

REGISTERED NUMBER: 01597594 (England and Wales)

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020
FOR
HAYES GARDENWORLD LIMITED**

Wallwork Nelson & Johnson
Chartered Accountants & Statutory Auditors
Chandler House
7 Ferry Road Office Park
Riversway
Preston
Lancashire
PR2 2YH



HAYES GARDENWORLD LIMITED (REGISTERED NUMBER: 01597594)

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FOR THE YEAR ENDED 31 DECEMBER 2020**

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HAYES GARDENWORLD LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2020**

DIRECTORS:	D Klein K Laird
REGISTERED OFFICE:	Calluna House Lake Road Ambleside Cumbria LA22 0DW
REGISTERED NUMBER:	01597594 (England and Wales)
AUDITORS:	Wallwork Nelson & Johnson Chartered Accountants & Statutory Auditors Chandler House 7 Ferry Road Office Park Riversway Preston Lancashire PR2 2YH
SOLICITORS:	Squire Patton Boggs (UK) LLP No 1 Spinningfields 1 Hardman Square Manchester M3 3EB

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

The directors present their strategic report for the year ended 31 December 2020.

RESULTS

The management team brought the company into 2020 with a positive mindset to achieve profitability for the first time in several years, following a full review of costs and processes for internet sales. When the pandemic hit in March 2020, we were therefore in an excellent position to deal with the increased online demand for our products, as well as coping with reduced sales at the Garden Centre because of the lower cost base. Taking advantage of the Government's furlough scheme and business rates relief, our store was able to remain profitable during the difficult lockdown periods, while the company thrived through internet sales.

With a determination to clear bank debt from the company balance sheet, a significant reduction in borrowing was achieved by means of profitability, asset sales and stock reduction. At the end of 2020, the directors had agreed the sale of a disused warehouse for £1.5m (completed in March 2021), which will clear the last of the loans and overdrafts and create positive net current assets on the company balance sheet.

REVIEW OF BUSINESS

The principal activity of the company continues to be that of a garden centre. The company retails a wide range of products including plants, garden furniture and BBQ's, gifts, clothing, Christmas products and garden care items, as well as operating an onsite catering facility. The company also operates online, primarily retailing garden furniture, BBQ's and Christmas trees.

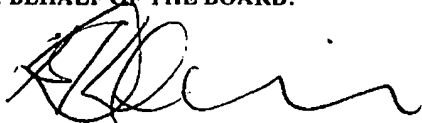
The company is committed to making as many environmental savings as possible. This is evidenced by the use of company vehicles to bring staff into work, reducing the number of vehicles on the road, alongside the harvesting of rain water which is then used by the company for things such as watering plants.

The company shows a commitment to local charities with numerous collection points around the garden centre and staff undertaking various events to raise money for charity.

PRINCIPAL RISKS AND UNCERTAINTIES

The company remains in a strong financial position however the general economic climate within the United Kingdom continues to pose a threat to the company due to the restricted level of people's disposable income. The performance of the company will always be subject to the vagaries of the weather in the United Kingdom.

ON BEHALF OF THE BOARD:



D Klein - Director

16 September 2021

HAYES GARDENWORLD LIMITED (REGISTERED NUMBER: 01597594)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2020**

The directors present their report with the financial statements of the company for the year ended 31 December 2020.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2020.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2020 to the date of this report.

D Klein
K Laird

Other changes in directors holding office are as follows:

E A Hayes Deceased - deceased 5 January 2020

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:



D Klein - Director

16 September 2021

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HAYES GARDENWORLD LIMITED

Opinion

We have audited the financial statements of Hayes Gardenworld Limited (the 'company') for the year ended 31 December 2020 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, 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 Financial Reporting Standard 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 31 December 2020 and of its profit 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 Auditors' 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 at least twelve 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.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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 this gives rise to 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 this other information, we are required to report that fact. We have nothing to report in this regard.

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HAYES GARDENWORLD LIMITED

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 Report of the Directors.

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 Statement of Directors' Responsibilities set out on page three, 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 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.

