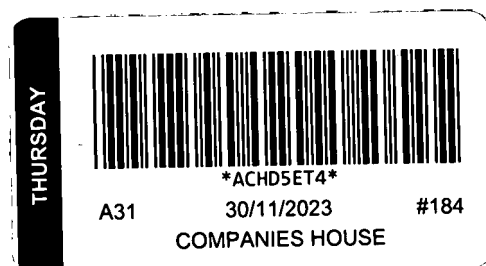


Dobbies Garden Centres Limited
Annual Report and Financial Statements
For the 53 weeks ended 5 March 2023
Registered Number: SC010975



DOBBIES GARDEN CENTRES LIMITED

STRATEGIC REPORT FOR THE 53 WEEKS ENDED 5 MARCH 2023

The Directors present their Strategic Report for Dobbies Garden Centres Limited (the "Company") for the 53 weeks ended 5 March 2023 (prior 52 weeks period ended 27 February 2022).

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 continues to differentiate itself as a leading destination garden centre retailer through range authority, a best-in-class restaurant experience and strong concession relationships.

The Group experienced difficult trading conditions in peak season as a result of adverse weather during Spring 2022, exacerbated by the macroeconomic conditions resulting from the Russian invasion of Ukraine, inflation and the cost-of-living crisis. In response, the business was repositioned with an absolute focus on value and has continued to develop a robust and efficient platform to support resilience and future growth, including deployment of cost actions as required.

In the second half of the year, trade was further impacted by the delayed refinancing of the Group's debt facilities, necessitating short-term cash preservation actions including discounting of stock and reduced intake, which in turn affected stock availability.

Excluding the effect of these short-term cash preservation actions, normalised EBITDA was £25m. Management defines normalised EBITDA as underlying operating profit/(loss) (£96.0m loss) less the impact of depreciation & amortisation (£30.8m), the impact of the lack of inventory availability and necessary discounting during H2 FY23 as a result of cash constraints (£26.7m) and significantly increased utility costs during FY23 (£3.4m).

Following the change of control of the Company in February 2023 the Group was subsequently recapitalised on 3 March 2023. In addition, the Group's revolving credit facility was repaid in full to HSBC upon maturity.

A working capital facility of £25m was made available to the Group by its parent, of which £20m has been drawn. This facility matures on 31 August 2025 and no cash interest is payable until maturity.

On 28 August 2023 intercompany balances between several Group companies were netted off before the remainder of any loans were waived by the counterparties. Additional interest was accrued between the year end date and the date of this transaction in FY24. As such this resulted in liabilities of £246.3m and assets of £13.9m being extinguished.

The revised pro-forma balance sheet including these FY24 intercompany transactions is set out below:

	2023	Additional	Adjustment for	2023	2022
	£000	Interest	PBSE	(Proforma adjusted for PBSE)	Statutory Accounts
	£000	£000	£000	£000	£000
Non-current assets	694,828	-	(9,673)	685,155	771,829
Current assets	73,930	-	(4,267)	69,663	72,832
Total assets	768,758	-	(13,940)	754,818	844,661
Current liabilities	(177,546)	-	751	(176,795)	(169,853)
Non-current liabilities	(568,602)	(9,318)	245,581	(332,339)	(561,903)
Total liabilities	(746,148)	(9,318)	246,332	(509,134)	(731,756)
Net assets / (liabilities)	22,610	(9,318)	232,392	245,684	112,905
Issued share capital	1,704	-	-	1,704	1,704
Share premium	122,159	-	-	122,159	122,159
Retained earnings	(101,253)	(9,318)	-	(110,571)	(10,958)
Capital contribution reserve	-	-	232,392	232,392	-
Capital and reserves	22,610	(9,318)	232,392	245,684	112,905

DOBBIES GARDEN CENTRES LIMITED

STRATEGIC REPORT FOR THE 53 WEEKS ENDED 5 March 2023 (continued)

Trading highlights

- Opening of a new flagship store Tewkesbury in November 2022; a destination garden centre adjacent to the M5 creating 106 new jobs
- New partnerships launched with Waitrose to replace Sainsbury's food halls across the estate (47 locations) and John Lewis & Partners (click & collect)
- Capex investment of £13.3m across the estate including £5m invested in the new Tewkesbury store and restaurant refurbishments (including soft play) at Milton Keynes and Gillingham
- Record growth in loyalty membership with over 1m members, outperforming the market in both growth and retention
- Completion of a property transaction at Reading in order to fund the construction of a new garden centre commencing in 2024

Sustainability

Sustainability remains at the core of the Group's business, with a market-leading position on the following:

- **Product sustainability**
 - Retail compost 100% peat-free
 - Over 85% of plants are UK-sourced
 - Plastic pot recycling at over 90% of garden centres
 - 100% FSC wood used for outdoor furniture
- **Responsible business practices:**
 - 99% of all waste was recycled in 2022
 - 75% of waste recycled on site
 - 50% of home deliveries are carbon-neutral
 - 100% renewable electricity across the estate
 - Investment in a new e-learning platform
- **Local & national charity and community partnerships:**
 - Partnership with "Too Good To Go" saved 75k meals from waste
 - Over £100k was raised for the Teenage Cancer Trust, Dobbies' national charity partner
 - Over 200 Christmas trees donated via "Not Your Average Community" programme
 - "Little Seedlings" programme and "Kids Eat Free" for young gardeners

The Group has also maintained its ESG plan throughout the year and is in the process of developing a net-zero plan aligned with the principles of the British Retail Consortium's Climate Action Roadmap.

Results and dividends

The results for the period show sales of £278.7m (2022: £303.6m), reflecting the adverse trading conditions experienced throughout FY23. The statutory loss for the year was £90.3m (2022 restated as set out in Note 2.3: £11.9m loss), reflecting the material impact of (i) adverse weather in the first half of the year, (ii) delayed refinancing necessitating short-term cash preservation actions including discounting of stock and reduced intake, which in turn affected stock availability, (iii) materially higher energy and interest costs throughout the year and impairments as a consequence of the above.

Management's key profit measure throughout the period was normalised EBITDA, which seeks to remove the impact of non-controllable factors such as weather, the cost-of-living crisis and impact upon trading of delayed refinancing. Normalised EBITDA was £25m (2022: £42m).

