the Company acquired the entire share capital of Johnsons Garden Centre (Boston) Limited for £3.8m. The company operated one garden centre in Boston. The centre has been refurbished post acquisition and the trade transferred to the Company.

In addition to this the Group has signed heads of terms for newly developed leased premises at The Junction Retail and Leisure Park in Antrim for a second store in Northern Ireland. The site is expected to be ready in Spring 2023.

The sale and leaseback of our Reading store has also been completed, subject to planning permission. The financing agreement will facilitate the redevelopment of the site, with the construction of a new, enlarged garden centre and retail development.

Streamlined Energy Carbon Reporting (SECR)

This report was prepared in accordance with the Streamlined Energy and Carbon Reporting (SECR) requirements outlined in Companies Act 2006 for large quoted and unlisted companies, which Requires Dobbies Garden Centres Limited to report on its Greenhouse Gas (GHG) emissions.

Methodology

For the 52 weeks ended 28 February 2021 we have collected energy usage data for our stores and office buildings. This includes Electricity consumption (kWh) & Natural Gas consumption (kWh). For Heating Oil and LPG, figures are based on litres delivered and for Wood Pellets based on tonnes delivered and converted to kWh using 2020 conversion tables. In our consumption numbers we have included whole site utilities where Dobbies are main site Occupant, and metered electricity usage for sites where Dobbies are a tenant.

Calculation Methodology

We have used Department for Business, Energy and Industrial Strategy (BEIS) methodology to compile this GHG data and have calculated our GHG emissions in accordance with UK Government reporting guidelines for company reporting. For consistency all GHG emissions are reported in Tonnes of CO₂e (tonnes of carbon dioxide equivalent) and using 2020 GHG Conversion Factors for company reporting published by BEIS. Where incomplete datasets have been used, estimates based on the pro-rated consumption of prior/subsequent months were used to extend data to full year dataset.

GHG Emissions Scopes

The following reporting scopes (as outlines by the GHG protocol) are included within this disclosure;

- Scope 1 emissions: Direct emissions from sources which the Company owns or controls, including Gas Consumption, Heating Oil, LPG, Wood Pellets (N₂O and CH₄ only)
- Scope 2 emissions: indirect emissions relating solely to the generation of purchased electricity that is consumed by the Company
- Outside of Scope: CO₂ emissions from consumption of Biomass (Wood Pellets) is deemed outside of Scope, since the levels of CO₂ released is analogous to the level of CO₂ absorbed during the growth of the wood.

DOBBIES GARDEN CENTRES LIMITED**DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 28 FEBRUARY 2021
(continued)****Streamlined Energy Carbon Reporting (SECR) (continued)***Emissions Disclosures*

The tables below display our UK greenhouse gas emissions and energy use data for the 52 weeks ended 28 February 2021. As per SECR reporting requirements this information is presented in kilowatt hours (kWh);

Energy consumption used to calculate emissions (kWh)

Electricity (Scope 2)	32,675,231
Natural Gas (Scope 1)	23,234,984
Kerosene (Scope 1)	913,195
Gas Oil (Scope 1)	1,667,717
Wood Pellets (Scope 1)	917,120
LPG (Scope 1)	2,369,043
Total energy consumption used to calculate emissions (kWh)	61,777,290

Gross emissions in metric tonnes CO₂e

Scope 1 Direct Emissions (from combustion fuels) in Metric Tonnes CO ₂ e	5,448
Scope 2 Indirect Emissions (electricity purchased) in Metric Tonnes CO ₂ e	7,618
Total gross emissions in metric tonnes CO₂e	13,066

Intensity ratio

Revenue (£m)	224
Total Scope 1 and 2 emissions (tonnes CO ₂ e)	13,066
Emissions per £m	58

Outside of scope

Tonnes of CO ₂ from the consumption of Wood Pellets.	321
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Distribution is outsourced to a third-party Logistics partner and is therefore outside of reporting scope for SECR. Transport mileage is solely from business mileage expense claims. The impact of COVID 19 has resulted in most employees working from home throughout the year, resulting in minimal reported mileage during the year.

Energy Consumption and Sourcing

The company is committed to improving energy efficiency and reducing its GHG emissions from operations. We have rolled out various initiatives to achieve that goal, including switching to LED lighting for all Centres, switching to Biofuels for our heating requirements (Currently at 50%), targeting 100% of electricity provided from renewable sources by end of 2022 and aiming for 60% reduction in supplier road miles through our new supply chain solution.

By order of the Board

DocuSigned by:

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 Debbie Harding
 Company Secretary
 30 November 2021

DOBBIES GARDEN CENTRES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE 52 WEEKS ENDED 28 FEBRUARY 2021

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. 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 101 Reduced Disclosure Framework (FRS 101). 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 of the profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DOBBIES GARDEN CENTRES LIMITED

We have audited the financial statements of Dobbies Garden Centres Limited for the 52 weeks ended 28 February 2021 which comprise the Income Statement, the Statements of Financial Position, the Statements of Changes in Equity and the related notes 1 to 32, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Accounting Standards in conformity with the requirements of the Companies Act 2006 and United Kingdom Accounting Standards including FRS101 "Reduced Disclosure Framework".

In our opinion:

- the financial statements give a true and fair view of the Company's affairs as at 28 February 2021 its loss for the 52 weeks then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DOBBIES GARDEN CENTRES LIMITED (continued)

Other information (continued)

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 course of 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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

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 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 strategic report and 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 strategic report or 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 set out on page 11, 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.

Auditor's responsibilities for the audit of the financial statements

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DOBBIES GARDEN CENTRES LIMITED (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

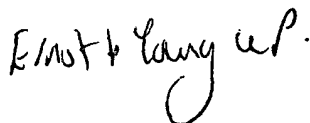
Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 101 and the Companies Act 2006) and relevant direct and indirect tax compliance regulations in the jurisdictions in which the group operates. In addition, the Company has to comply with laws and regulations relating to its operations, including health and safety, employees, GDPR and anti-bribery and corruption.
- We understood how the company is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures. We verified our enquiries through our review of board minutes.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override and by identifying the accounting treatment of areas that are technically complex or require significant judgement. We incorporated unpredictability into our testing through performing journal entry testing. Where the risk was considered to be higher, we performed audit procedures, including challenging and auditing management estimates for appropriateness, engaging EY specialists to conclude on relevant key assumptions, considered the effectiveness of management controls to address fraud and performing extensive audit procedures in relation to significant non-recurring transactions in the year.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved: journal entry testing focussed on specific risk criteria; management enquiries and focused testing over legal expenses incurred.

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

Use of our report

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



Annie Graham (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Edinburgh
30 November 2021

DOBBIES GARDEN CENTRES LIMITED**Income statement****For the 52 weeks ended 28 February 2021**

	Notes	52 weeks to 28 February 2021 £000	53 weeks to 1 March 2020 £000
Turnover		215,957	234,989
Cost of sales		(109,767)	(114,927)
Gross profit		106,190	120,062
Administrative expenses		(120,698)	(131,296)
Other operating income	6	25,906	11,753
Operating profit	5	11,398	519
Analysed as:			
Underlying operating profit		16,173	7,466
Exceptional items	9	(4,775)	(6,947)
		11,398	519
Net loss on disposal of assets		(242)	(11)
Finance income	10	6,949	6,714
Finance costs	11	(36,429)	(30,164)
Loss on ordinary activities before tax		(18,324)	(22,942)
Tax credit	12	1,918	998
Loss for the financial period		(16,406)	(21,944)

All results relate to continuing operations.

