

Raemoir Garden Centre Limited

**Filleted Unaudited
Financial Statements**

31st January 2018



WILLIAMSON & DUNN

Chartered accountant
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Raemoir Garden Centre Limited

Financial Statements

Year ended 31st January 2018

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Raemoir Garden Centre Limited

Statement of Financial Position

31st January 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	6	3,633,790	3,796,473
Current assets			
Stocks		589,586	556,273
Debtors	7	25,582	45,088
Cash at bank and in hand		5,509	5,908
		<u>620,677</u>	<u>607,269</u>
Creditors: amounts falling due within one year	8	<u>1,384,119</u>	<u>1,268,458</u>
Net current liabilities		<u>763,442</u>	<u>661,189</u>
Total assets less current liabilities		<u>2,870,348</u>	<u>3,135,284</u>
Creditors: amounts falling due after more than one year	9	491,358	817,634
Provisions			
Taxation including deferred tax		144,591	166,886
Net assets		<u><u>2,234,399</u></u>	<u><u>2,150,764</u></u>

The statement of financial position
continues on the following page.

The notes on pages 3 to 8 form part of these financial statements.

Raemoir Garden Centre Limited

Statement of Financial Position *(continued)*

31st January 2018

	Note	2018 £	2017 £
Capital and reserves			
Called up share capital		37,500	37,500
Share premium account		32,500	32,500
Profit and loss account		2,164,399	2,080,764
Shareholders funds		2,234,399	2,150,764

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

For the year ending 31st January 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements were approved by the board of directors and authorised for issue on 23rd May 2018, and are signed on behalf of the board by:



Mr E Mair
Director



Dr F Mair
Director

Company registration number: SC119268

The notes on pages 3 to 8 form part of these financial statements.

Raemoir Garden Centre Limited

Notes to the Financial Statements

Year ended 31st January 2018

1. General information

The company is a private company limited by shares, registered in Scotland. The address of the registered office is Raemoir Garden Centre, Raemoir Road, Banchory, AB31 4ER.

The principal activity of the company during the year was the operation of a garden centre.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

These financial statements have been prepared on a going concern basis.

The current economic conditions present increased risks for all businesses. In response to such conditions, the directors have carefully considered these risks, included an assessment of uncertainty on future trading projection for a period of at least 12 months from the date of signing the financial statements, and the extent to which they might affect the preparation of the financial statements on a going concern basis.

Based on this assessment, the directors consider that the Company maintains an appropriate level of liquidity, sufficient to meet the demands of the business.

In addition, the Company's assets are assessed for recoverability on a regular basis, and the directors consider that the Company is not exposed to losses on these assets which would affect their decision to adopt the going concern basis.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and that there are no material uncertainties that lead to significant doubt upon the Company's ability to continue as a going concern. Thus the directors have continued to adopt the going concern basis of accounting in preparing these financial statements.

Raemoir Garden Centre Limited

Notes to the Financial Statements *(continued)*

Year ended 31st January 2018

3. Accounting policies *(continued)*

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual value of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Impairment of stock

The company makes an estimate of the recoverable value of stock. When assessing impairment of stock, management considers factors including the realisable value of stock, stock condition and historical experience.

Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of discounts and of Value Added Tax.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Raemoir Garden Centre Limited

Notes to the Financial Statements *(continued)*

Year ended 31st January 2018

3. Accounting policies *(continued)*

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Premises	- 2% straight line
Fixtures, fittings and equipment	- 10-20% straight line
Motor vehicles	- 15% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Raemoir Garden Centre Limited

Notes to the Financial Statements *(continued)*

Year ended 31st January 2018

3. Accounting policies *(continued)*

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 106 (2017: 106).

5. Tax on profit

Major components of tax expense

	2018 £	2017 £
Current tax:		
UK current tax expense	59,370	65,117
Deferred tax:		
Origination and reversal of timing differences	(22,295)	(3,867)
Tax on profit	<u>37,075</u>	<u>61,250</u>

Raemoir Garden Centre Limited

Notes to the Financial Statements *(continued)*

Year ended 31st January 2018

6. Tangible assets

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1st February 2017	3,882,265	1,917,324	27,200	5,826,789
Additions	16,738	58,360	—	75,098
At 31st January 2018	3,899,003	1,975,684	27,200	5,901,887
Depreciation				
At 1st February 2017	733,269	1,277,189	19,858	2,030,316
Charge for the year	76,882	158,056	2,843	237,781
At 31st January 2018	810,151	1,435,245	22,701	2,268,097
Carrying amount				
At 31st January 2018	3,088,852	540,439	4,499	3,633,790
At 31st January 2017	3,148,996	640,135	7,342	3,796,473

7. Debtors

	2018 £	2017 £
Trade debtors	2,873	18,967
Other debtors	22,709	26,121
	25,582	45,088

Raemoir Garden Centre Limited

Notes to the Financial Statements *(continued)*

Year ended 31st January 2018

8. Creditors: amounts falling due within one year

	2018	2017
	£	£
Bank loans and overdrafts	671,061	605,691
Trade creditors	256,754	200,041
Corporation tax	59,370	65,117
Social security and other taxes	185,662	195,597
Other creditors	211,272	202,012
	<u>1,384,119</u>	<u>1,268,458</u>

Included within other creditors are 100,000 10% non-cumulative redeemable preference shares of £1 each which are classed as financial liabilities. The shares are redeemable at the option of the company.

9. Creditors: amounts falling due after more than one year

	2018	2017
	£	£
Bank loans and overdrafts	<u>491,358</u>	<u>817,634</u>

All bank borrowings are secured by a bond and floating charge over the whole assets of the company, together with a standard security over the heritable property.

The company bank borrowings are based on a mix of fixed and variable lending rates. The loan repayment terms are dependent upon LIBOR and the loans expire in January 2020.

10. Related party transactions

The company has bank borrowing facilities in place. Bank borrowings are secured by personal guarantees totalling £100,000 from some of the shareholders of the company.