On 28 August 2023 intercompany balances between several Group companies were netted off before the remainder of any loans were waived by the counterparties. Additional interest was accrued between the year end date and the date of this transaction in FY24. As such this resulted in liabilities of £246.3m and assets of £13.9m being extinguished.

DOBBIES GARDEN CENTRES LIMITED**STRATEGIC REPORT FOR THE 53 WEEKS ENDED 5 March 2023 (continued)****Results and dividends (continued)**

The revised pro-forma balance sheet including these FY24 intercompany transactions is set out below:

	2023	Additional	Adjustment for	2023 (Proforma adjusted for PBSE)	2022 Statutory Accounts
	£000	Interest £000	PBSE £000	£000	£000
Non-current assets	694,828	-	(9,673)	685,155	771,829
Current assets	73,930	-	(4,267)	69,663	72,832
Total assets	768,758	-	(13,940)	754,818	844,661
Current liabilities	(177,546)	-	751	(176,795)	(169,853)
Non-current liabilities	(568,602)	(9,318)	245,581	(332,339)	(561,903)
Total liabilities	(746,148)	(9,318)	246,332	(509,134)	(731,756)
Net assets / (liabilities)	22,610	(9,318)	232,392	245,684	112,905
Issued share capital	1,704	-	-	1,704	1,704
Share premium	122,159	-	-	122,159	122,159
Retained earnings	(101,253)	(9,318)	-	(110,571)	(10,958)
Capital contribution reserve	-	-	232,392	232,392	-
Capital and reserves	22,610	(9,318)	232,392	245,684	112,905

The Directors do not recommend payment of a dividend for the 53 weeks ended 5 March 2023 (2022: £nil).

Principal risks and uncertainties

Key risks are managed strategically at Dobbies Garden Centres Group Limited (the "Group") Board level and operationally via weekly Senior Leadership meetings. Key risks continue to be reviewed at least annually by the Board, most recently in October 2022.

Dobbies has successfully navigated the consequences of the Covid-19 pandemic. However, external factors are now materially impacting key risks, principally the current macroeconomic conditions resulting from the Russian invasion of Ukraine, inflation and the cost-of-living crisis. Key risks have been reviewed in this context, remain aligned with strategic priorities and, as summarised below, continue to be managed robustly.

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 restaurants, soft play and the rollout of Waitrose food halls in 47 locations reduce our reliance on fair weather.

Macroeconomic factors: The wider macroeconomic environment continues to impact general consumer confidence and propensity to spend. Inflation has already been factored into the Group's business plan and the Group continues to closely monitor the overall position, with mitigation plans in place as required.

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.

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.

DOBBIES GARDEN CENTRES LIMITED

STRATEGIC REPORT FOR THE 53 WEEKS ENDED 5 March 2023 (continued)

Principal risks and uncertainties (continued)

Interest rate and foreign exchange risk: Following the recapitalisation of the Group in 2023, the Group's exposure to interest rates is minimal. Some of the Group's products are globally sourced and as such exposed to the risks associated with international trade.

Cyber security and data protection: Our company-wide ERP and digital platforms continue to be managed by robust IT security measures, including a cloud-based operating model and regular network scanning/preventative actions.

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.

Key performance indicators (KPIs)

During the year, we have utilised a variety of financial and non-financial KPIs for internal performance management.

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 5 March 2023 ("FY23").

The wider Dobbies group headed by Dobbies Garden Centres Group Limited (the "Group") adopted the Wates Corporate Governance Principles for Large Private Companies in the FY21. Key Principals are managed strategically at the Group Board level and, as part of the Group, the Company benefits from the application of these Principles that are applied to all individual companies in the Group. The following analysis sets out how the Principles were applied during FY23.

Principle 1: Purpose and leadership

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

- Operating the business in line with a strategic long-range business plan which is reviewed annually together with quarterly progress reviews;
- Building upon our "customer first" approach and ensuring a material and sustained improvement in net promoter scores across the estate;
- Operating best-in-class garden centres and restaurants;
- Developing a robust and efficient platform to support our growth via the continued development of our ERP and digital platforms;
- 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" principles.

Principle 2: Board composition

Details of our Board members can be found on page 9.

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.

The Chief Executive Officer has responsibility for all operational matters, supported by the Chief Financial Officer, Chief People & Corporate Officer and wider Senior Leadership Team ("SLT"). The SLT members have clearly defined responsibilities and bring operational expertise and experience to the Group. Furthermore, the SLT present regular briefings to the Board in relation to business issues and developments. This approach enables the Board to make informed decisions on key matters, including strategy and risk management.

DOBBIES GARDEN CENTRES LIMITED

STRATEGIC REPORT FOR THE 53 WEEKS ENDED 5 MARCH 2023 (continued)

Corporate Governance Arrangements (continued)

Principle 3: Board responsibilities

Decisions are made in accordance with the principles of the constitutional documents for 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 monthly during the year with weekly updates in the interim.

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 to review these. Furthermore, the Board reviews medium and long-term strategy on a regular basis. The Long-Range Plan was most recently reviewed by the Board in February 2023. 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 Board also 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 3 and are reviewed by the Board at least bi-annually.

Principle 5: Remuneration

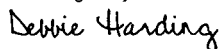
The Chief People & Corporate Officer is responsible for engaging with the Board to ensure that levels of compensation across the Group are sufficiently competitive to retain talent within the Group, as well as benchmarking the remuneration packages of the executive Directors and SLT. Additionally, the Board 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 team members. The Chief Executive Officer engages regularly with key stakeholders to discuss the Group's performance, strategic issues and shareholder objectives, and provides regular and comprehensive feedback to the Board. In addition, the Board participates in regular site visits, engaging with team members directly. The Group facilitates internal apprenticeship and development programmes, supporting continued growth and development together with continued investment in an e-learning platform launched in 2022. A "People Experience Roadmap" is also in place to deliver a programme of regular engagement initiatives, supported also by the "Dobbies Connect" team engagement platform.

By order of the Board

DocuSigned by:



586429267164422
Debbie Harding

Company Secretary
31 August 2023

DOBBIES GARDEN CENTRES LIMITED

DIRECTORS' REPORT FOR THE 53 WEEKS ENDED 5 MARCH 2023

The Directors present their Report and the audited financial statements of Dobbies Garden Centres Limited (the "Company") for the 53 weeks ended 5 March 2023.

