

DARBY NURSERY STOCK LIMITED

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2019



DARBY NURSERY STOCK LIMITED
REGISTERED NUMBER: 00748302

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	4	719,738	705,206
Investments	5	60	60
		<u>719,798</u>	<u>705,266</u>
Current assets			
Stocks		1,106,973	1,509,882
Debtors: amounts falling due within one year	6	190,789	115,329
Cash at bank and in hand		404,094	339,756
		<u>1,701,856</u>	<u>1,964,967</u>
Creditors: amounts falling due within one year	7	(261,706)	(215,210)
Net current assets		<u>1,440,150</u>	<u>1,749,757</u>
Total assets less current liabilities		<u>2,159,948</u>	<u>2,455,023</u>
Provisions for liabilities			
Deferred tax		-	(29,379)
		<u>-</u>	<u>(29,379)</u>
Net assets		<u><u>2,159,948</u></u>	<u><u>2,425,644</u></u>

DARBY NURSERY STOCK LIMITED
REGISTERED NUMBER: 00748302

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2019

	2019 £	2018 £
Capital and reserves		
Called up share capital	1,000	1,000
Capital redemption reserve	5,000	5,000
Profit and loss account	2,153,948	2,419,644
	<u>2,159,948</u>	<u>2,425,644</u>

The director considers that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.


The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

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



A R Darby
Director

Date: 23-11-2020

The notes on pages 3 to 9 form part of these financial statements.

DARBY NURSERY STOCK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. General information

Darby Nursery Stock Limited is a private company limited by shares and incorporated in England and Wales, registration number 00748302. The registered office is Old Feltwell Road, Methwold, Thetford, Norfolk, IP26 4PW.

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are presented in sterling which is the functional currency of the Company and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2.2 Going concern

The director has considered the Company's position at the time of signing the financial statements, and in particular the additional operational and financial challenges caused by Covid-19. As explained in note 10, the Company's turnover for the year ending 31 December 2020 is expected to be significantly impacted by the pandemic and, as a result of this, these financial statements reflect an exceptional provision against the year end stock balance (see note 4) in relation to plants in stock at the year end that were subsequently not sold.

In the current circumstances, it is difficult to produce meaningful forecasts for the remainder of the financial year and the medium term. Nevertheless, in assessing the appropriateness of the going concern basis, the director has considered the ongoing support provided by the UK government, the Company's current financial strength and post-lockdown trading performance. Since the re-opening of garden centres in May 2020, the Company has experienced a strong recovery through sales of 2020 produced plants.

Based on this, the director has concluded that he has a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future and at least twelve months from the date of signing these financial statements. The director therefore continues to adopt the going concern basis of accounting in preparing these financial statements.

2.3 Turnover

Turnover comprises the sale of goods excluding sales taxes and rebates. It is recognised at the point of dispatch of goods to customers and is stated net of returns.

Turnover relates to the sale of ornamental shrubs, climbing plants, herbaceous perennials and trees.

DARBY NURSERY STOCK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.4 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, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- 4, 5, 10, 15 or 25% straight line
Property improvements	- 5, 10 or 15% straight line
Plant and machinery	- 20 or 25% 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 Income and Retained Earnings.

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.6 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 includes all direct costs and an appropriate proportion of fixed and variance overheads.

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

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.9 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

DARBY NURSERY STOCK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.10 Creditors

Short term creditors are measured at the transaction price.

2.11 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Income and Retained Earnings.

2.12 Finance costs

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

2.13 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.

2.14 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

DARBY NURSERY STOCK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.15 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 Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.16 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 Income and Retained Earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.17 Current and deferred taxation

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

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

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

DARBY NURSERY STOCK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.18 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

3. Employees

The average monthly number of employees, including directors, during the year was 65 (2018 - 63).

4. Tangible fixed assets

	Freehold property £	Property improve- ments £	Plant and machinery £	Total £
Cost or valuation				
At 1 January 2019	992,528	1,728,692	1,051,346	3,772,566
Additions	19,145	-	95,486	114,631
Disposals	(5,935)	-	(9,248)	(15,183)
At 31 December 2019	1,005,738	1,728,692	1,137,584	3,872,014
Depreciation				
At 1 January 2019	523,285	1,663,798	880,277	3,067,360
Charge for the year on owned assets	13,250	21,007	63,916	98,173
Disposals	(5,935)	-	(7,322)	(13,257)
At 31 December 2019	530,600	1,684,805	936,871	3,152,276
Net book value				
At 31 December 2019	475,138	43,887	200,713	719,738
At 31 December 2018	469,243	64,894	171,069	705,206

DARBY NURSERY STOCK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

5. Fixed asset investments

	Investments in associates £
Cost or valuation	
At 1 January 2019	60
At 31 December 2019	<u>60</u>

6. Debtors

	2019 £	2018 £
Trade debtors	92,964	77,152
Other debtors	42,793	26,863
Prepayments and accrued income	47,672	11,314
Deferred taxation	7,360	-
	<u>190,789</u>	<u>115,329</u>

7. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	81,007	80,104
Corporation tax	-	2,783
Other taxation and social security	26,036	31,289
Other creditors	6,427	1,952
Accruals and deferred income	148,236	99,082
	<u>261,706</u>	<u>215,210</u>

DARBY NURSERY STOCK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

8. Capital commitments

At 31 December 2019 the Company had capital commitments as follows:

	2019 £	2018 £
Contracted for but not provided in these financial statements	-	33,250

9. Post balance sheet events

The Company's operations have been significantly affected by the Covid-19 pandemic and the lockdown which commenced in March 2020.

Given that the Company grows and sells plants, the majority of stock not sold each season can not be carried forward into the following season's stock and must be disposed of. Therefore, due to reduced sales in 2020, a one-off Covid-19 stock provision of £520,608 has been reflected in these financial statements and disclosed within exceptional items, to recognise the level of stock at the balance sheet date that was not subsequently sold post year end.

The director is pleased to report that, since the re-opening of garden centres in May 2020, sales levels have recovered well and, given the Company's significant cash reserves and support provided by the UK government, the Company is well-placed to withstand the impact of the pandemic.