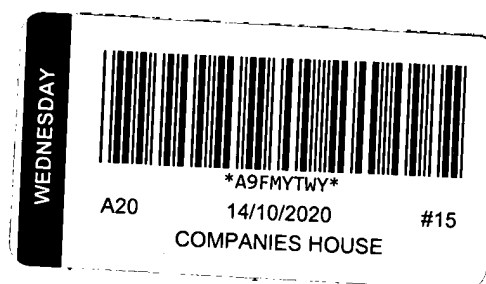


Registered number: 00601922

HASKINS FARNHAM LIMITED (FORMERLY DENYS E.HEAD LIMITED)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 23 FEBRUARY 2020



HASKINS FARNHAM LIMITED (FORMERLY DENYS E.HEAD LIMITED)

COMPANY INFORMATION

Directors	W G Haskins J P Winfield L Looker J A Dunlop
Company secretary	J A Dunlop
Registered number	00601922
Registered office	Haskins Garden Centre Head Office Building Longham Ferndown Dorset BH22 9DJ
Independent auditor	Nexia Smith & Williamson Chartered Accountants & Statutory Auditor 4th Floor Cumberland House 15-17 Cumberland Place Southampton Hampshire SO15 2BG
Bankers	NatWest Bank 39 The Borough Farnham Surrey GU9 7NP

HASKINS FARNHAM LIMITED (FORMERLY DENYS E.HEAD LIMITED)

CONTENTS

	Page
Strategic Report	1 - 2
Directors' Report	3 - 4
Directors' Responsibilities Statement	5
Independent Auditor's Report	6 - 8
Statement of Comprehensive Income	9
Balance Sheet	10
Statement of Changes in Equity	11
Notes to the Financial Statements	12 - 30

HASKINS FARNHAM LIMITED (FORMERLY DENYS E.HEAD LIMITED)

STRATEGIC REPORT FOR THE PERIOD ENDED 23 FEBRUARY 2020

Introduction

The directors present the Strategic Report for the period from 1 February 2019 to 23 February 2020.

Business review

Haskins Farnham Limited is a wholly owned subsidiary of Haskins Garden Centres Limited. Haskins Garden Centres Limited is a premium retail garden centre group currently owning and operating 4 destination garden centres in Southern England. On 10 February 2020 the Company acquired its 5th garden centre, Forest Lodge in Farnham, a specimen garden plants business, Garden Style, and the established and popular visitor attraction, Birdworld also in Farnham.

Haskins retails high quality plants, gardening products, furniture and leisure products. Haskins also operates excellent restaurants at each of its centres. Haskins now also operates the well-reknowned Birdworld visitor attraction.

Haskins has continued to prosper and further develop year-round business through the widening of its product range and the continued development of its catering offering despite a challenging economic and retail environment during the year. During the period, Haskins completed the full redevelopment of its Snowhill garden centre, which has been completely rebuilt as our 4th purpose built, destination garden centre during the financial year and which reopened on 12 February 2020. This is expected to significantly enhance Haskins' profitability in coming years. The previous Snowhill garden centre traded at a reduced size in the second half of the year in preparation for the redevelopment. Like for like ("LFL") figures noted below exclude Snowhill and the 13 days of trading of the new Farnham businesses.

Group turnover for the year was down 3.0% versus the prior year, at £31.4m due to the redevelopment of Snowhill which was operating from a smaller, temporary garden centre building while the redevelopment took place. On a LFL basis turnover increased by 4.7%.

Group gross profit was down 6.8%, at £10.7m, due to the Snowhill redevelopment.

Group profit before tax for the year was £575k. This was adversely affected by the significantly higher costs of operating the Snowhill garden centre from a temporary building during its redevelopment.