There are no gains or losses other than those shown above, and as such no separate Statement of Comprehensive Income has been provided.

The notes on pages 18 to 43 form part an integral part of these financial statements.

DOBBIES GARDEN CENTRES LIMITED**Statement of financial position****As at 28 February 2021**

	Notes	2021 £000	2020 £000
Non-current assets			
Intangible fixed assets	14	22,630	18,300
Property, plant and equipment	15	185,295	181,292
Right-of-use assets	28	270,739	281,181
Investments	13	33,185	33,185
Amounts due from other group companies	17	200,912	193,973
Total non-current assets		712,761	707,931
Current assets			
Inventory	18	43,298	44,032
Debtors: amounts falling due within one year	19	63,367	47,792
Cash and short-term deposits	20	21,982	6,806
Total current assets		128,647	98,630
Total assets		841,408	806,561
Current liabilities			
Creditors: amounts falling due within one year	21	(161,021)	(134,831)
Lease liabilities	29	(3,088)	(1,654)
Deferred consideration		-	(98)
Total current liabilities		(164,109)	(136,583)
Net current liabilities		(35,462)	(37,953)
Total assets less current liabilities		677,299	669,978
Non-current liabilities			
Interest bearing loans and borrowings	23	(59,843)	(51,949)
Amounts due to other group companies	22	(194,316)	(179,844)
Lease liabilities	29	(284,937)	(284,676)
Deferred tax	26	(16,854)	(15,844)
Provisions	25	(3,257)	(3,167)
Total non-current liabilities		(559,207)	(535,480)
Total liabilities		(723,316)	(672,063)
Net assets		118,092	134,498
Capital and reserves			
Share capital	27	1,704	1,704
Share premium		122,159	122,159
Retained earnings		(5,771)	10,635
Total equity		118,092	134,498

The notes on pages 18 to 43 are an integral part of the financial statements. The financial statements on pages 15 to 43 were approved by the Board of Directors on 30 November 2021 and signed on its behalf by:

DocuSigned by:
 Lynne Gilder
 Director
 24FC1AA073044AF..
 30 November 2021

Dobbies Garden Centres Limited, Registered Number: SC010975

DOBBIES GARDEN CENTRES LIMITED

Statement of changes in equity

As at 28 February 2021

	Share Capital £000	Share Premium £000	Retained Earnings £000	Total Equity £000
As at 24 February 2019	1,704	122,159	32,579	156,442
Loss for the period	-	-	(21,944)	(21,944)
As at 1 March 2020	1,704	122,159	10,635	134,498
Loss for the period	-	-	(16,406)	(16,406)
As at 28 February 2021	1,704	122,159	(5,771)	118,092

DOBBIES GARDEN CENTRES LIMITED

Notes to the financial statements

1. Authorisation of financial statements and compliance with FRS 101

The financial statements of Dobbies Garden Centres Limited (the "Company") for the 52 weeks ended 28 February 2021 were approved by the board of directors on 30 November 2021 and the Statement of Financial Position was signed on the board's behalf by Lynne Gilder.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The Company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£'000) except when otherwise indicated.

The Company has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare group accounts as it was a wholly owned subsidiary of Dobbies Garden Centres Group Limited at the balance sheet date.

Dobbies Garden Centres Limited (the Company) is a limited company, limited by shares, incorporated and domiciled in the United Kingdom. The results of Dobbies Garden Centres Limited are included in the consolidated financial statements of Dobbies Garden Centres Group Limited which are available from Fourth Floor, 22-23 Old Burlington Street, London, United Kingdom, W1S 2JJ.

The principal accounting policies adopted by the Company are set out in note 2. These have been applied consistently throughout the period.

2. Significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared on a going concern basis, and in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006 (the Act). FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS.

The company is a qualifying entity for the purposes of FRS 101. Note 32 gives details of the company's parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.

FRS 101 sets out amendments to EU-adopted IFRS that are necessary to achieve compliance with the Act and related Regulations.

The parent undertaking, Dobbies Garden Centres Group Limited (the "Group"), has provided a letter of support confirming it will provide financial support to enable the Company to meet its obligations as and when they fall due for a period of 12 months from the date of approval of the financial statements.

The disclosure exemptions adopted by the company in accordance with FRS 101 are as follows:

- The requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based Payment: (i) the share based payment arrangement concerns the instruments of another group entity;
- The requirements of paragraphs 62, B64(d), B64(l), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations;
- The requirements of IFRS 7 Financial Instruments: Disclosures;
- The requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- The requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets; and
 - paragraphs 76 and 79(d) of IAS 40 Investment Property;

DOBBIES GARDEN CENTRES LIMITED

Notes to the financial statements

2.1 Basis of preparation (continued)

- The requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 40A to 40D and 134-136 of IAS 1 Presentation of Financial Statements;
- The requirements of IAS 7 Statement of Cash Flows;
- The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- The requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures;
- The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- The requirements of paragraphs 130(f)(ii) to 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets; and
- The requirements of paragraphs 52, 58, 89 (second sentence only), 90, 91 and 93 of IFRS 16 Leases.

The financial statements have been prepared under the historical cost convention. A summary of the more important accounting policies is set out below.

2.2 Summary of significant accounting policies

a) Going concern

The Company's operations are closely linked to the performance of the wider Group and are funded through the Group structure, with funding being transferred via intercompany balances. The Directors have performed a robust appraisal of the Company's operational and financial strength and its ability to meet its obligations as they fall due over the period to 30 November 2022. As the Company has a dependency on intergroup balances, investments and trade, this appraisal has included the assessment of the wider Group. In doing so, the Directors have reviewed current performance, financial projections including the long-range plan and sensitivities to test the robustness of the assumptions made. As discussed more fully below, the Directors also considered the ability of the Group to refinance its term loan of £224.6m which matures on 20 July 2022.

Due to the interdependency on wider Group operations, the Directors have received assurances from the Directors of Dobbies Garden Centres Group Limited that financial support will be provided to assist the Company in meeting its liabilities as they fall due, to the extent that it is required for a period to 30 November 2022.

The going concern assessment for the Group included a review of forecast profits, cash flows, liquidity and covenant compliance, a severe but plausible downside scenario and a further stress test downside scenario applying a highly unlikely downside scenario to establish the impact on the results through the going concern period.