Auditors' 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 a Report of the Auditors 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

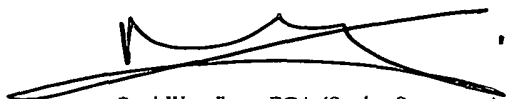
- Enquiry of management and those charged with governance around actual and potential litigation and claims.
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations.
- Reviewing financial statement disclosures and testing to support documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls and evaluating the business rationale of significant transactions outside the normal course of business.

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 Report of the Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
HAYES GARDENWORLD LIMITED**

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 a Report of the Auditors 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.



Paul Woodburn FCA (Senior Statutory Auditor)
for and on behalf of Wallwork Nelson & Johnson
Chartered Accountants & Statutory Auditors
Chandler House
7 Ferry Road Office Park
Riversway
Preston
Lancashire
PR2 2YH

16 September 2021

HAYES GARDENWORLD LIMITED (REGISTERED NUMBER: 01597594)

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	2020 £	2019 £
TURNOVER		12,357,820	10,968,149
Cost of sales		<u>9,025,023</u>	<u>7,108,966</u>
GROSS PROFIT		3,332,797	3,859,183
Administrative expenses		<u>3,767,082</u>	<u>4,333,651</u>
		(434,285)	(474,468)
Other operating income		<u>1,139,138</u>	<u>160,374</u>
OPERATING PROFIT/(LOSS)	4	704,853	(314,094)
Interest payable and similar expenses	5	<u>112,996</u>	<u>169,613</u>
PROFIT/(LOSS) BEFORE TAXATION		591,857	(483,707)
Tax on profit/(loss)	6	<u>115,809</u>	<u>(85,822)</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u><u>476,048</u></u>	<u><u>(397,885)</u></u>

The notes form part of these financial statements

HAYES GARDENWORLD LIMITED (REGISTERED NUMBER: 01597594)

**OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	2020 £	2019 £
PROFIT/(LOSS) FOR THE YEAR		476,048	(397,885)
OTHER COMPREHENSIVE INCOME			
Revaluation of fixed assets		880,000	-
Income tax relating to other comprehensive income		(167,200)	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		<u>712,800</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>1,188,848</u></u>	<u><u>(397,885)</u></u>

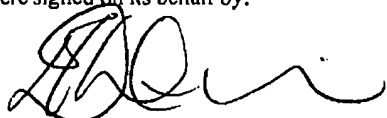
The notes form part of these financial statements

HAYES GARDENWORLD LIMITED (REGISTERED NUMBER: 01597594)

**BALANCE SHEET
31 DECEMBER 2020**

	Notes	2020 £	2019 £
FIXED ASSETS			
Tangible assets	7	10,127,376	9,698,453
CURRENT ASSETS			
Stocks	8	1,250,045	1,922,632
Debtors	9	204,970	456,760
Cash at bank and in hand		163,779	10,239
		<u>1,618,794</u>	<u>2,389,631</u>
CREDITORS			
Amounts falling due within one year	10	<u>2,952,555</u>	<u>4,051,365</u>
NET CURRENT LIABILITIES		<u>(1,333,761)</u>	<u>(1,661,734)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>8,793,615</u>	<u>8,036,719</u>
CREDITORS			
Amounts falling due after more than one year	11	-	(562,679)
PROVISIONS FOR LIABILITIES	15	<u>(130,727)</u>	<u>-</u>
NET ASSETS		<u><u>8,662,888</u></u>	<u><u>7,474,040</u></u>
CAPITAL AND RESERVES			
Called up share capital	16	1,013,356	1,013,356
Revaluation reserve	17	774,945	62,145
Retained earnings	17	<u>6,874,587</u>	<u>6,398,539</u>
SHAREHOLDERS' FUNDS		<u><u>8,662,888</u></u>	<u><u>7,474,040</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 16 September 2021 and were signed on its behalf by:



D Klein - Director

K Laird - Director



The notes form part of these financial statements

HAYES GARDENWORLD LIMITED (REGISTERED NUMBER: 01597594)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 January 2019	1,013,356	6,796,424	62,145	7,871,925
Changes in equity				
Total comprehensive income	-	(397,885)	-	(397,885)
Balance at 31 December 2019	<u>1,013,356</u>	<u>6,398,539</u>	<u>62,145</u>	<u>7,474,040</u>
Changes in equity				
Total comprehensive income	-	476,048	712,800	1,188,848
Balance at 31 December 2020	<u><u>1,013,356</u></u>	<u><u>6,874,587</u></u>	<u><u>774,945</u></u>	<u><u>8,662,888</u></u>