During the period, Haskins has continued its sustained investment and development meaning that the Group has some of the most modern, profitable and effective garden centres in the country and therefore has a strong base and model for future growth. The Snowhill redevelopment has resulted in the four established Haskins garden centre estate being purpose-built centres, each having been re-fitted or rebuilt within the last 10 years. These centres will all have restaurants with over 400 seats, large and spacious car parks and developed gift and clothing departments all of which make the businesses less dependent on good gardening weather. The addition of Forest Lodge, Garden Style and Birdworld in February 2020 will enable Haskins to continue to develop its successful business model in these new businesses within the Group.

During the period, Haskins refinanced its existing debt and agreed a £28m loan facility with HSBC.

The Group's long term strategy continues to be to grow the business through the acquisition of appropriate land on which to build new bespoke centres, development and organic growth of its existing centres and consideration of complementary business acquisitions as opportunities present themselves.

During the period, the Company has continued to reap the benefits from previous investment in EPOS, Merchandising and Finance IT systems. These systems enable us to centrally control and replenish most of our product ranges meaning we have better stock availability allowing our retail staff to concentrate on serving the customer better.

HASKINS FARNHAM LIMITED (FORMERLY DENYS E.HEAD LIMITED)

**STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 23 FEBRUARY 2020**

Principal risks and uncertainties

The board regularly reviews the risks facing the business and takes mitigation measures where appropriate.

The main external risks, over which the board and management has no control, include a decline in the economy and the resulting decrease in customer spending; a significant increase in interest rates (which would affect our customers as well as our own profit and loss account); a change in weather conditions; a change in consumer buying behaviour. Subsequent to the year end the business faces the additional risks caused by the Covid-19 pandemic.

The most important internal risks, over which the board and management have some control, include the loss of key staff and changes affecting our suppliers and their ability to supply us with the right stock at the right time, and cyber security risks. In these and other risks the board have established mitigating controls which are reviewed regularly.

Financial key performance indicators

The board continually monitors and analyses the business performance. In particular, the following Key Performance Indicators are used on a group basis:

Sales growth: down 3.0% on prior year due to the redevelopment of the Snowhill garden centre, and up 4.7% on a LFL basis.

Operating margin (operating profit before goodwill): 1.0% due to the redevelopment of the Snowhill garden centre (2019: 8.3%).

Earnings before interest, tax, depreciation and amortisation (EBITDA): £2.7m (2019: £4.8m).

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



J.P. Winfield
Chief Executive

Date: 9/10/20

HASKINS FARNHAM LIMITED (FORMERLY DENYS E.HEAD LIMITED)

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 23 FEBRUARY 2020**

The directors present their report and the financial statements for the period ended 23 February 2020.

Results and dividends

The profit for the period, after taxation, amounted to £127k (*year ended 31 January 2019: £207k*).

Dividends of £215k were paid and proposed in the period (*year ended 31 January 2019: £212k*).

Directors

The directors who served during the period were:

W G Haskins (appointed 10 February 2020)
J P Winfield (appointed 10 February 2020)
L Looker (appointed 10 February 2020)
J A Dunlop (appointed 10 February 2020)
R D Head (resigned 10 February 2020)

Post balance sheet events

On 11 March 2020 COVID-19 was declared a global pandemic by the World Health Organisation. On 23 March 2020 the UK went into lockdown and the garden centres and visitor attraction operated by the Company were required to close. The garden centres remained closed until 13 May following the removal of the government restrictions on garden centre trading. The restaurants operated within the garden centres were, however, outside this change in retail regulations and they remained closed until 7 July, when government restrictions on hospitality business trading were relaxed. The Company reopened its businesses in full compliance with all government regulation and guidance on COVID secure trading.

The effect on trading during the prime Spring trading period for garden centres has been very significant. Trading since reopening has, however, been strong and has begun to recover some of the lost trade during lockdown.

The full impact of the COVID-19 pandemic on our business remains uncertain and as a result is unquantifiable at this stage.