Under these scenarios, assuming refinancing of the £224m July22 term loan based on the credit committee approved confirmation, in some cases with reasonable mitigating actions within the Group's control taken, the business has adequate covenant and liquidity headroom throughout the going concern period. The stress test downside scenario considered the impact of a full closure of stores in Scotland, Northern Ireland and Wales, and only 50% of the in-store retail budget achieved by English stores during the three month period from mid December 2021 to mid February 2022. This scenario assumes all restaurants would be closed during this period with no assistance from Government.. Under this scenario, with reasonable mitigating actions being taken, there remains covenant and liquidity headroom throughout the going concern period. In order to breach headroom, the assumed restrictions would need to remain in place for a further month over and above the already assumed closure period. Given the roll out of the vaccination, the performance of the Group during FY21 and that when stores were permitted to open in 2020/21, English stores significantly outperformed budget, the occurrence of this scenario is considered by the Directors as implausible.

DOBBIES GARDEN CENTRES LIMITED

Notes to the financial statements

2.2 Summary of significant accounting policies (continued)

a) Going concern (continued)

Mitigating actions available to the Company, should they be required, have been considered by the Directors including, but not limited to, measures to reduce costs through headcount reductions, suspending all uncommitted capital expenditure, preserving cash through working capital management, and cancelling marketing activity, all of which are actions within managements control. Other mitigation actions, not fully in management's control, which could be advanced include freehold property sale and leaseback or ground rent funding and rent deferrals.

The Group has a total of £456.2m of borrowings being £13.9m drawn down on a revolving credit facility which matures in January 2022, term loans of £224.6m maturing on 20 July 2022, £59.1m of funding from the Group's immediate parent undertaking and £164.7m of long term ground rent funding, net of capitalised debt fees of £6.1m. The refinancing of the term loan is discussed further below. The Directors have received confirmation from its parent company that the intercompany debt will not be recalled during the going concern period. In all scenarios described above, it is assumed that the £13.9m draw down on the revolving credit facility (the "RCF") is fully repaid on expiry of the facility in January 2022, however discussions have advanced to renew this facility and a credit committee approved term sheet has been received to refinance the RCF.

The Directors considered the ability of the Group to refinance current loan facilities totalling £224.6m which expire on 20 July 2022. Full Investment Committee approval has been received from the Group's existing lenders to extend current Senior Facilities to a new maturity date of 28 February 2023 which is expected to complete in the next few weeks. Given our current scale, strong trading position and growth ambitions, the Group has continued to progress discussions with other banking institutions who have also provided indicative proposals for full refinancing. The Directors have also received advice from independent specialists, who confirmed that current market conditions are supportive of a full refinancing in excess of the maturing debt with institutional loan and high yield bond markets pricing record volumes of capital at spreads that are close to ten year lows. Overall, on the basis of this information, the Directors consider it implausible that the term loan facilities will not be extended.

Based on the progress made to date, the strength of current trading, advice received from external specialists and the liquidity in external debt markets the Directors are also confident that there are realistic prospects for a full refinancing to be concluded well in advance of the revised 28 February 2023 maturity date.

The Directors continue to closely monitor the current and projected trading performance of the business, the improved leverage position of the Group and the positive impact of this on financing costs, and the facilities available to the Group and conclude that the Company has adequate resources to continue to operate for the period to 30 November 2022. Accordingly, the financial statements have been prepared on a going concern basis.

b) Business combinations and goodwill

Business combinations are accounted for using the acquisition method under IFRS 3 'Business Combinations'. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests) and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the

DOBBIES GARDEN CENTRES LIMITED

Notes to the financial statements

2.2 Summary of significant accounting policies (continued)

b) Business combinations and goodwill (continued)

amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Goodwill is tested for impairment at least once per year.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

c) Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period;

Or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period;

Or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

d) Revenue recognition

Revenue consists of sales through retail outlets. Revenue is reported net of returns, vouchers and value added taxes. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer net of returns and discount. Commission income is recorded based on the terms of the contracts.

The Company operates a loyalty programme which allows customers to accumulate points when they purchase products which are then converted into vouchers every six months. Following the adoption of IFRS 15, it has been concluded that the loyalty programme gives rise to a separate performance obligation since it provides a material right to the customer. The Company is required to allocate a portion of the transaction price to the loyalty programme based on the relative standalone selling price, with the balance of the transaction price being released from deferred revenue in line with expected redemption rates.

e) Other operating income

Other operating income consists of income from concession partners and government grant income (see note 2.3(f) for further details).

DOBBIES GARDEN CENTRES LIMITED

Notes to the financial statements

2.2 Summary of significant accounting policies (continued)

f) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset. When the Company receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

g) Adjusted accounting measures

The Company considers adjusted performance measures, to provide an ongoing and consistent basis on which to measure underlying business performance by excluding items that are materially non-recurring, uncontrollable or exceptional. These measures are not defined or specified under International Financial Reporting Standards (IFRS). EBITDA is the key adjusted performance measure as defined below:

Adjusted EBITDA

- Depreciation and amortisation;
- Adjusting items; and
- Exceptional items.

Adjusting items

Adjusting items are by their nature and size non-recurring outside of the reporting period and include changes to operational management, business transformation, changes to the estate and integration costs, not otherwise categorised as exceptional.

Exceptional items

Transactions will be classified as exceptional items if they are considered unusual due to their size or nature and include, but are not limited to, Company restructuring activities such as significant changes resulting from reorganisation of the estate; acquisition costs including professional fees and integration costs; and gains or losses associated with changes to deferred and contingent consideration on acquisitions.

h) Current taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. 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 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.

i) Group relief on taxation

The Company is a member of a group for the purposes of group relief under Part 5 of the Corporation Tax Act 2010. Payment is received for group relief losses surrendered to other group companies and payment is charged for group relief losses claimed from other group companies. The value of the payment is determined by the amount of corporation tax saved by reason of the group relief being surrendered or claimed.

j) Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary

DOBBIES GARDEN CENTRES LIMITED

Notes to the financial statements

2.2 Summary of significant accounting policies (continued)

j) Deferred tax (continued)

difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax asset arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited to the profit and loss, except when it relates to items charged or credited in other comprehensive income, in which case deferred tax is also dealt with in other comprehensive income. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

k) Current tax and deferred tax for the year

Current and deferred tax are recognised in the profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

l) Property, plant and equipment

Land and buildings are measured at fair value less accumulated depreciation on buildings recognised at the date of the acquisition of Dobbies Garden Centres Limited and the thirty-one garden centres that were acquired in the prior financial period. Depreciation is provided to write off costs or valuation of tangible fixed assets less their residuals on a straight-line basis over the anticipated useful economic lives of the assets.

The following depreciation rates were applied for the Company:

- Freehold land is not depreciated.
- Freehold and Leasehold buildings are depreciated over 40 years at a uniform rate at 2.5% of cost.
- Leasehold land is depreciated by equal annual instalments over the unexpired period of the lease.
- Fixtures and fittings, mechanical and electrical, computer hardware and motor vehicles – at rates varying from 7% to 33%.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit and loss when the asset is derecognised. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

DOBBIES GARDEN CENTRES LIMITED

Notes to the financial statements

2.2 Summary of significant accounting policies (continued)

m) Non-current assets held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

n) Fixed asset investments

Fixed asset investments in subsidiaries and associates are stated at cost plus incidental expenses less where appropriate provisions for impairment.

o) Impairment of fixed assets and goodwill

At each balance sheet date, the Company reviews the carrying amounts of the fixed assets and goodwill to determine whether there is any need for impairment in accordance with IAS 36 "Impairment of Assets". Any impairment is recognised in the profit and loss in the period in which it occurs.

p) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee: The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities for lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets:

- The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.
- Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.
- If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.
- Right-of-use assets are also subject to impairment. Refer to the accounting policies in note 2.3(o).