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 3.

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;
- Continued roll out of "little dobbies" stores;
- 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.

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 until 31 August 2024.

The Directors have performed a robust appraisal of the Group's operational and financial strength and its ability to meet its obligations as they fall due over the period to 31 August 2024. In doing so, they have reviewed current performance, financial projections including our Long-Range Plan and sensitivities to test the robustness of the assumptions made.

This assessment 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 all scenarios and, where applicable, certain mitigations, the business had adequate covenant and liquidity headroom throughout the going concern period.

Mitigating actions available to the Group, should they be required, have also been considered by the Directors including, but not limited to, measures to reduce costs through resource optimisation, suspending all uncommitted capital expenditure, preserving cash through working capital management, and reviewing the extent of marketing activity, all of which are actions within management's control. Other potential mitigating actions, not fully in management's control, include freehold property sale and leaseback or ground rent funding and rent deferrals.

The Directors continue to closely monitor the current and projected trading performance of the business and the facilities available to the Group and conclude that the Group has adequate resources to continue to operate for the period to 31 August 2024. Accordingly, the financial statements have been prepared on a going concern basis.

DOBBIES GARDEN CENTRES LIMITED

DIRECTORS' REPORT FOR THE 53 WEEKS ENDED 5 MARCH 2023 (continued)

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.

The Group's "ways of working" remain embedded across the business and are an integral part of everyday decision-making processes. The views of team members are welcomed and actively encouraged. The Senior Leadership Team holds company-wide "huddles" via videoconference on a monthly basis to provide updates and sustain engagement. In addition, the "Dobbies Connect" engagement platform provides information on news, achievements and developments across the business. All new team members are welcomed with a comprehensive induction and training process. Annual performance and development reviews are undertaken across the business, most recently in March 2023.

The Group is committed to community engagement at local and national levels. The Teenage Cancer Trust is our National Charity Partner, with over £2m raised to date. We also work with the Stroke Association and the Tree Council. We are also a supporter of the Lindengate Mental Health Charity in Aylesbury, winner of the 2022 Queen's Award for Voluntary Services. Approximately 300 charitable organisations were also supported in the year via our community initiatives including Helping Your Community Grow, Not Your Average Gardener, National Gardening and Children's Gardening Weeks. To engage and inspire the next generation of gardeners, our Little Seedlings club holds regular free instore events and workshops, with over 18,000 members. We also 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 Group and makes decisions which are aligned with customer sentiment, take account of the views of team members and are supportive of the Group'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.

DOBBIES GARDEN CENTRES LIMITED

DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 27 FEBRUARY 2022 (continued)

Research and development

The Company does not undertake any research and development activities.

Team members

The Group depends on the skills and commitment of its team members in order to achieve its objectives and has a learning and development programme in place. The Group is committed to equal opportunities and all decisions are based on merit. Internal communications are designed to ensure that team members are well informed about the business. The Group had 3,736 team members on average during the 53 weeks ended 5 March 2023 (2022: 3,743).

Directors and their interests

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

Andrew Bracey (resigned 6 February 2023)
David Burgess (resigned 6 February 2023)
Aidan Clegg (resigned 6 February 2023)
Neil Currie (resigned 6 February 2023)
Lynne Gilder (resigned 8 March 2022)
Frederick Goltz (resigned 6 February 2023)
Anthony Grace (resigned 6 July 2023)
Graeme Jenkins (resigned 24 July 2023)
David Robinson (appointed 24 July 2023)
Debbie Harding (appointed 21 August 2023)

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

DOBBIES GARDEN CENTRES LIMITED

DIRECTORS' REPORT FOR THE 53 WEEKS ENDED 5 MARCH 2023 (continued)

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:

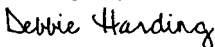
- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- he/she has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's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

Streamlined Energy Carbon Reporting (SECR)

Dobbies Garden Centres Limited is a subsidiary undertaking of Dobbies Garden Centres Group Limited, a company incorporated in England which prepares consolidated SECR disclosures in the group Directors' Report. Accordingly Dobbies Garden Centres Limited has not separately disclosed their SECR results as these have already been incorporated into the Group disclosure.

By order of the Board

DocuSigned by:

586429287164422...

Debbie Harding
Company Secretary
31 August 2023

DOBBIES GARDEN CENTRES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE 53 WEEKS ENDED 5 MARCH 2023

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 MEMBER OF DOBBIES GARDEN CENTRES LIMITED

Opinion

We have audited the financial statements of Dobbies Garden Centres Limited for the year ended 5 March 2023 which comprise the Income Statement, the Statement of Financial Position, the Statement of changes in equity and the related notes 1 to 33, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework".

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 5 March 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 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 company'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.

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.

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

Opinions 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 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 or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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 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.

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.

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

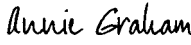
Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant 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.

DocuSigned by:

C1831995DA5A439...

Annie Graham (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Glasgow

31 August 2023

DOBBIES GARDEN CENTRES LIMITED**Income statement****For the 53 weeks ended 5 March 2023**

	Notes	53 weeks to 5 March 2023 £000	52 weeks to 27 February 2022 (restated Note 2.3) £000
Revenue		278,682	303,609
Cost of sales		(156,466)	(152,422)
Gross profit		122,216	151,187
Administrative expenses		(227,127)	(145,671)
Other operating income	8	8,866	12,220
Operating (loss) / profit	7	(96,045)	17,736
Analysed as:			
Underlying operating (loss) / profit		(35,928)	21,104
Exceptional items	11	(60,117)	(3,368)
		(96,045)	17,736
Net profit / (loss) on disposal of assets		17,566	37
Finance income	12	8,596	7,422
Finance costs	13	(35,337)	(32,240)
Loss on ordinary activities before tax		(105,220)	(7,045)
Tax credit / (loss)	14	14,925	(4,835)
Loss for the year		(90,295)	(11,880)

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 form an integral part of these financial statements.