Disclosure of information to auditor

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

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

Auditor

The auditor, Nexia Smith & Williamson, was appointed in the period and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

HASKINS FARNHAM LIMITED (FORMERLY DENYS E.HEAD LIMITED)

DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 23 FEBRUARY 2020

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



J A Dunlop
Director

Date: 9 Oct 2020

HASKINS FARNHAM LIMITED (FORMERLY DENYS E.HEAD LIMITED)

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE PERIOD ENDED 23 FEBRUARY 2020**

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

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; 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 and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HASKINS FARNHAM LIMITED (FORMERLY
DENYS E.HEAD LIMITED)**

Opinion

We have audited the financial statements of Haskins Farnham Limited (formerly Denys E.Head Limited) (the 'Company') for the period ended 23 February 2020 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the notes to the financial statements, 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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 23 February 2020 and of its profit for the period 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HASKINS FARNHAM LIMITED (FORMERLY
DENYS E.HEAD LIMITED) (CONTINUED)**

Other information

The other information comprises the information included in the Annual Report and financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters where 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 5, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HASKINS FARNHAM LIMITED (FORMERLY DENYS E.HEAD LIMITED) (CONTINUED)

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. 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.



Andrew Edmonds (Senior Statutory Auditor)

for and on behalf of

Nexia Smith & Williamson

Chartered Accountants
Statutory Auditor

4th Floor Cumberland House
15-17 Cumberland Place
Southampton
Hampshire
SO15 2BG

Date: 13/10/2020

HASKINS FARNHAM LIMITED (FORMERLY DENYS E.HEAD LIMITED)

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 23 FEBRUARY 2020**

	Note	Period ended 23 February 2020 £000	Year ended 31 January 2019 £000
Turnover	4	9,073	8,177
Cost of sales		(6,274)	(3,671)
Gross profit		2,799	4,506
Administrative expenses		(2,539)	(4,269)
Other operating income	5	18	23
Exceptional other operating charges		(39)	-
Operating profit	6	239	260
Interest receivable and similar income	9	72	74
Interest payable and expenses	10	(22)	(38)
Profit before tax		289	296
Tax on profit	11	(162)	(89)
Profit for the financial period		127	207

There was no other comprehensive income for the period ended 23 February 2020 (*year ended 31 January 2019: £Nil*).

The notes on pages 12 to 30 form part of these financial statements.

HASKINS FARNHAM LIMITED (FORMERLY DENYS E.HEAD LIMITED)
REGISTERED NUMBER:00601922

BALANCE SHEET
AS AT 23 FEBRUARY 2020

	Note	23 February 2020 £000	31 January 2019 £000
Fixed assets			
Tangible assets	13	3,555	3,800
		<u>3,555</u>	<u>3,800</u>
Current assets			
Stocks	14	1,094	949
Debtors: amounts falling due within one year	15	118	181
Cash at bank and in hand	16	3,666	4,778
		<u>4,878</u>	<u>5,908</u>
Creditors: amounts falling due within one year	17	(1,466)	(1,438)
Net current assets		<u>3,412</u>	<u>4,470</u>
Total assets less current liabilities		<u>6,967</u>	<u>8,270</u>
Creditors: amounts falling due after more than one year	18	-	(1,267)
Provisions for liabilities			
Deferred tax	20	(192)	(140)
Net assets		<u><u>6,775</u></u>	<u><u>6,863</u></u>
Capital and reserves			
Called up share capital	21	2	2
Capital redemption reserve	22	1	1
Profit and loss account	22	6,772	6,860
Shareholders' funds		<u><u>6,775</u></u>	<u><u>6,863</u></u>

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



W G Haskins
Director

Date: 9/10/20

The notes on pages 12 to 30 form part of these financial statements.