Lease liabilities:

- At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.
- In calculating the present value of lease payments, the Company uses the interest rate implicit in the lease, or where this is not readily determinable, its incremental borrowing rate at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

DOBBIES GARDEN CENTRES LIMITED

Notes to the financial statements

2.2 Summary of significant accounting policies (continued)

p) Leases (continued)

- The Company's lease liabilities are included in Interest-bearing loans and borrowings (as disclosed in note 23).

Short-term leases and leases of low-value assets:

- The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.
- *Company as a lessor:* Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

q) Inventory

Inventory is valued at the lower of cost and net realisable value. Inventory in stores are calculated at retail prices and reduced by appropriate margins to consider factors such as obsolescence, seasonality and damage using the weighted average cost basis.

An inventory provision is booked for cases where the realisable value from sale of the inventory is estimated to be lower than the inventory carrying value. The inventory provision is estimated considering various factors including the age of the inventory item, prevailing sales prices of items and losses associated with slow moving inventory items.

r) Foreign currencies

Transactions in foreign currencies are translated into pounds sterling at the exchange rate on the date of the transaction. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated into pounds sterling at the exchange rates prevailing at the Balance Sheet date. All foreign exchange differences are recognised through profit or loss for the period.

s) Pensions

The Company operates a defined contribution scheme. Contributions to this scheme are charged to the Income Statement as they become payable.

t) Borrowing costs

Borrowing costs directly attributable to the issue of financial liabilities or the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

u) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Computer software is amortised at a rate of 33.3%. Internally generated intangibles have

DOBBIES GARDEN CENTRES LIMITED

Notes to the financial statements

2.2 Summary of significant accounting policies (continued)

u) Intangible assets (continued)

been capitalised and amortised through the profit and loss through administration expenses. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life once the asset is ready for use and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Income Statement in the expense category that is consistent with the function of the intangible assets, which is administration expenses.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

v) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

The Company has a present obligation resulting in a dilapidations provision in which assumptions have been made in arriving at its best estimate of the likely costs to "make good" premises which are currently occupied under leases. Such estimates involve management forecasting the average restoration costs.

w) Financial assets

Initial recognition and measurement

In accordance with IFRS 9 'Financial Instruments', the Company classifies all of its financial assets as either amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVPL").

To determine their classification and measurement category, IFRS 9 requires all financial assets, except equity instruments and derivatives, to be assessed based on a combination of the entity's business model for managing the assets and the instruments' contractual cash flow characteristics.

In order for a financial asset to be classified and measured at amortised cost or FVOCI it needs to give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. This assessment is performed at an instrument level. The business model assessment reflects how the Company manages the risks relating to the underlying financial assets, including whether the Company's principal objective is to collect the contractual cash flows arising from the instruments (amortised cost); to sell the financial instruments (FVPL); or a combination of both objectives (FVOCI).

Financial assets at amortised cost

Financial assets at amortised cost are subsequently measured using the effective interest rate method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

DOBBIES GARDEN CENTRES LIMITED

Notes to the financial statements

2.2 Summary of significant accounting policies (continued)

w) Financial assets (continued)

The Company's financial assets at amortised cost includes trade receivables which are initially recognised at their transaction price as determined under IFRS 15 and are subsequently stated at amortised cost using the effective interest method, less allowance for expected credit losses.

Financial assets at fair value through profit or loss ("FVPL")

Financial assets at fair value through profit or loss include any financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Derecognition

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either a) the Company has transferred substantially all the risks and rewards of the asset, or b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company recognises an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. For trade receivables and contract assets, the Company has adopted the simplified approach under IFRS 9 and therefore does not track changes in credit risk but instead establishes provisions to reflect the lifetime expected credit loss. Expected credit losses are a probability-weighted estimate of cash shortfalls over the expected life of the trade receivables.

Definition of default

The Company defines a default when an account is 90 days or more past its due date. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full. Trade and other receivables are written off (either partially or in full) when there is no reasonable expectation of recovering the contractual cash flows.

DOBBIES GARDEN CENTRES LIMITED

Notes to the financial statements

2.2 Summary of significant accounting policies (continued)

x) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

This is the category most relevant to the Company. This category generally applies to interest-bearing loans and borrowings and after initial recognition, are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3. Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the period. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements have had the most significant effect on amounts recognised in the financial statements:

Impairment testing and valuation of certain non-current assets

The Company reviews the carrying amounts of its goodwill and specific property, plant and equipment assets to determine whether any impairment of the carrying value of those assets requires to be recorded. In conducting its reviews, the Company makes judgements and estimates behind the calculation of the recoverable amount of the cash generating units (CGU's). The Company has determined that for the purposes of impairment testing, each store is a cash-generating unit and they are tested for impairment only if there are indications of impairment at the balance sheet date.

Changes to the estimates and assumptions on factors such as discount rates and growth rates could impact the assessed recoverable value of CGU's and consequently impact the Company's income statement and balance sheet.

The carrying value of goodwill as at period the end was £17.6m (2020: £16.2m), as disclosed in note 14.

The carrying value of property, plant and equipment as at period the end was £185.3m (2020: £181.2m), as disclosed in note 15.

DOBBIES GARDEN CENTRES LIMITED

Notes to the financial statements

3. Significant accounting judgements, estimates and assumptions (continued)

Impairment testing and valuation of certain non-current assets (continued)

Further detail of the calculation basis and key assumptions used in the impairment review and the sensitivity of this assessment to key assumptions is disclosed at note 16.

Business combinations

The Company is required to make a judgement as to the fair value of net assets acquired during business combinations. The scale of the transactions in the current year have a significant impact on the shape of the overall financial statements. In assessing the fair value of assets and liabilities acquired, the Company engaged external valuation experts. Judgement has also been applied in the determination of the remaining useful life and the residual value of assets acquired.

Inventories

An inventory provision is booked for cases where the realisable value from sale of the inventory is estimated to be lower than the inventory carrying value. The inventory provision is estimated considering various factors including the age of inventory, prevailing sales prices, the seasonality of the sales profile and losses associated with slow moving inventory.

Taxation

Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

Determining the lease term of contracts with renewal and termination options – Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not the option to renew or to terminate (e.g. construction of significant leasehold improvements or significant customisation to the leased asset).

Estimates and assumptions: The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Leases - Estimating the incremental borrowing rate

In instances where the Company cannot readily determine the interest rate implicit in the lease, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

DOBBIES GARDEN CENTRES LIMITED

Notes to the financial statements

4. Segmental reporting

The Company operates within one business segment being that of the operation of garden centres and associated activities with business transacted in the United Kingdom.