The notes form part of these financial statements

HAYES GARDENWORLD LIMITED (REGISTERED NUMBER: 01597594)

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	2020 £	2019 £
Cash flows from operating activities			
Cash generated from operations	1	382,049	(169,008)
Interest paid		(111,785)	(169,558)
Interest element of hire purchase payments paid		(1,211)	(55)
Net cash from operating activities		<u>269,053</u>	<u>(338,621)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(300,604)	(154,090)
Sale of tangible fixed assets		499,299	21,123
Net cash from investing activities		<u>198,695</u>	<u>(132,967)</u>
Cash flows from financing activities			
New loans in year		175,000	550,000
Loan repayments in year		(635,992)	(147,663)
New HP agreements		31,155	15,840
Capital repayments in year		(10,583)	(243)
Net cash from financing activities		<u>(440,420)</u>	<u>417,934</u>
Increase/(decrease) in cash and cash equivalents		<u>27,328</u>	<u>(53,654)</u>
Cash and cash equivalents at beginning of year	2	(1,242,699)	(1,189,045)
Cash and cash equivalents at end of year	2	<u><u>(1,215,371)</u></u>	<u><u>(1,242,699)</u></u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. RECONCILIATION OF PROFIT/(LOSS) BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2020	2019
	£	£
Profit/(loss) before taxation	591,857	(483,707)
Depreciation charges	218,734	262,282
Loss on disposal of fixed assets	33,648	26,575
Finance costs	112,996	169,613
	<u>957,235</u>	<u>(25,237)</u>
Decrease in stocks	672,587	125,143
Decrease in trade and other debtors	99,508	195,499
Decrease in trade and other creditors	(1,347,281)	(464,413)
	<u>382,049</u>	<u>(169,008)</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2020

	31.12.20	1.1.20
	£	£
Cash and cash equivalents	163,779	10,239
Bank overdrafts	(1,379,150)	(1,252,938)
	<u>(1,215,371)</u>	<u>(1,242,699)</u>

Year ended 31 December 2019

	31.12.19	1.1.19
	£	£
Cash and cash equivalents	10,239	5,419
Bank overdrafts	(1,252,938)	(1,194,464)
	<u>(1,242,699)</u>	<u>(1,189,045)</u>

HAYES GARDENWORLD LIMITED (REGISTERED NUMBER: 01597594)

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.20 £	Cash flow £	At 31.12.20 £
Net cash			
Cash at bank and in hand	10,239	153,540	163,779
Bank overdrafts	(1,252,938)	(126,212)	(1,379,150)
	<u>(1,242,699)</u>	<u>27,328</u>	<u>(1,215,371)</u>
Debt			
Finance leases	(15,597)	(20,572)	(36,169)
Debts falling due within 1 year	(117,262)	(89,008)	(206,270)
Debts falling due after 1 year	(550,000)	550,000	-
	<u>(682,859)</u>	<u>440,420</u>	<u>(242,439)</u>
Total	<u>(1,925,558)</u>	<u>467,748</u>	<u>(1,457,810)</u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. STATUTORY INFORMATION

Hayes Gardenworld Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Turnover

Turnover is the amount derived from goods supplied during the year, and is stated after trade discounts and net of VAT.

Tangible fixed assets

Tangible fixed assets were originally included at cost.

Depreciation is provided at the following rates in order to write off each asset over its estimated useful life.

Freehold land	- No depreciation is charged on freehold land.
Freehold buildings	- No depreciation has been charged on freehold buildings, on the grounds that it would be immaterial.
Plant and machinery	- 15% reducing balance.
Motor vehicles	- 25% reducing balance.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as 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. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

Covid 19 Pandemic

As with all companies worldwide, uncertainties have arisen due to the COVID 19 pandemic.