HASKINS FARNHAM LIMITED (FORMERLY DENYS E.HEAD LIMITED)

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 23 FEBRUARY 2020

	Called up share capital £000	Capital redemption reserve £000	Profit and loss account £000	Total equity £000
At 1 February 2018	2	1	6,865	6,868
Comprehensive income for the year				
Profit for the year	-	-	207	207
Dividends: Equity capital	-	-	(212)	(212)
At 1 February 2019	2	1	6,860	6,863
Comprehensive income for the period				
Profit for the period	-	-	127	127
Dividends: Equity capital	-	-	(215)	(215)
At 23 February 2020	2	1	6,772	6,775

HASKINS FARNHAM LIMITED (FORMERLY DENYS E.HEAD LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 23 FEBRUARY 2020

1. General information

Haskins Farnham Limited (Formerly Denys E.Head Limited) is a private company, limited by shares, domiciled and incorporated in England and Wales (registered number: 00601922). The registered office address is Haskins Garden Centre, Head Office Building, Longham, Ferndown, Dorset, BH22 9DJ.

The Company changed its name from Denys E.Head Limited to Haskins Farnham Limited on 10 February 2020 by way of a resolution.

The Company's functional and presentational currency is GBP.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

On 10 February 2020, the Company was acquired by Haskins Garden Centres Limited. Subsequently, the Company amended its year end to 23 February 2020 in order to align it with other group companies.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Haskins Holdings Limited as at 23 February 2020 and these financial statements may be obtained from Companies House.

2.3 Going concern

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

The directors have carefully reviewed the future prospects of the Company and its future cash flows, including an assessment of the potential impact of the COVID-19 pandemic. The full impact of the COVID-19 pandemic on our business remains uncertain and as a result unquantifiable at this stage. Nevertheless, having assessed this the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future being at least the next 12 months from signing of these financial statements.

HASKINS FARNHAM LIMITED (FORMERLY DENYS E.HEAD LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 23 FEBRUARY 2020**

2. Accounting policies (continued)

2.4 Revenue

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

Sale of goods

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

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

Ticket sales to the Tourist attraction are recognised when the visitors attend.

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the lease term.

2.6 Grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of Comprehensive Income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

2.7 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.8 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

HASKINS FARNHAM LIMITED (FORMERLY DENYS E.HEAD LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 23 FEBRUARY 2020

2. Accounting policies (continued)

2.9 Tangible fixed assets

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

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Freehold land and buildings	- 5% reducing balance
Plant and equipment	- 20-25% reducing balance
Motor vehicles	- 25% reducing balance
Livestock	- 5-10% straight-line

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

Assets in the course of construction are not depreciated.

2.10 Stocks

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

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

2.11 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

HASKINS FARNHAM LIMITED (FORMERLY DENYS E.HEAD LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 23 FEBRUARY 2020**

2. Accounting policies (continued)

2.12 Provisions for liabilities

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

Provisions are charged as an expense to the Statement of Comprehensive Income in the period that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

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

2.13 Financial instruments

Financial assets and financial liabilities are recognised in the Balance Sheet when the Company becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the Company's cash management.

Financial liabilities and equity instruments issued by the Company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Interest bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

HASKINS FARNHAM LIMITED (FORMERLY DENYS E.HEAD LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 23 FEBRUARY 2020**

2. Accounting policies (continued)

2.14 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

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

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

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

2.15 Dividends

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

HASKINS FARNHAM LIMITED (FORMERLY DENYS E.HEAD LIMITED)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 23 FEBRUARY 2020

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

Estimates and judgements are evaluated at each reporting date and are based on historical experience as adjusted for current market conditions and other factors. Management makes estimates and assumptions concerning the future in preparing the financial statements and the actual results will not always reflect the accounting estimates made.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities of the Company are outlined below:

Tangible fixed assets

Key estimates and judgements are applied in establishing the residual value of the tangible assets of the Company. An assessment is performed at each reporting date of the residual value of the assets at the conclusion of their unexpired economic life. Based upon current estimates it is estimated that the residual value is not in excess of the cost of the assets acquired, and accordingly amortisation or depreciation has been charged. The carrying value of tangible fixed assets was £3,555k at 23 February 2020 (31 January 2019: £3,800k).

Stock

The Company's stock comprises goods for re-sale through its garden centre, plant nursery and Birdworld gift shop. Based on recent review there is no significant stock that could not realise in excess of its original cost. The carrying value of stock at 23 February 2020 was £1,094k (31 January 2019: £949k) including a provision of £5k (31 January 2019: £5k) which is carried in the Balance Sheet to provide a reserve to write down and accelerate clearance of any slower moving lines.