DOBBIES GARDEN CENTRES LIMITED**Statement of financial position****As at 5 March 2023**

		2023	2022 (restated Note 2.4)
	Notes	£000	£000
Non-current assets			
Intangible fixed assets	16	17,440	23,618
Property, plant and equipment	17	172,719	184,560
Right-of-use assets	31	258,109	258,431
Investments	15	2,694	35,880
Amounts due from other group companies	19	243,866	269,340
Total non-current assets		694,828	771,829
Current assets			
Inventory	20	38,990	55,949
Debtors: amounts falling due within one year	21	14,415	10,108
Cash and short-term deposits	22	20,525	6,775
Total current assets		73,930	72,832
Total assets		768,758	844,661
Current liabilities			
Creditors: amounts falling due within one year	23	(152,568)	(159,936)
Lease liabilities	31	(24,835)	(10,663)
Current income tax payable		(143)	746
Total current liabilities		(177,546)	(169,853)
Net current liabilities		(103,616)	(97,021)
Total assets less current liabilities		591,212	674,808
Non-current liabilities			
Interest bearing loans and borrowings	25	(63,376)	(60,486)
Amounts due to other group companies	24	(226,900)	(209,770)
Lease liabilities	31	(264,582)	(263,613)
Provisions	27	(4,109)	(3,447)
Deferred tax	28	(9,635)	(24,587)
Total non-current liabilities		(568,602)	(561,903)
Total liabilities		(746,148)	(731,756)
Net assets		22,610	112,905
Capital and reserves			
Issued share capital	29	1,704	1,704
Share premium		122,159	122,159
Retained earnings		(101,253)	(10,958)
Total equity		22,610	112,905

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

Debbie Harding
Director
31 August 2023

DocuSigned by:
Debbie Harding
5B64292B7164422...

Dobbies Garden Centres Limited, Registered Number: SC010975

DOBBIES GARDEN CENTRES LIMITED**Statement of changes in equity****As at 5 March 2023**

	Issued share capital £000	Share premium £000	Retained earnings £000	Total equity £000
As at 28 February 2021	1,704	122,159	922	124,785
Loss for the year (restated, Note 2.3)	-	-	(11,880)	(11,880)
As at 27 February 2022 (restated, Note 2.3)	1,704	122,159	(10,958)	112,905
Loss for the year	-	-	(90,295)	(90,295)
As at 5 March 2023	1,704	122,159	(101,253)	22,610

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 53 weeks ended 5 March 2023 were authorised for issue in accordance with a resolution of the Directors.

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 the Registrar of Companies, Companies House, 4th Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3,9FF.

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 33 sets out 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 following new standards, interpretations and amendments to standards issued by the International Accounting Standards Board ("IASB") that were effective in the year and did not have a material impact on the Company's financial statements:

- Amendments to IFRS 16 Leases: Covid-19-Related Rent Concessions beyond 30 June 2021, effective 1 April 2021
- Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets; and Annual Improvements 2018-2020, effective 1 January 2022

The following new standards, interpretations and amendments to standards have been issued by the IASB and have an effective date after the date of these financial statements or have not been endorsed, thus have not been implemented by the Company and are not expected to have a material impact on the Company's financial statements:

- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies, effective 1 January 2023
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates, effective 1 January 2023
- IFRS 17 Insurance Contracts including Amendments to IFRS 17, effective 1 January 2023

DOBBIES GARDEN CENTRES LIMITED

Notes to the financial statements

2.1 Basis of preparation (continued)

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;
- 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.

DOBBIES GARDEN CENTRES LIMITED

Notes to the financial statements

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.

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 until 31 August 2024.

The Directors have performed a robust appraisal of the Group's operational and financial strength and its ability to meet its obligations as they fall due over the period to 31 August 2024. In doing so, they have reviewed current performance, financial projections including our Long-Range Plan and sensitivities to test the robustness of the assumptions made.

This assessment 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 all scenarios and, where applicable, certain mitigations, the business had adequate covenant and liquidity headroom throughout the going concern period.

Mitigating actions available to the Group, should they be required, have also been considered by the Directors including, but not limited to, measures to reduce costs through resource optimisation, suspending all uncommitted capital expenditure, preserving cash through working capital management, and reviewing the extent of marketing activity, all of which are actions within management's control. Other potential mitigating actions, not fully in management's control, include freehold property sale and leaseback or ground rent funding and rent deferrals.

The Directors continue to closely monitor the current and projected trading performance of the business and the facilities available to the Group and conclude that the Group has adequate resources to continue to operate for the period to 31 August 2024. 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 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 an impairment is identified goodwill is written down first and then if further assets required impairing, these are written down pro rata to their carrying value.

DOBBIES GARDEN CENTRES LIMITED

Notes to the financial statements

2.2 Summary of significant accounting policies (continued)

b) Business combinations and goodwill (continued)

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 2.2(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). Two measures are commonly used by the Company, Underlying Operating Profits and Underlying EBITDA. These key adjusted performance measures quoted in the Strategic Report are defined below:

- Underlying Operating Profit is Operating Profit adding back exceptional items.
- Underlying EBITDA is EBITDA adding back 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.

Adjusted EBITDA is another non-GAAP measure used by the Company and is defined as follows:

- Underlying EBITDA adding back adjusting items.

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, impairments, costs relating to COVID-19 pandemic; 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.

DOBBIES GARDEN CENTRES LIMITED

Notes to the financial statements

2.2 Summary of significant accounting policies (continued)

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 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.

DOBBIES GARDEN CENTRES LIMITED

Notes to the financial statements

2.2 Summary of significant accounting policies (continued)

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 subsequent acquisitions. 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.

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.

DOBBIES GARDEN CENTRES LIMITED

Notes to the financial statements

2.2 Summary of significant accounting policies (continued)

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 2.2(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.
- Details of the Company's lease liabilities are set out in Note 31.

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.

DOBBIES GARDEN CENTRES LIMITED

Notes to the financial statements

2.2 Summary of significant accounting policies (continued)

p) Leases (continued)

- *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 is 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. The useful lives of intangible assets are assessed as either finite or indefinite.

Computer software is amortised at a rate of 33.3%. Internally generated intangibles that meet the relevant criteria to qualify for recognition have been capitalised and amortised through the profit and loss through administration expenses. IFRS standards do not contain explicit guidance on the accounting for cloud computing arrangements or the costs to implement them. Therefore, the Group applies judgement to account for these arrangements and may need to apply principles from various IFRS standards, including IFRS 16 Leases, IAS 38 Intangible Assets, IAS 16 Property, Plant and Equipment and IFRS 15 Revenue from Contracts with Customers. In certain specific instances costs incurred during the development of the specific project may be capitalised if the costs are separately identifiable and the Group will benefit from future economic benefits that other entities cannot access.