During the period of lockdown essential goods and online trade was allowed to continue, hence, the company continued to trade.

The company also took advantage of government help, where possible, and furloughed staff where necessary.

Hire purchase and leasing commitments

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Going concern

The use of the going concern basis of accounting is appropriate due to the ongoing support of the company's bankers and because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the company to continue as a going concern.

3. EMPLOYEES AND DIRECTORS

	2020	2019
	£	£
Wages and salaries	2,105,459	2,387,457
Social security costs	155,546	158,270
Other pension costs	56,136	57,982
	<u>2,317,141</u>	<u>2,603,709</u>

The average number of employees during the year was as follows:

	2020	2019
Directors	2	3
Administration and support	10	7
Direct staff	103	131
	<u>115</u>	<u>141</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

3. EMPLOYEES AND DIRECTORS - continued

	2020	2019
	£	£
Directors' remuneration	96,587	136,286
Directors' pension contributions to money purchase schemes	7,888	7,215

4. OPERATING PROFIT/(LOSS)

The operating profit (2019 - operating loss) is stated after charging:

	2020	2019
	£	£
Depreciation - owned assets	214,510	261,547
Depreciation - assets on hire purchase contracts	4,225	735
Loss on disposal of fixed assets	33,648	26,575
Auditor's remuneration - The audit of the company's annual accounts	5,045	9,500
Operating Leases - other assets	101,783	83,688
Auditors remuneration - accountancy services	1,000	1,000

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2020	2019
	£	£
Bank interest payable	58,345	76,463
Bank loan interest payable	52,856	74,219
Other interest	584	18,876
Hire purchase interest	1,211	55

6. TAXATION

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit for the year was as follows:

	2020	2019
	£	£
Deferred tax		
Origination and reversal of timing differences	115,809	(85,822)
Tax on profit/(loss)	115,809	(85,822)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

6. TAXATION - continued

Reconciliation of total tax charge/(credit) included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2020 £	2019 £
Profit/(loss) before tax	591,857	(483,707)
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	112,453	(91,904)
Effects of:		
Expenses not deductible for tax purposes	3,361	-
Utilisation of tax losses	(115,814)	-
Adjustments to tax charge in respect of previous periods	-	6,082
Deferred tax	115,809	-
Total tax charge/(credit)	115,809	(85,822)

Tax effects relating to effects of other comprehensive income

	Gross £	2020 Tax £	Net £
Revaluation of fixed assets	880,000	(167,200)	712,800

7. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Plant and machinery £	Motor vehicles £	Totals £
COST OR VALUATION				
At 1 January 2020	8,500,000	3,329,999	825,134	12,655,133
Additions	175,000	95,095	30,509	300,604
Disposals	(435,000)	(69,406)	(355,169)	(859,575)
Revaluations	830,000	50,000	-	880,000
At 31 December 2020	9,070,000	3,405,688	500,474	12,976,162
DEPRECIATION				
At 1 January 2020	-	2,388,328	568,352	2,956,680
Charge for year	-	164,319	54,416	218,735
Eliminated on disposal	-	(48,606)	(278,023)	(326,629)
At 31 December 2020	-	2,504,041	344,745	2,848,786
NET BOOK VALUE				
At 31 December 2020	9,070,000	901,647	155,729	10,127,376
At 31 December 2019	8,500,000	941,671	256,782	9,698,453

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

7. TANGIBLE FIXED ASSETS - continued

Cost or valuation at 31 December 2020 is represented by:

	Freehold land and buildings £	Plant and machinery £	Motor vehicles £	Totals £
Valuation in 2018	62,145	-	-	62,145
Valuation in 2020	830,000	50,000	-	880,000
Cost	8,177,855	3,355,688	500,474	12,034,017
	<u>9,070,000</u>	<u>3,405,688</u>	<u>500,474</u>	<u>12,976,162</u>

If Freehold Land and Buildings had not been revalued they would have been included at the following historical cost:

	2020 £	2019 £
Cost	<u>8,437,855</u>	<u>8,437,855</u>
Aggregate depreciation	<u>2,668,556</u>	<u>2,668,556</u>

Freehold land and buildings were valued on an open market basis on 31 December 2020 by The CBRE Group.