4. Turnover

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

	Period ended 23 February 2020 £000	Year ended 31 January 2019 £000
Garden centre	7,362	6,510
Visitor attraction	1,711	1,667
	<u>9,073</u>	<u>8,177</u>

All turnover arose within the United Kingdom.

HASKINS FARNHAM LIMITED (FORMERLY DENYS E.HEAD LIMITED)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 23 FEBRUARY 2020

5. Other operating income

	Period ended 23 February 2020 £000	Year ended 31 January 2019 £000
Other operating income	14	20
Rents receivable	4	3
	<u>18</u>	<u>23</u>

6. Operating profit

The operating profit is stated after charging:

	Period ended 23 February 2020 £000	Year ended 31 January 2019 £000
Tangible fixed assets depreciation	393	389
Auditors' remuneration	14	15
Other operating lease rentals	29	26
	<u>436</u>	<u>430</u>

HASKINS FARNHAM LIMITED (FORMERLY DENYS E.HEAD LIMITED)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 23 FEBRUARY 2020

7. Employees

Staff costs, including directors' remuneration, were as follows:

	Period ended 23 February 2020 £000	Year ended 31 January 2019 £000
Wages and salaries	2,769	2,513
Social security costs	210	188
Cost of defined contribution scheme	54	38
	<u>3,033</u>	<u>2,739</u>

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

	Period ended 23 February 2020 No.	Year ended 31 January 2019 No.
Selling and distribution staff	160	163
Administration staff	20	20
Visitor attraction	28	28
	<u>208</u>	<u>211</u>

8. Directors' remuneration

	Period ended 23 February 2020 £000	Year ended 31 January 2019 £000
Directors' emoluments	<u>66</u>	<u>68</u>

HASKINS FARNHAM LIMITED (FORMERLY DENYS E.HEAD LIMITED)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 23 FEBRUARY 2020

9. Interest receivable

	Period ended 23 February 2020 £000	<i>Year ended 31 January 2019 £000</i>
Bank interest receivable	72	74

10. Interest payable and similar expenses

	Period ended 23 February 2020 £000	<i>Year ended 31 January 2019 £000</i>
Bank interest payable	21	33
Other interest payable	1	5
	22	38

HASKINS FARNHAM LIMITED (FORMERLY DENYS E.HEAD LIMITED)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 23 FEBRUARY 2020

11. Taxation

	Period ended 23 February 2020 £000	Year ended 31 January 2019 £000
Corporation tax		
Current tax on profits for the period/year	110	81
Adjustments in respect of previous periods	-	(2)
Total current tax	110	79
Deferred tax		
Origination and reversal of timing differences	52	10
Total deferred tax	52	10
Taxation on profit on ordinary activities	162	89

HASKINS FARNHAM LIMITED (FORMERLY DENYS E.HEAD LIMITED)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 23 FEBRUARY 2020

11. Taxation (continued)

Factors affecting tax charge for the period/year

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

	Period ended 23 February 2020 £000	Year ended 31 January 2019 £000
Profit on ordinary activities before tax	289	296
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	55	56
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	53	10
Capital allowances for period/year in excess of depreciation	-	16
Adjustments to tax charge in respect of prior periods	-	(2)
Income not taxable for tax purposes	(1)	(1)
Chargeable gains	62	-
Rate change adjustment	(7)	-
Deferred tax	-	10
Total tax charge for the period/year	162	89

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

HASKINS FARNHAM LIMITED (FORMERLY DENYS E.HEAD LIMITED)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 23 FEBRUARY 2020

12. Dividends

	23 February 2020 £000	31 January 2019 £000
Ordinary		
Dividends paid	35	35
Ordinary A		
Dividends paid	180	177
	<u>215</u>	<u>212</u>