DOBBIES GARDEN CENTRES LIMITED

Notes to the financial statements

2.2 Summary of significant accounting policies (continued)

u) Intangible assets (continued)

IFRS 15 may be applied to distinguish development costs that qualify for capitalisation from ongoing service arrangement fees that are expensed to the Income Statement.

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

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.

Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included as finance costs in the statement of profit or loss. For more information, refer to Note 25.

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.

2.3 Prior year restatement

The cost of sales and accruals for the prior year (52 weeks ended 27 February 2022 or "FY22") as well as the related tax implications have been restated. The restatement relates to a difference arising on the migration of data from the prior ERP to the new ERP system in April 2021. Part of the migration issue included a stock write off adjustment for £0.5m that was incorrectly posted to GRNI accruals as opposed to cost of sales.

The amounts owed by group companies presented within non-current and current assets have also been restated. The restatement relates to erroneous presentation of certain intercompany receivables due from entities within the wider Dobbies group as current assets. These receivables do not meet the requirement of current assets set out in IAS 1.66 and are therefore accordingly restated as non-current assets.

The impact of these restatements on the Income statement, Statement of financial position and Statement of changes in equity for FY22 is set out below.

DOBBIES GARDEN CENTRES LIMITED**Notes to the financial statements****2.3 Prior year restatement (continued)*****FY22 impact***

	Notes	FY22 Previously reported £k	FY22 Restatement £k	FY22 Restated £k
Income statement				
Cost of sales		(148,331)	(4,091)	(152,422)
Gross profit		155,278	(4,091)	151,187
Operating profit		21,827	(4,091)	17,736
Loss on ordinary activities before tax		(2,954)	(4,091)	(7,045)
Tax (charge) / credit	13	(5,612)	777	(4,835)
Loss for the year		<u>(8,566)</u>	<u>(3,314)</u>	<u>(11,880)</u>
Statement of financial position				
Non-current assets				
Amount due from other group companies		208,332	61,008	269,340
Total non-current assets		<u>710,821</u>	<u>61,008</u>	<u>771,829</u>
Current assets				
Amount due from other group companies		61,008	(61,008)	-
Total current assets		<u>133,840</u>	<u>(61,008)</u>	<u>72,832</u>
Total assets		<u>844,661</u>	<u>-</u>	<u>844,661</u>
Current liabilities				
Trade and other payables	22	(155,845)	(4,091)	(159,936)
Income tax payable		(31)	777	746
Net assets		<u>116,219</u>	<u>(3,314)</u>	<u>112,905</u>
Capital and reserves				
Retained earnings		<u>116,219</u>	<u>(3,314)</u>	<u>112,905</u>
Statement of changes in equity				
Retained earnings		<u>116,219</u>	<u>(3,314)</u>	<u>112,905</u>

DOBBIES GARDEN CENTRES LIMITED**Notes to the financial statements****3. Post balance sheet event (PBSE)**

On 28 August 2023 intercompany balances between several Group companies were netted off before the remainder of any loans were waived by the counterparties. Additional interest was accrued between the year end date and the date of this transaction in FY24. As such this resulted in liabilities of £246.3m and assets of £13.9m being extinguished.

The revised pro-forma balance sheet including these FY24 intercompany transactions is set out below:

	2023	Additional	Adjustment for	2023	2022
	£000	Interest	PBSE	(Proforma	Statutory
		£000	£000	adjusted	Accounts
				for PBSE)	£000
Non-current assets	694,828	-	(9,673)	685,155	771,829
Current assets	73,930	-	(4,267)	69,663	72,832
Total assets	768,758	-	(13,940)	754,818	844,661
Current liabilities	(177,546)	-	751	(176,795)	(169,853)
Non-current liabilities	(568,602)	(9,318)	245,581	(332,339)	(561,903)
Total liabilities	(746,148)	(9,318)	246,332	(509,134)	(731,756)
Net assets / (liabilities)	22,610	(9,318)	232,392	245,684	112,905
Issued share capital	1,704	-	-	1,704	1,704
Share premium	122,159	-	-	122,159	122,159
Retained earnings	(101,253)	(9,318)	-	(110,571)	(10,958)
Capital contribution reserve	-	-	232,392	232,392	-
Capital and reserves	22,610	(9,318)	232,392	245,684	112,905

4. 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 is set out in Note 16. The carrying value of property, plant and equipment as at period end is set out in Note 17.

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 18.

DOBBIES GARDEN CENTRES LIMITED

Notes to the financial statements

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

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

5. 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.

6. Capital management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders of the parent.

The Company manages its capital structure and adjusts in light of changes in economic conditions and the requirements of the financial covenants.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches of the financial covenants of any interest-bearing loans and borrowing in the current period.

7. Operating profit

	53 weeks to 5 March 2023 £000	52 weeks to 27 February 2022 £000
Operating profit is stated after charging:		
Depreciation of tangible fixed assets	12,801	12,076
Depreciation of right-of-use asset	15,148	14,583
Amortisation of intangible fixed assets	2,897	2,109
Cost of inventories recognised as an expense (included in cost of sales)	142,203	137,760
Services provided by the Company's auditor:		
Fees payable for the audit	451	437

8. Other operating income

	53 weeks to 5 March 2023 £000	52 weeks to 27 February 2022 £000
Income from concession partners	8,866	9,323
Government grants	-	2,897
Other operating income	8,866	12,220

DOBBIES GARDEN CENTRES LIMITED**Notes to the financial statements****9. Employee 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	
	53 weeks to 5 March 2023	52 weeks to 27 February 2022	53 weeks to 5 March 2023	52 weeks to 27 February 2022
Office and management	673	609	661	600
Other employees	3,063	3,134	1,265	1,361
Total	3,736	3,743	1,926	1,961

	53 weeks to 5 March 2023 £000	52 weeks to 27 February 2022 £000
Wages and salaries	61,324	59,523
Social security costs	4,525	4,130
Other pension costs	1,446	1,314
Employee costs	67,295	64,967

10. Information regarding key management personnel and employees

	53 weeks to 5 March 2023 £000	52 weeks to 27 February 2022 £000
Aggregate emoluments	82	288
Highest paid director – total aggregate emoluments	25	226

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.