5. Operating profit

	52 weeks to 28 February 2021 £000	53 weeks to 1 March 2020 £000
Operating profit is stated after charging:		
Depreciation of tangible fixed assets	10,611	7,271
Depreciation of right-of-use asset	13,761	12,659
Amortisation of intangible fixed assets	474	229
Cost of inventories recognised as an expense (included in cost of sales)	104,476	107,417
Services provided by the Company's auditor:		
Fees payable for the audit	255	305
Taxation services	-	71

6. Other operating income

	52 weeks to 28 February 2021 £000	53 weeks to 1 March 2020 £000
Income from concession partners	8,801	11,753
Government grants	17,105	-
Other operating income	25,906	11,753

7. Staff costs

The average monthly number of persons employed (including directors) by operating segment during the current and previous financial periods was:

	Average number of employees		Average number of full-time equivalents	
	52 weeks to 28 February 2021	53 weeks to 1 March 2020	52 weeks to 28 February 2021	53 weeks to 1 March 2020
Office and management	532	586	519	567
Other employees	3,409	3,607	1,614	1,615
Total	3,941	4,193	2,133	2,182

	52 weeks to 28 February 2021 £000	53 weeks to 1 March 2020 £000
Wages and salaries	53,227	56,293
Social security costs	3,247	3,645
Other pension costs	1,177	1,092
Staff costs	57,651	61,030

DOBBIES GARDEN CENTRES LIMITED**Notes to the financial statements****8. Information regarding key management personnel and employees**

	52 weeks 28 February 2021 £000	53 weeks to 1 March 2020 £000
Aggregate emoluments	292	295
Highest paid director – total aggregate emoluments	228	231

All key management personnel remuneration is a short term benefit. The highest paid director did not receive pension entitlements from the Company during the current or prior period.

9. Exceptional items

	52 weeks 28 February 2021 £000	53 weeks to 1 March 2020 £000
COVID-19: Stock wastage and obsolescence	(2,151)	-
COVID-19: Security	(1,088)	-
COVID-19: Warehousing	(300)	-
COVID-19: Other operational costs	(273)	-
Company restructuring costs	(963)	(307)
Acquisition costs	-	(6,440)
Other	-	(200)
	(4,775)	(6,947)

The items below were deemed to be non-recurring and have been disclosed separately to ensure the underlying performance of the business is clearly identified:

a) COVID-19: Stock wastage and obsolescence - throughout the 52 week period ended 28 February 2021, UK and devolved government guidance required the closure of all of the Company's garden centres and restaurants, either in part or full, on a number of occasions. As a consequence of these enforced closures, we have identified additional, exceptional stock wastage and obsolescence of £2.2m as a direct impact of the short notice given to enact the closure of the Company's stores and operations across the estate.

b) COVID-19: Security - during the 52 week period ended 28 February 2021, and as a result of the UK and local governments enforced closure of all of the Company's garden centres and restaurants, external security guards were used to safeguard the stores within the estate, resulting in additional associated, non-recurring costs of £1.1m.

c) COVID-19: Warehousing - during the 52 week period ended 28 February 2021, and as a result of the UK and local governments enforced closure of all of the Company's garden centres and restaurants, the stores within the estate were unable to receive stock deliveries that were already committed and / or in transit. As a direct result of this, the Company was required to source additional warehousing space to store the undelivered stock until the stores within the estate were reopened and operationally able to accept stock deliveries. The costs associated with the additional warehousing utilised by the Company was £0.3m.

d) COVID-19: Other operational costs - during the 52 week period ended 28 February 2021, the Company has implemented 'track and trace' protocols in response to additional operating requirements of restaurants as stipulated by the UK and local governments as part of their set terms and conditions to trade following the COVID-19 pandemic. The costs associated with implementing these protocols is £0.3m.

e) Company restructuring costs - during the 52 week period ended 28 February 2021, the Company completed a strategic and operational review of store operations and of regional Head Office functions. This was partly as a result of the Company's response to the COVID-19 pandemic and to centralise all Head Office functions. The review completed by the Company resulted in the implementation of cost-savings and the operational restructuring of teams. The costs associated with the restructuring of store and head office employees was £1.0m. (2020: £0.3m costs associated with the recruiting of positions as a result of the significant increase in the size of the Company and of a review of the Head Office team structures).

DOBBIES GARDEN CENTRES LIMITED**Notes to the financial statements****9. Exceptional items (continued)**

f) Acquisition costs – during the prior year, the Company incurred costs of £6.4m associated with the acquisition and integration of thirty-one garden centres from Wyevale Garden Centres Limited.

g) Other – during the prior year: relating to store closures, staff training relating to the development of new IT systems and exceptional professional fees).

10. Finance income

	52 weeks 28 February 2021	53 weeks to 1 March 2020
	£000	£000
Interest receivable on loans to group companies	6,939	6,669
Interest receivable on bank deposits	10	45
Total finance income	6,949	6,714

11. Finance costs

	52 weeks 28 February 2021	53 weeks to 1 March 2020
	£000	£000
Interest payable on loans from group companies	(14,916)	(9,558)
Ground rent financing	(1,130)	(1,416)
Finance charge on dilapidations provision	(25)	(31)
IFRS16 interest on lease liabilities	(20,358)	(19,159)
Total finance costs	(36,429)	(30,164)

12. Income tax

	52 weeks 28 February 2021	53 weeks to 1 March 2020
	£000	£000
Current tax:		
Corporation tax on profits for the period	(1,301)	-
Adjustments in respect of prior periods	(1,627)	-
Total current tax charge	(2,928)	-
Deferred tax:		
Current year	(876)	549
Effect of changes in tax rates	20	(507)
Adjustments in respect of prior periods	1,866	58
Total deferred tax credit	1,010	(998)
Tax credit for the period	(1,918)	(998)

DOBBIES GARDEN CENTRES LIMITED

Notes to the financial statements

12. Income tax (continued)

The credit for the year can be reconciled to the loss in the Income Statement as follows:

	52 weeks 28 February 2021 £000	53 weeks to 1 March 2020 £000
Loss for the period – continuing activities	(18,324)	(22,942)
Tax on loss at standard UK tax rate of 19% (2020: 19%)	(3,482)	(4,359)
Effects of:		
Adjustments in respect of prior years	(1,608)	(507)
Expenses not deductible	1,306	1,202
Effect of changes in tax rates	1,866	2,608
Deferred tax not recognised on losses	-	58
Tax credit for the period	(1,918)	(998)

13. Investments

Details of the subsidiary undertakings at the period end are as follows:

Subsidiary undertaking	Country of incorporation	% shares held	Nature of business	
Woodcote Green Nurseries (Holdings) Limited	England	100%	Investment company	
Woodcote Green Nurseries Limited	England	100%	Garden centre retailer	
			2021	2020
			£000	£000
Investments				
Woodcote Green Nurseries (Holdings) Limited			33,185	33,185

Dobbies Garden Centres Group Limited Company has a 100% equity interest in Woodcote Green Nurseries (Holdings) Limited which in turn has a 100% equity interest in Woodcote Green Nurseries Limited. On 26 October 2020, the trade and assets of both companies were transferred to Dobbies Garden Centres Limited at net book value. As a result of the hive up, the following net assets were transferred:

	£000
Non current assets	1,306
Stock	1,606
Debtors	40,904
Cash	1,573
Creditors	(2,277)
Net assets transferred	43,112

DOBBIES GARDEN CENTRES LIMITED**Notes to the financial statements****14. Intangible assets**

	Goodwill £000	Computer Software £000	Total £000
Cost			
As at 24 February 2019	8,983	4,895	13,878
Acquisitions	8,847	-	8,847
Additions	-	1,768	1,768
As at 1 March 2020	17,830	6,663	24,493
Acquisitions	1,456	-	1,456
Additions	-	3,348	3,348
As at 28 February 2021	19,286	10,011	29,297
Accumulated amortisation			
As at 24 February 2019	(1,652)	(4,312)	(5,964)
Charge for the year	-	(229)	(229)
As at 1 March 2020	(1,652)	(4,541)	(6,193)
Charge for the period	-	(474)	(474)
As at 28 February 2021	(1,652)	(5,015)	(6,667)
Net book value			
As at 1 March 2020	16,178	2,122	18,300
As at 28 February 2021	17,634	4,996	22,630

Amortisation of computer software is included within administrative expenses in the income statement.

Goodwill acquired through business combinations has been allocated at acquisition to cash generating units ("CGUs") that are expected to benefit from the business combination which is each individual garden centre. The acquisition accounting for generation five stores acquired during the prior year was finalised during the current year, resulting in an uplift to goodwill acquired of £1.5m.

The carrying amount of the goodwill has been allocated to each business combination as follows:

	2021 £000	2020 £000
Generation five (31 garden centres from Wyevalle Garden Centres Limited)	10,303	8,847
Generation four (Gloucester, Heighley Gate, Huntingdon, Woodbridge and Woodlands)	7,141	7,141
Other	190	190
Total Goodwill	17,634	16,178

The Company tests goodwill annually for impairment or more frequently if there are indicators of impairment. See note 16 for further details.

DOBBIES GARDEN CENTRES LIMITED**Notes to the financial statements****15. Property, plant & equipment**

	Freehold Land & Buildings £000	Leasehold Land & Buildings £000	Motor Vehicles £000	Fixtures and Fittings £000	Total £000
Cost					
As at 24 February 2019	41,898	30,322	249	30,242	102,711
Acquisitions	140,458	337	-	9,250	150,045
Additions	3,656	2,542	51	19,151	25,400
Disposals	(54,405)	-	-	(5,186)	(59,591)
As at 1 March 2020	131,607	33,201	300	53,457	218,565
Acquisitions	1,063	-	-	321	1,384
Additions	1,259	471	-	12,244	13,974
Disposals	(1,413)	(240)	(136)	(3,787)	(5,576)
As at 28 February 2021	132,516	33,432	164	62,235	228,347
Accumulated depreciation					
As at 24 February 2019	(1,567)	(12,013)	(117)	(16,457)	(30,154)
Charge for the year	(1,813)	(769)	(51)	(4,638)	(7,271)
Disposals	170	-	-	(18)	152
As at 1 March 2020	(3,210)	(12,782)	(168)	(21,113)	(37,273)
Charge for the period	(2,136)	(933)	(54)	(7,488)	(10,611)
Disposals	777	224	136	3,695	4,832
As at 28 February 2021	(4,569)	(13,491)	(86)	(24,906)	(43,052)
Net book value					
As at 1 March 2020	128,397	20,419	132	32,344	181,292
As at 28 February 2021	127,947	19,941	78	37,329	185,295

16. Impairment testing**a) Goodwill impairment reviews**

Goodwill acquired through business combinations is allocated when information is available to make an appropriate allocation to cash generating units ("CGU's"). The recoverable amounts of the CGUs are determined by reference to the value in use ("VIU") calculations.

These calculations use future cash flow projections based on financial forecasts approved by the Directors. The value in use calculations use a post-tax discount rate of 8.0% (pre-tax discount rate of 8.4%) based on the Company's weighted average post tax cost of capital and having considered uncertainty risk attributable to the CGUs.

Value in use calculations are based on Board approved forecasts for the next three years with the growth rates for year four and five assumed to be 3.6%. The growth rate used to extrapolate the cash flows beyond the five-year period is 2%. The Directors believe that these growth rates are achievable based on current market expectations.

The recoverable amount of goodwill continues to exceed its' carrying value based on the impairment test; therefore, no impairment has been recognised.

Sensitivity analysis - while cash flow projections are subject to inherent uncertainty, a 1% reduction in the growth rate was modelled, which indicated an impairment of £1.2m (generation four stores), £0.7m (generation five stores) and did not give rise to impairment of Woodcote Green. Similarly, a 1% increase in the post-tax discount rate to 9.0% also indicated an impairment of £2.0m (generation four stores) and £1.7m (generation five stores).

DOBBIES GARDEN CENTRES LIMITED

Notes to the financial statements

16. Impairment testing (continued)

b) PPE – asset testing

Where an indicator of impairment at a CGU level exists, the recoverable amounts are determined by reference to VIU calculations. The calculations use, as their starting point, pre-tax cash flow projections based on Board approved forecasts for the next three years. These forecasts are based on past experience and reflects the Company's forward view of markets, prices, risks and its strategic objectives.

Where triggers of impairment have been identified the Directors have concluded that the recoverable values of these CGU's exceeded their carrying amount.

Key assumptions used in value in use calculations and sensitivity to changes in assumptions

The calculation of VIU is most sensitive to the following assumptions:

- Discount rates
- Growth rates used to extrapolate cash flows beyond the forecast period

Discount rates

The discount rate is based on the weighted average cost of capital (WACC). The WACC considers the cost of debt and equity. The Capital Asset Pricing Model (CAPM) framework has been used to estimate the cost of equity. The cost of debt is based on the interest-bearing borrowings the Company is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data.

A rise in the post-tax discount rate to 9.0% (i.e., +1%) still indicated headroom.

Growth rates

The growth rates are in line with market expectations. The Directors however recognise that growth rates are subject to inherent uncertainty. Sensitivity analysis on the key assumptions in the VIU calculation has been undertaken. This found that there is a more than adequate amount of headroom before an impairment would be triggered.

17. Trade and other receivables due after one year

	2021 £000	2020 £000
Amounts due from other group companies	200,912	193,973

Amounts owed by group companies £200.9m (2020: £194.0m) represents an intercompany loan payable by DanAtAugusta Propco1 Limited for the transfer of the Group's portfolio of garden centres. Interest is charged at an interest rate of 3.58% (2020: 3.58%) in line with the rate payable on the ground rent lease funding.