HASKINS FARNHAM LIMITED (FORMERLY DENYS E.HEAD LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 23 FEBRUARY 2020**

13. Tangible fixed assets

	Freehold land and buildings £000	Plant and equipment £000	Motor vehicles £000	Livestock £000	Assets under construction £000	Total £000
Cost or valuation						
At 1 February 2019	4,384	3,392	208	95	27	8,106
Additions	60	126	1	1	-	188
Disposals	-	(17)	(18)	-	(27)	(62)
At 23 February 2020	<u>4,444</u>	<u>3,501</u>	<u>191</u>	<u>96</u>	<u>-</u>	<u>8,232</u>
Depreciation						
At 1 February 2019	1,589	2,561	104	52	-	4,306
Charge for the period	141	215	27	11	-	394
Disposals	-	(11)	(12)	-	-	(23)
At 23 February 2020	<u>1,730</u>	<u>2,765</u>	<u>119</u>	<u>63</u>	<u>-</u>	<u>4,677</u>
Net book value						
At 23 February 2020	<u>2,714</u>	<u>736</u>	<u>72</u>	<u>33</u>	<u>-</u>	<u>3,555</u>
At 31 January 2019	<u>2,795</u>	<u>831</u>	<u>104</u>	<u>43</u>	<u>27</u>	<u>3,800</u>

Included in freehold land and buildings is freehold land at valuation of £485k (31 January 2019: £485k) which is not being depreciated.

14. Stocks

	23 February 2020 £000	31 January 2019 £000
Finished goods and goods for resale	<u>1,094</u>	<u>949</u>

HASKINS FARNHAM LIMITED (FORMERLY DENYS E.HEAD LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 23 FEBRUARY 2020**

15. Debtors

	23 February 2020 £000	31 January 2019 £000
Trade debtors	13	35
Other debtors	6	31
Prepayments and accrued income	99	115
	<u>118</u>	<u>181</u>

16. Cash and cash equivalents

	23 February 2020 £000	31 January 2019 £000
Cash at bank and in hand	3,666	4,778

17. Creditors: Amounts falling due within one year

	23 February 2020 £000	31 January 2019 £000
Bank loans	-	93
Trade creditors	645	480
Corporation tax	108	256
Other taxation and social security	451	274
Other creditors	-	114
Accruals and deferred income	262	221
	<u>1,466</u>	<u>1,438</u>

Secured loans

The bank loans were secured by legal charges over all property of the Company and a fixed and floating charge over all the current and future assets of the Company.

HASKINS FARNHAM LIMITED (FORMERLY DENYS E.HEAD LIMITED)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 23 FEBRUARY 2020

18. Creditors: Amounts falling due after more than one year

	23 February 2020 £000	31 January 2019 £000
Bank loans	-	1,267

Secured loans

The bank loans were secured by legal charges over all property of the Company and a fixed and floating charge over all the current and future assets of the Company.

19. Loans

Analysis of the maturity of loans is given below:

	23 February 2020 £000	31 January 2019 £000
Amounts falling due within one year		
Bank loans	-	93
Amounts falling due 1-2 years		
Bank loans	-	93
Amounts falling due 2-5 years		
Bank loans	-	280
Amounts falling due after more than 5 years		
Bank loans	-	893
	<u>-</u>	<u>1,359</u>

There were two bank loans in place which were repaid in full on acquisition of the Company by Haskins Garden Centres Limited. The first bank loan was repayable in 240 monthly instalments commencing in November 2007. Interest was due at 1.15% above base rate, compounded quarterly. The second bank loan was repayable in 240 monthly instalments commencing in May 2015. Interest was due at 2.24% above base rate, compounded quarterly.