DOBBIES GARDEN CENTRES LIMITED**Notes to the financial statements****11. Exceptional items**

	53 weeks to 5 March 2023 £000	52 weeks to 27 February 2022 £000
Write off of subsidiary following dissolution	(31,516)	-
Impairment	(23,613)	-
Funding and refinancing costs	(3,362)	(508)
Company restructuring costs	(1,626)	(574)
EWM concessions exit	-	(522)
COVID-19 costs	-	(1,764)
	(60,117)	(3,368)

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) On 26 July 2022 the Company's subsidiary Woodcote Green Nurseries (Holdings) Limited was dissolved and consequently the Company wrote off the following balances: investment in subsidiary £33.2m, goodwill of £0.2m and intercompany net payable balances of £1.9m.
- b) The Company recognised an impairment of £23.6m (FY22: £Nil) following the completion of the annual impairment review. The impairment relates to write downs of £3.5m relating to goodwill (as set out in Note 16 and 18), £11.4m property, plant and equipment (Note 17) and right of use assets £8.7m (Note 31).
- c) The wider group successfully completed a refinancing of the entire group which resulted in an increase in net asset of £255.1m. Professional and advisory fees relating to this significant transactions amounted to £3,362k. In the prior year the Group renegotiated the extension of its existing Senior Facility Agreement and varied the terms of ground rent leases for 36 of its centres. Advisory costs of £508k were incurred in that period.
- d) The Group experienced difficult trading conditions in peak season and in response, the business was repositioned with an absolute focus on value and has continued to develop a robust and efficient platform to support resilience and future growth, including deployment of cost actions amounting to £1,626k. Restructuring costs incurred in the prior year were £574k.
- e) In FY21 the Group exited a large concession retailer in 51 stores, providing the opportunity for the Group to redevelop these retail spaces and extend our product ranges, as well as bring in new concession partners. The operational costs incurred in FY22 making these changes across our stores was £522k.
- f) During the prior year the Group incurred £1,764k of additional costs relating to the COVID-19 pandemic.

12. Finance income

	53 weeks to 5 March 2023 £000	52 weeks to February 2022 £000
Interest receivable on loans to group companies	8,576	7,420
Interest receivable on bank deposits	20	2
Total finance income	8,596	7,422

DOBBIES GARDEN CENTRES LIMITED**Notes to the financial statements****13. Finance costs**

	53 weeks to 5 March 2023 £000	52 weeks to February 2022 £000
Interest payable on loans from group companies	(17,837)	(16,182)
Interest on lease liabilities	(16,831)	(15,919)
Interest on creditors	(372)	-
Finance charge on dilapidations provision	(234)	(137)
Ground rent financing	(63)	(2)
Total finance costs	(35,337)	(32,240)

14. Income tax

	53 weeks to 5 March 2023 £000	52 weeks to February 2022 (restated Note 2.3) £000
Current tax:		
Corporation tax on result for the year	-	460
Adjustments in respect of prior years	(27)	148
Total current tax credit	(27)	608
Deferred tax:		
Current year	12,057	(288)
Effect of changes in tax rates	3,824	(5,860)
Adjustments in respect of prior years	(929)	(72)
Total deferred tax charge	14,952	(6,220)
Tax credit / (charge) for the year	14,925	(4,835)

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

	53 weeks to 5 March 2023 £000	52 weeks to 27 February 2022 (restated Note 2.3) £000
Loss for the year – continuing activities	(105,220)	(7,045)
Tax on loss at standard UK tax rate of 19% (2021: 19%)	19,992	1,338
Effects of:		
Adjustments in respect of prior years	(956)	75
Expenses not deductible	(8,265)	(388)
Effect of changes in tax rates	3,824	(5,860)
Amounts not recognised	330	-
Tax credit / (charge) for the year	14,925	(4,835)

DOBBIES GARDEN CENTRES LIMITED**Notes to the financial statements****15. Investments**

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

Subsidiary undertaking	Country of incorporation	% shares held	Nature of business
Johnsons Garden Centre (Boston) Limited*	England	100%	Garden centre retailer

* Dissolved 18 April 2023

	2023 £000	2022 £000
Investments		
Woodcote Green Nurseries (Holdings) Limited	-	33,185
Johnsons Garden Centre (Boston) Limited	2,695	2,695
	2,695	35,880

16. Intangible assets

	Goodwill £000	Computer Software £000	Total £000
Cost			
As at 28 February 2021	19,286	10,011	29,297
Hive up of Johnsons Garden Centre (Boston) Limited	1,079	-	1,079
Additions	-	2,018	2,018
As at 27 February 2022	20,365	12,029	32,394
Additions	-	434	434
Disposals	(190)	(1)	(191)
Impairment	(3,523)	(4)	(3,527)
As at 5 March 2023	16,652	12,458	29,110
Accumulated amortisation			
As at 28 February 2021	(1,652)	(5,015)	(6,667)
Charge for the year	-	(2,109)	(2,109)
As at 27 February 2022	(1,652)	(7,124)	(8,776)
Charge for the year	-	(2,897)	(2,897)
Impairment	-	3	3
As at 5 March 2023	(1,652)	(10,018)	(11,670)
Net book value			
As at 27 February 2022	18,713	4,905	23,618
As at 5 March 2023	14,999	2,441	17,440

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

DOBBIES GARDEN CENTRES LIMITED**Notes to the financial statements****16. Intangible assets (continued)**

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

	2023	2022
	£000	£000
Johnsons Garden Centre (Boston) Limited	579	1,079
Generation five (31 garden centres from Wyevalle Garden Centres Limited)	8,906	10,303
Generation four (Gloucester, Heighley Gate, Huntingdon, Woodbridge and Woodlands)	5,514	7,141
Other	-	190
Total Goodwill	14,999	18,713

The Company tests goodwill annually for impairment or more frequently if there are indicators of impairment. See Note 18 for further details.