18. Inventories

	2021 £000	2020 £000
Goods for resale	43,298	44,032

DOBBIES GARDEN CENTRES LIMITED**Notes to the financial statements****19. Trade and other receivables due within one year**

	2021	2020
	£000	£000
Trade debtors	1,651	1,057
Prepayments	2,348	563
Other receivables	11,032	5,609
Corporation tax	-	437
Amounts due from other group companies	48,336	40,126
	63,367	47,792

Current amounts due from other group companies of £48.3m (2020: £40.1m) is made up of amounts owed by DanAtAugusta Bidco Limited for the settlement of interest payments on external loans; and the settlement of employee costs, including restructuring costs.

20. Cash and short term deposits

	2021	2020
	£000	£000
Cash at bank and in hand	21,982	6,806

21. Trade and other payables due within one year

	2021	2020
	£000	£000
Trade creditors	(40,868)	(39,630)
Other taxation and social security	(7,005)	(2,704)
Other creditors and provisions	(41,306)	(28,445)
Amounts due to other group companies	(71,842)	(64,052)
	(161,021)	(134,831)

Intercompany amounts due within one year of £71.8m (2020: £64.1m) relates to £52.2m (2020: £40.4m) of rental charges payable to DanAtAugusta Propco3 Limited; plus £19.7m (2020: £19.7m) in relation to the BBC Pension Trust property sale proceeds received on behalf of DanAtAugusta Propco3 Limited; plus £8.7m (2020: £8.7m) in relation to ground rent cash receipts paid on behalf of DanAtAugusta Propco3 Limited; £0.8m (2020: £2.9m) of payments for group relief owed to Dobbies Garden Centres Group; plus £4.6m (2020: £2.2m) being the net amount of cash transfers, recharges and the hive-up of assets owed to Woodcote Green Nurseries Limited and finally £1.0m (2020: £1.0m) in relation to sale proceeds from the disposal of a property at net book value to from DanAtAugusta Propco1 Limited; offset by £15.1m (2020: £10.8m) of ground rent paid on behalf of DanAtAugusta Propco3 Limited.

22. Trade and other payables due after one year

	2021	2020
	£000	£000
Amounts due to other group companies	(194,316)	(179,844)

Non-current amounts owed to group companies of £194.3m (2020: £179.8m) is made up of loans payable to DanAtAugusta Bidco Limited and the associated interest which is charged at a rate of 8.0% (2020: 8.0%).

DOBBIES GARDEN CENTRES LIMITED**Notes to the financial statements****23. Borrowings**

	2021 £000	2020 £000
Ground rent lease funding with SGSS TDS (Nominee 1) Limited and SGSS TDS (Nominee 2) Limited	(34,733)	(34,733)
Ground rent lease funding with CBRE Global Investors Trustee Limited and Akzo Nobel CIF Nominees Limited	(17,364)	(17,364)
Loan with DanAtAugusta Equityco Limited	(8,015)	-
Capitalised debt fees	269	148
Secured borrowings	(59,843)	(51,949)

During the year, additional shareholder funding of £7.5m was raised by the Company's ultimate parent undertaking, DanAtAugusta Equityco Limited with the funds from this issue provided as a loan to the Company. The loan is repayable in full in July 2022 at an interest rate of 8%. The carrying value of the loan at the yearend date was £8.0m (2020: £nil).

The Company holds £17.4m (2020: £17.4m) of ground rent lease funding with CBRE Global Investors Trustee Limited and Akzo Nobel CIF Nominees Limited charged at an interest rate of 2.6% which is subject to an annual inflationary increase. This ground rent lease funding relates to four garden centres acquired as part of the thirty one store acquisition during the year. The head lease for the ground rent funding runs for 150 years at which point the funding is repayable in full. £0.1m of fees in relation to the loan have been capitalised and are being amortised on a straight-line basis over 150 years.

The Company holds £34.7m (2020: £34.7m) of ground rent lease funding with SGSS TDS (Nominee 1) Limited and SGSS TDS (Nominee 2) Limited charged at an interest rate of 2.8% which is subject to an annual inflationary increase. This ground rent lease funding relates to ten garden centres acquired as part of the thirty one store acquisition during the year. The head lease for the ground rent funding runs for 125 years at which point the funding is repayable in full. £0.1m of fees in relation to the loan have been capitalised and are being amortised on a straight-line basis over 125 years.

The ground rent transactions with SGSS TDS, & CBRE are whereby the Company grant head leases over the properties to these parties, these parties then grant ground leases to the Company to occupy the properties and options to repurchase those properties represent, in substance, secured borrowing.

DOBBIES GARDEN CENTRES LIMITED**Notes to the financial statements****24. Financial instruments**

		2021	2020
		£000	£000
Financial assets at amortised cost			
Trade and other receivables		63,367	47,792
Total financial assets - current		63,367	47,792
	Repayment date	2021	2020
		£000	£000
Current interest bearing loans and borrowings before capitalised borrowing costs			
Lease liabilities	2021	(3,088)	(1,654)
Total Current interest bearing loans and borrowings before capitalised borrowing costs		(3,088)	(1,654)
Non-current interest bearing loans and borrowings before capitalised borrowing costs			
Ground rent transaction	125 years	(34,733)	(34,733)
Ground rent transaction	150 years	(17,364)	(17,364)
Ultimate parent company loan	July 2022	(8,015)	-
Lease liabilities	2022-2089	(284,937)	(284,676)
Total non-current interest bearing loans and borrowings before capitalised borrowing costs		(345,049)	(336,773)
		2021	2020
		£000	£000
Other financial liabilities at amortised cost, other than interest bearing loans and borrowings			
Trade and other payables		(161,021)	(134,831)
Total financial liabilities - current		(161,021)	(134,831)

The maturity analysis of lease liabilities is disclosed in note 29.

Loans and receivables are non-derivative financial assets carried at amortised cost which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its concession partners and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. To manage this risk, all deposits with banks and financial institutions are held with counterparties with a credit rating of A1. Additionally, credit risk from concession partners is managed by an initial review of financial stability prior to the signing of leases. For smaller concession partners, a deposit is taken to reduce the risk of loss.

Trade receivables

The nature of the Company's business results in a significant proportion of sales being on a cash or cash equivalent basis. Trade receivables arise from our concession partners. The ageing of balances outstanding from concession partners are reviewed regularly by our concession management team who work with our concession partners to recoup balances as they fall due. The Company considers that the concentration of the risk in relation to trade receivables is low. Customer credit risk is managed by using the Company's policy, procedures and control relating to customer credit risk management.

DOBBIES GARDEN CENTRES LIMITED**Notes to the financial statements****24. Financial instruments (continued)****Liquidity risk**

The Company manages liquidity risk through regular short and long term cash forecasting combined with ensuring that there are adequate facilities available.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings and deposits.

25. Provisions

	2021 £000	2020 £000
Dilapidations provision		
Opening	(3,167)	(1,021)
Additions	(65)	-
Acquisitions	-	(2,115)
Finance charge during the period	(25)	(31)
	<u>(3,257)</u>	<u>(3,167)</u>

A dilapidations provision has been recognised to cover all leasehold properties. The provision is assessed on an individual property basis to determine the cost per square foot to return the property to the original condition as required by the terms of the underlying lease. The review is completed by our internal property team with external specialist support as required.