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
COST OR VALUATION	
At 1 January 2020	
and 31 December 2020	<u>17,365</u>
DEPRECIATION	
At 1 January 2020	735
Charge for year	<u>4,225</u>
At 31 December 2020	<u>4,960</u>
NET BOOK VALUE	
At 31 December 2020	<u>12,405</u>
At 31 December 2019	<u>16,630</u>

8. STOCKS

	2020 £	2019 £
Finished goods	<u>1,250,045</u>	<u>1,922,632</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade debtors	21,612	33,228
Other debtors	40,688	26,001
Deferred tax asset	-	152,282
Prepayments and accrued income	142,670	245,249
	<u>204,970</u>	<u>456,760</u>
Deferred tax asset		2019
		£
Accelerated capital allowances		(122,756)
Tax losses carried forward		275,038
		<u>152,282</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Bank loans and overdrafts (see note 12)	1,585,420	1,370,200
Hire purchase contracts (see note 13)	36,169	2,918
Trade creditors	847,760	1,265,671
Corporation tax	78,599	78,599
Other taxes and social security	34,344	39,262
VAT	270,672	470,042
Other creditors	60,216	555,492
Accruals and deferred income	39,375	269,181
	<u>2,952,555</u>	<u>4,051,365</u>

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020	2019
	£	£
Bank loans (see note 12)	-	550,000
Hire purchase contracts (see note 13)	-	12,679
	<u>-</u>	<u>562,679</u>

12. LOANS

An analysis of the maturity of loans is given below:

	2020	2019
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	1,379,150	1,252,938
Bank loans	206,270	117,262
	<u>1,585,420</u>	<u>1,370,200</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

12. LOANS - continued

	2020 £	2019 £
Amounts falling due between one and two years:		
Bank loans	-	550,000

13. LEASING AGREEMENTS

Minimum lease payments under hire purchase fall due as follows:

	2020 £	2019 £
Net obligations repayable:		
Within one year	36,169	2,918
Between one and five years	-	12,679
	<u>36,169</u>	<u>15,597</u>

14. SECURED DEBTS

The following secured debts are included within creditors:

	2020 £	2019 £
Bank overdrafts	1,379,150	1,252,938
Bank loans	206,270	667,262
	<u>1,585,420</u>	<u>1,920,200</u>

The bank overdraft and bank loan are secured by way of a debenture over all the company's assets dated 21 February 2008 and a legal charge over the land adjoining Calluna House, Lake Road, Ambleside.

The bank loan is also secured by way of a fixed and floating charge over all the company assets in favour of Reward Capital Limited dated 7 March 2019.

15. PROVISIONS FOR LIABILITIES

	2020 £
Deferred tax	
Accelerated capital allowances	109,719
Tax losses carried forward	(146,192)
Other timing differences	167,200
	<u>130,727</u>

	Deferred tax £
Balance at 1 January 2020	(152,282)
Provided during year	283,009
Balance at 31 December 2020	<u>130,727</u>

HAYES GARDENWORLD LIMITED (REGISTERED NUMBER: 01597594)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2020 £	2019 £
Number:	Class:			
1,013,356	Ordinary	1	<u>1,013,356</u>	<u>1,013,356</u>

17. RESERVES

	Retained earnings £	Revaluation reserve £	Totals £
At 1 January 2020	6,398,539	62,145	6,460,684
Profit for the year	476,048		476,048
Fixed asset revaluation	-	712,800	712,800
	<u>6,874,587</u>	<u>774,945</u>	<u>7,649,532</u>
At 31 December 2020			

18. POST BALANCE SHEET EVENTS

At the end of 2020, the directors had agreed the sale of a disused warehouse for £1.5m (completed in March 2021), which will clear the last of the loans and overdrafts and create positive net current assets on the company balance sheet.

19. ULTIMATE CONTROLLING PARTY

The ultimate controlling parties are the directors, together with Mr M Capell and Mr T R Hayes, by way of their shareholdings.

20. DEFINED CONTRIBUTION PENSION SCHEME

The Company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Company to the scheme and amounted to £56,136 (2019 - £57,982).