HASKINS FARNHAM LIMITED (FORMERLY DENYS E.HEAD LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 23 FEBRUARY 2020**

20. Deferred taxation

	2020	2019
	£000	£000
At beginning of period/year	140	130
Charged to profit or loss	52	10
At end of period/year	192	140

The provision for deferred taxation is made up as follows:

	23 February	31 January
	2020	2019
	£000	£000
Accelerated capital allowances	138	141
Short-term timing differences	(1)	(1)
Capital gains	55	-
	192	140

21. Share capital

	23 February	31 January
	2020	2019
	£000	£000
Allotted, called up and fully paid		
2,400 Ordinary shares of £1.00 each	2	2
100 Ordinary A shares of £1.00 each	-	-
	2	2

The Ordinary and Ordinary A shares rank equally in respect of dividends and distribution on winding up, except that dividends may be voted on either class of shares independently.

HASKINS FARNHAM LIMITED (FORMERLY DENYS E.HEAD LIMITED)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 23 FEBRUARY 2020

22. Reserves

Capital redemption reserve

The capital redemption reserve represents the face value of shares that have been cancelled or repurchased.

Profit and loss account

This reserve relates to the cumulative retained earnings less amounts distributed to shareholders.

23. Contingent liabilities

The Company is party to an omnibus guarantee and set off agreement in respect of borrowings from the group which at the period end were £28,000k (*year ended 31 January 2019: £Nil*). This forms part of the Company's forecasts and is not deemed to have an effect on the results or going concern of the Company.

24. Pension commitments

The Company operates a defined contributions pension scheme for members of staff administered through a recognised assurance company. The assets of the schemes are held separately from those of the Company in an independently administered funds. The pension cost charge represents contributions payable by the Company to the fund and amounted to £54k (*year ended 31 January 2019: £38k*). Contributions totalling £9k (31 January 2019: £7k) were payable to the fund at the reporting date.

HASKINS FARNHAM LIMITED (FORMERLY DENYS E.HEAD LIMITED)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 23 FEBRUARY 2020

25. Commitments under operating leases

At 23 February 2020 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	23 February 2020 £000	31 January 2019 £000
Land and buildings		
Not later than 1 year	6	18
Later than 1 year and not later than 5 years	-	8
	<u>6</u>	<u>26</u>
	23 February 2020 £000	31 January 2019 £000
Other		
Not later than 1 year	14	17
Later than 1 year and not later than 5 years	23	22
	<u>37</u>	<u>39</u>

26. Related party transactions

The Company has taken advantage of the exemption in FRS 102 Section 33.1A to not disclose transactions with wholly owned group entities.

Key management personnel

Key management personnel comprises the directors of the Company. Remuneration for the period, including employer's national insurance contributions, totalled £73k (year ended 31 January 2019: £76k).

HASKINS FARNHAM LIMITED (FORMERLY DENYS E.HEAD LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 23 FEBRUARY 2020**

27. Post balance sheet events

On 11 March 2020 COVID-19 was declared a global pandemic by the World Health Organisation. On 23 March 2020 the UK went into lockdown and the garden centres and visitor attraction operated by the Company were required to close. The garden centres remained closed until 13 May following the removal of the government restrictions on garden centre trading. The restaurants operated within the garden centres were, however, outside this change in retail regulations and they remained closed until 7 July, when government restrictions on hospitality business trading were relaxed. The Company reopened its businesses in full compliance with all government regulation and guidance on COVID secure trading.

The effect on trading during the prime Spring trading period for garden centres has been very significant. Trading since reopening has, however, been strong and has begun to recover some of the lost trade during lockdown.

The full impact of the COVID-19 pandemic on our business remains uncertain and as a result is unquantifiable at this stage.

28. Controlling party

The immediate parent undertaking is Haskins Garden Centres Limited, a company registered in England and Wales.

The ultimate parent undertaking is Haskins Holdings Limited, a company registered in England and Wales.

The smallest group of undertakings for which group accounts for the period ending 23 February 2020 have been drawn up, is that headed by Haskins Garden Centres Limited. Copies of the group accounts are available from Companies House.

The largest group of undertakings for which group accounts for the period ending 23 February 2020 have been drawn up, is that headed by Haskins Holdings Limited. Copies of the group accounts are available from Companies House.

The directors do not consider the Company to have an ultimate controlling party.