26. Deferred tax

	2021 £000	2020 £000
Movement in the year:		
Opening balance	(15,844)	153
Effect of adoption of IFRS 16	-	(139)
Arising on acquisitions	-	(16,856)
Deferred tax credited to Income Statement	(990)	491
Adjustment in respect of prior years	(20)	507
Closing balance	<u>(16,854)</u>	<u>(15,844)</u>

Deferred tax at the period end comprises:

	2021 £000	2020 £000
Fixed asset timing differences	(17,305)	(15,876)
Effect of adoption of IFRS 16	-	(139)
Losses	503	
Rollover gains	(94)	(50)
Other temporary differences	42	221
Total deferred tax liability	<u>(16,854)</u>	<u>(15,844)</u>

The main rate of corporation tax is 19%, effective from 1 April 2018. The deferred tax liability in the accounts has been recognised at the rate at which timing differences are expected to reverse.

DOBBIES GARDEN CENTRES LIMITED**Notes to the financial statements****27. Issued share capital**

	2021 Number	2020 Number
Share capital (authorised, issued and fully paid)		
Ordinary shares of £0.10 each	17,038,509	17,038,509
	2021 £000	2020 £000
Share capital (authorised, issued and fully paid)		
Ordinary shares of £0.10 each	1,704	1,704

28. Pensions

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund and contribution costs for the period which were charged to the Income Statement were £1.1m (2020: £1.1m). Outstanding pension contributions at the year-end amounted to £0.2m (2020: £0.1m).

29. Leases**Company as a lessee**

The Company has lease contracts for property, plant and machinery and other equipment used in its operations. Leases of property generally have lease terms between 15 and 70 years, while plant and machinery and other equipment generally have lease terms between 3 and 5 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. There are several lease property contracts that include extension and termination options and variable lease payments, which are further discussed below. The Company has used the practical expedient permitted under IFRS 16 not to reassess contracts that were previously deemed not to be a lease under IAS 17.

The Company also has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

In May 2020, the International Accounting Standards Board issued Covid-19-Related Rent Concessions, which amended IFRS 16 Leases. The Company has elected to apply this across all leases and have accounted for the deferral of lease payments as if the lease is unchanged. The Company has continued to account for the lease liability and right-of-use asset using the rights and obligations of the existing lease and recognised a separate lease payable in the period that the allocated lease cash payment is due.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Property £000	Plant & Machinery £000	Other equipment £000	Total £000
As at 25 February 2019	176,353	29	805	177,187
Additions	115,879	584	190	116,653
Depreciation expense	(12,109)	(218)	(332)	(12,659)
As at 1 March 2020	280,123	395	663	281,181
Additions	935	2,267	182	3,384
Disposals	(52)	-	(13)	(65)
Depreciation expense	(13,139)	(510)	(112)	(13,761)
As at 28 February 2021	267,867	2,152	720	270,739

DOBBIES GARDEN CENTRES LIMITED**Notes to the financial statements****29. Leases (continued)**

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period

	2021	2020
	£000	£000
Opening	286,330	175,810
Additions	3,163	112,570
Disposals	(66)	-
Accretion of interest	20,358	19,159
Payments	(21,760)	(21,209)
	288,025	286,300
Current	3,088	1,654
Non-Current	284,937	284,676
	288,025	286,330

The maturity analysis of lease liabilities is disclosed in the table below;

	2021	2020
	£000	£000
Less than 5 years	2,806	1,178
Between 5 to 10 years	48	59
Between 10 to 20 years	139,711	139,751
Between 20 to 30 years	54,478	54,686
Between 30 to 40 years	80,414	80,185
Greater than 40 years	10,568	10,471
	288,025	286,330

The following are the amounts recognised in profit or loss:

	2021	2020
	£000	£000
Depreciation expense of right-of-use asset	13,761	12,659
Interest expense on lease liabilities	20,358	19,159
Expense relating to low-value and short-term leases	326	208
Variable lease payments	388	252
Total amount recognised in profit or loss	34,833	32,278

The Company had total cash outflows for leases of £22.1m (2020: £21.6m).

Property leases

The Company leases land and buildings for its office space and retail stores. Some leases provide for additional rent payments that are based on changes in price indices, or sales that the Company makes at a leased store in the period. The Company sub-leases some of its properties under operating leases.

Variable lease payments based on sales

Some leases of retail stores contain variable lease payments that are based on sales that the Company makes at the store. Fixed and variable rental payments were as follows:

	Fixed	Variable	Total
	payments	payments	payments
	£000	£000	£000
2021			
Leases with lease payment based on sales	700	388	1,088

DOBBIES GARDEN CENTRES LIMITED**Notes to the financial statements****29. Leases (continued)**

2020	Fixed payments £000	Variable payments £000	Total payments £000
Leases with lease payment based on sales	353	252	605

Company as a lessor

Lease income from lease contracts in which the Company acts as a lessor is as below:

	2021 £000	2020 £000
Operating lease		
Lease income	8,562	11,364

30. Government grants

During the year, the Company has received support from the UK and local governments in connection with its response to the COVID-19 pandemic. This support included furlough and job retention scheme reliefs, Eat Out to Help Out scheme relief, tax payment deferral schemes and business closure grants.

The Company has recognised government grant income of £16.2m in relation to the Coronavirus Job Retention Scheme (CJRS), £0.8m in relation to the Eat Out to Help Out scheme and £0.1m in relation to Strategic Framework Business Fund - Business Temporary Closure Grant. There are no unfulfilled conditions or contingencies attached to these grants.

31. Post balance sheet event

There were no significant events between the Statement of Financial Position date and the date of signing the financial statements affecting the Company or Company which require adjustment to the financial statements.

On 19 April 2021, Dobbies Garden Centres Limited acquired the entire share capital of Johnsons Garden Centre (Boston) Limited for £3.8m. The company operated one garden centre in Boston. The centre has been refurbished post acquisition and the trade transferred to Dobbies Garden Centres Limited.

On 12 May 2021, heads of terms were signed for a 25 year lease of a retail unit at The Junction Retail and Leisure Park in Antrim which is under development. The 110,000 square foot outlet is expected to be ready by Spring 2023 and will be our second store in Northern Ireland.

On 9 June 2021, the company agreed the sale and leaseback of our Reading store. Completion of the transaction is subject to planning permission, the outcome of which is expected imminently. The financing agreement will facilitate the redevelopment of the site, with the construction of a new, enlarged garden centre and retail development.

32. Ultimate parent undertaking and controlling parties

The Company's immediate parent undertaking at the balance sheet date was DanAtAugusta Bidco Limited.

The parent company of the smallest group of which the Company is a member, and for which group financial statements are prepared, is Dobbies Garden Centres Group Limited.

Copies of the group financial statements of Dobbies Garden Centres Group Limited can be obtained from Companies House. The address of Dobbies Garden Centres Group Limited registered office is 22-23, Fourth Floor, Old Burlington Street, London, England, W1S 2JJ.

The Company's ultimate parent undertaking and controlling party at the balance sheet date was DanAtAugusta Equityco Limited, which is registered in Jersey at 22 Grenville Street, St Helier, Jersey, JE4 8PX.