17. Property, plant & equipment

	Freehold Land & Buildings £000	Leasehold Land & Buildings £000	Motor Vehicles £000	Fixtures and Fittings £000	Total £000
Cost					
As at 28 February 2021	132,516	33,432	164	62,235	228,347
Hive up of Johnsons Garden Centre (Boston) Limited	3,760	-	-	-	3,760
Additions	1,268	493	-	5,820	7,581
As at 27 February 2022	137,544	33,925	164	68,055	239,688
Additions	612	4,502	-	7,771	12,885
Disposals	(1,310)	-	-	(675)	(1,985)
Impairment	(8,996)	(160)	-	(4,395)	(13,551)
As at 5 March 2023	127,850	38,267	164	70,756	237,037
Accumulated depreciation					
As at 28 February 2021	(4,569)	(13,491)	(86)	(24,906)	(43,052)
Charge for the year	(3,111)	(630)	(39)	(8,296)	(12,076)
As at 27 February 2022	(7,680)	(14,121)	(125)	(33,202)	(55,128)
Charge for the year	(3,143)	(740)	(32)	(8,886)	(12,801)
Disposals	886	-	-	567	1,453
Impairment	551	6	-	1,601	2,158
As at 5 March 2023	(9,386)	(14,855)	(157)	(39,920)	(64,318)
Net book value					
As at 27 February 2022	129,864	19,804	39	34,853	184,560
As at 5 March 2023	118,464	23,412	7	30,836	172,719

DOBBIES GARDEN CENTRES LIMITED

Notes to the financial statements

18. 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 ("CGUs"). 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 9.3% (pre-tax discount rate of 10.2%) 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 8.8% and 7.2% respectively. The growth rate used to extrapolate the cash flows beyond the five-year period is 2.0%. The Directors believe that these growth rates are achievable based on current market expectations.

The recoverable amount of goodwill was lower than the carrying value at eight stores and this resulted in a goodwill impairment of £3.5m.

Sensitivity analysis

While cash flow projections are subject to inherent uncertainty, a 0.5% reduction in the growth rate was modelled and this indicated a potential further impairment of £0.6m. Similarly, a 0.5% increase in the post-tax discount rate to 9.8% indicated a potential further impairment of £1.0m.

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.

The recoverable amount of these assets was lower than the carrying value at eleven stores and this resulted in an impairment of £20.1m across both assets (property, plant & equipment £11.4m and right of use assets £8.7m).

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.

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.

Sensitivity analysis

While cash flow projections are subject to inherent uncertainty, a 0.5% reduction in the growth rate was modelled and this indicated a potential further impairment of £3.2m (property, plant & equipment £1.8m and right of use assets £1.4m). Similarly, a 0.5% increase in the post-tax discount rate to 9.8% indicated a potential further impairment of £5.1m (property, plant & equipment £2.9m and right of use assets £2.2m).

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

	2023 £000	2022 (restated Note 2.3) £000
Amounts due from other group companies	243,866	269,340

Amounts owed by group companies of £243.9m (2022: £269.3m) relates to a £216.9m (2022: £208.3m) loan payable by DanAtAugusta Propco1 Limited for the transfer of the Group's portfolio of garden centres with associated interest charged at an interest rate of 4.18% (2022: 3.74%) in line with the rate payable on the ground rent lease funding; £9.7m (2022: £61.0m) comprises amounts owed by DanAtAugusta Bidco Limited (for the settlement of interest payments on external loans and the settlement of employee costs net of working capital funding); £0.1m (2022: £0.1m) relates to amount owed by DanAtAugusta Propco2 Limited (for group relief and recharged audit fees; and £17.1m (2022: Nil) relates amount owed by DanAtAugusta Propco1 Limited in relation to the acquisition cost of a property from Dobbies Garden Centres Limited partly offset by group relief.

20. Inventories

	2023 £000	2022 £000
Goods for resale	38,990	55,949

21. Trade and other receivables due within one year

	2023 £000	2022 (restated Note 2.3) £000
Trade debtors	2,605	1,597
Prepayments	3,798	1,883
Other receivables	8,012	6,628
	14,415	10,108

22. Cash and short term deposits

	2023 £000	2022 £000
Cash at bank and in hand	20,525	6,775

DOBBIES GARDEN CENTRES LIMITED**Notes to the financial statements****23. Trade and other payables due within one year**

	2023	2022
	£000	(restated Note 2.3) £000
Trade creditors	(37,356)	(37,224)
Other taxation and social security	(963)	(8,061)
Other creditors and provisions	(19,815)	(32,890)
Amounts due to other group companies	(94,434)	(81,761)
	(152,568)	(159,936)

Intercompany amounts due within one year of £94.4m (2022: £81.8m) relates to £74.7m (2022: £62.9m) of rental charges payable to DanAtAugusta Propco3 Limited; plus £19.7m (2022: £19.7m) in relation to the BBC Pension Trust property sale proceeds received on behalf of DanAtAugusta Propco3 Limited; plus £9.2m (2022: £9.3m) in relation to ground rent cash receipts paid on behalf of DanAtAugusta Propco3 Limited; plus £11.1m (2022: £Nil) Alpha property regear sales proceeds received on behalf of DanAtAugusta Propco3 Limited; plus £1.0m (2022: £1.0m) of payments for group relief owed to DanAtAugusta Propco3 Limited offset by £27.5m (2022: £20.1m) of ground rent paid on behalf of DanAtAugusta Propco3 Limited; plus £0.7m (2022: £0.7m) of payments for group relief and audit fees owed to Dobbies Garden Centres Group; plus £2.8m (2022: £4.6m) being the net amount of cash transfers, recharges and the hive-up of assets owed to Woodcote Green Nurseries Limited; plus £Nil (2022: £1.0m) in relation to sale proceeds from the disposal of a property at net book value to from DanAtAugusta Propco1 Limited; plus £2.7m (2022: £2.7m) being the net assets hived up to the Company from Johnsons Garden Centre (Boston) Limited

24. Trade and other payables due after one year

	2023	2022
	£000	£000
Amounts due to other group companies	(226,900)	(209,770)

Non-current amounts owed to group companies of £226.9m (2022: £209.8m) is made up of loans payable to DanAtAugusta Bidco Limited and the associated interest which is charged at a rate of 8.0% (2022: 8.0%).

DOBBIES GARDEN CENTRES LIMITED**Notes to the financial statements****25. Borrowings**

	2023	2022
	£000	£000
Ground rent lease funding with SGSS TDS (Nominee 1) Limited and SGSS TDS (Nominee 2) Limited	(37,097)	(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	(9,363)	(8,656)
Capitalised debt fees	448	267
Secured borrowings	(63,376)	(60,486)

The Company holds £37.1m (2022: £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 mainly relates to ten garden centres acquired in 2019 as part of the Woodcote Green Nurseries (Holdings) Limited acquisition. 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 Company holds £17.4m (2022: £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 in 2019 as part of the Woodcote Green Nurseries (Holdings) Limited acquisition. 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.

During FY21, 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 Group. The loan was extinguished in August 2023 and carried an interest rate of 8% (2022: 8%). The carrying value of the loan at the year end date was £9.4m (2022: £8.7m).

The ground rent transactions with SGSS TDS, & CBRE GI 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****26. Financial instruments**

	2023 £000	2022 (restated Note 2.3) £000
Financial assets at amortised cost		
Trade and other receivables	14,415	10,108
Total financial assets - current	14,415	10,108

	Repayment date	2023 £000	2022 (restated Note 2.3) £000
Current interest bearing loans and borrowings before capitalised borrowing costs			
Lease liabilities	2022	(24,835)	(10,663)
Total Current interest bearing loans and borrowings before capitalised borrowing costs		(24,835)	(10,663)

Non-current interest bearing loans and borrowings before capitalised borrowing costs			
Ground rent transaction	125 years	(37,098)	(34,733)
Ground rent transaction	150 years	(17,364)	(17,364)
Ultimate parent company loan	June 2024	(9,363)	(8,656)
Lease liabilities	2023-2089	(264,582)	(263,613)
Total non-current interest bearing loans and borrowings before capitalised borrowing costs		(328,407)	(324,366)

	2023 £000	2022 (restated Note 2.3) £000
Other financial liabilities at amortised cost, other than interest bearing loans and borrowings		
Trade and other payables	(152,568)	(155,845)
Total financial liabilities - current	(152,568)	(155,845)

The maturity analysis of lease liabilities is disclosed in Note 31.

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****26. 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.

27. Provisions

	2023	2022
	£000	£000
Dilapidations provision		
Opening	(3,447)	(3,257)
Additions	(428)	(53)
Finance charge during the period	(234)	(137)
	(4,109)	(3,447)

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.

28. Deferred tax

	2023	2022
	£000	(restated Note 2.3) £000
Movement in the year:		
Opening balance	(24,587)	(17,357)
Arising on acquisitions	-	(927)
Deferred tax credited to Income Statement	15,881	(6,147)
Adjustment in respect of prior years	(929)	(156)
Closing balance	(9,635)	(24,587)

Deferred tax at the period end comprises:

	2023	2022
	£000	(restated Note 2.3) £000
Fixed asset timing differences	(22,479)	(24,514)
Losses	12,198	-
Rollover gains	(124)	(124)
Corporate interest restriction	711	-
Other temporary differences	59	51
Total deferred tax liability	(9,635)	(24,587)

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 including the higher rate of 25% from April 2023 onwards.

DOBBIES GARDEN CENTRES LIMITED**Notes to the financial statements****29. Issued share capital**

	2023	2022
	Number	Number
Share capital (authorised, issued and fully paid)		
Ordinary shares of £0.10 each	17,038,509	17,038,509
	2023	2022
	£000	£000
Share capital (authorised, issued and fully paid)		
Ordinary shares of £0.10 each	1,704	1,704

30. 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 £1.4m (2022: £1.3m). Outstanding pension contributions at the year-end amounted to £0.2m (2022: £0.3m).

31. 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	Plant & Machinery	Other equipment	Total
	£000	£000	£000	£000
As at 28 February 2021	267,867	2,152	720	270,739
Additions	2,319	676	142	3,137
Disposals	(665)	(197)	-	(862)
Depreciation expense	(13,235)	(959)	(389)	(14,583)
As at 27 February 2022	256,286	1,672	473	258,431
Additions	23,475	111	22	23,608
Disposals	-	(46)	(40)	(86)
Depreciation expense	(13,921)	(882)	(345)	(15,148)
Impairment	(8,696)	-	-	(8,696)
As at 5 March 2023	257,144	855	110	258,109

DOBBIES GARDEN CENTRES LIMITED**Notes to the financial statements****31. 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.

	2023	2022
	£000	(restated Note 2.3) £000
Opening	274,276	279,530
Additions	23,180	3,084
Disposals	(109)	(898)
Accretion of interest	16,831	15,919
Payments	(24,761)	(23,359)
	289,417	274,276
Current	24,835	10,663
Non-Current	264,582	263,613
	289,417	274,276

The maturity analysis of undiscounted contractual cash flows;

	2023	2022
	£000	(restated Note 2.3) £000
Less than 5 years	124,505	114,991
Between 5 to 10 years	125,318	115,567
Between 10 to 20 years	172,327	164,962
Between 20 to 30 years	108,254	98,516
Between 30 to 40 years	19,403	16,775
Greater than 40 years	555,963	556,875
	1,105,770	1,067,686

The following are the amounts recognised in profit or loss:

	2023	2022
	£000	(restated Note 2.3) £000
Depreciation expense of right-of-use asset	15,148	14,583
Interest expense on lease liabilities	16,831	15,919
Expense relating to low-value and short-term leases	487	572
Variable lease payments	482	425
Total amount recognised in profit or loss	32,948	31,499

The Company had total cash outflows for leases of £25.7m (2022: £24.4m).

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.

DOBBIES GARDEN CENTRES LIMITED

Notes to the financial statements

31. Leases (continued)

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:

2023	Fixed payments £000	Variable payments £000	Total payments £000
Leases with lease payment based on sales	891	482	1,373
2022	Fixed payments £000	Variable payments £000	Total payments £000
Leases with lease payment based on sales	700	425	1,125

Company as a lessor

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

Operating lease	2023 £000	2022 £000
Lease income	8,708	9,350

32. Government grants

During the year, the Group received support from UK and local governments in connection with its response to the COVID-19 pandemic. This support included furlough and job retention scheme reliefs.

The Group recognised government grant income of £Nil (2022: £2.9m) in relation to the Coronavirus Job Retention Scheme (CJRS). There are no unfulfilled conditions or contingencies attached to these grants.

33. 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 Dobbies Garden Centre – Woodcote Green, Woodmansterne Lane, Wallington, England.

On 6 February 2023 the ultimate parent company was acquired by funds controlled by Ares Management Limited whose address is 10 New Burlington Street, London W1S 3BE.