

**BURFORD GARDEN CENTRE LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JANUARY 2018**

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## BURFORD GARDEN CENTRE LIMITED

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### COMPANY INFORMATION

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<b>Directors</b>	Mr N Johnson Mrs C L Johnson Mr P Gingell Ms M Cassens Mr G Sheldrake Ms E Day
<b>Registered number</b>	02773151
<b>Registered office</b>	8 King Edward Street Oxford OX1 4HL
<b>Trading Address</b>	Shilton Road Burford Oxon OX18 4PA
<b>Independent auditors</b>	Wellers Accountants & Statutory Auditors 8 King Edward Street Oxford OX1 4HL
<b>Bankers</b>	Barclays Bank Plc 95 High Street Burford Oxon OX18 4QP
<b>Solicitors</b>	Bower & Bailey Willow House 2 Heynes Place Station Lane Witney Oxon OX28 4YN

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## BURFORD GARDEN CENTRE LIMITED

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### CONTENTS

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	Page
<b>Strategic report</b>	<b>1 - 2</b>
<b>Directors' report</b>	<b>3 - 4</b>
<b>Independent auditors' report</b>	<b>5 - 7</b>
<b>Statement of comprehensive income</b>	<b>8</b>
<b>Statement of financial position</b>	<b>9 - 10</b>
<b>Statement of changes in equity</b>	<b>11 - 12</b>
<b>Statement of cash flows</b>	<b>13 - 14</b>
<b>Notes to the financial statements</b>	<b>15 - 35</b>

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## **BURFORD GARDEN CENTRE LIMITED**

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### **STRATEGIC REPORT FOR THE YEAR ENDED 31 JANUARY 2018**

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#### **Introduction**

The results and the financial position of the company for the year to 31 January 2018 are shown in the attached accounts.

#### **Business review**

The directors consider that the trading performance during the year under review was above expectations. The directors consider that the business faces no specific risks in the forthcoming period other than the general risks associated with retail activities and those relating to wider economic trends. Where risks can be identified, they will be addressed and actions taken, where possible, to control them.

The directors will continue to pursue their policy of ensuring the future growth of the business.

#### **Principal risks and uncertainties**

##### **Competitive risk**

The company manages competitive trading risk by providing high demand products, having good customer service and by maintaining strong relationships with those customers.

##### **Market risk**

The company manages its risk by maintaining a wide customer base and offering a wide product range to customers.

##### **Currency risk**

The company purchases some of its stock items in Euros. In order to manage the resultant currency risk the company holds a Euro bank account. All of the company's sales are currently denominated in Sterling.

##### **Interest rate risk**

The company ensures it has sufficient cash resources available to cover any additional liabilities arising from interest rate rises. The directors frequently monitor and review relevant interest rates in order to ensure that the company is able to quickly respond to any sudden fluctuations.

##### **Liquidity risk**

The company's policy is to finance working capital through retained earnings and bank borrowing at prevailing market interest rates. The directors ensure that sufficient funds are available to meet amounts due and also negotiate extended credit terms with suppliers where necessary.

Bank loan interest is fixed and, as such, monthly repayments are not subject to change. The company protects its liquidity by ensuring there are adequate funds available to meet repayments.

##### **Financial Instruments**

The company's principal financial instruments comprise bank balances, bank overdrafts, trade receivables, trade payables and loans to the company.

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**BURFORD GARDEN CENTRE LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 JANUARY 2018**

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**Financial key performance indicators**

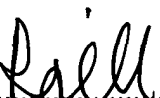
Turnover for the year was £12,027,971, an increase on last year of approximately 5.5% (2017 - £11,396,669).

Overall gross profit has increased to £5,303,076 (2017 - £5,091,217), however, the gross profit margin has decreased by 0.6% to 44.1% (2017 - 44.7%).

Operating profit has decreased from £1,320,533 last year to £1,287,043. The profit for the year before tax has also decreased from £1,210,255 to £1,168,411.

The net asset position of the company has improved from £13,485,457 as at 31 January 2017 to £13,623,901 at 31 January 2018.

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

x  .....

**Mr P Gingell**  
Director

Date: 17/10/18

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## BURFORD GARDEN CENTRE LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 JANUARY 2018

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The directors present their report and the financial statements for the year ended 31 January 2018.

#### Directors' responsibilities statement

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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

#### Principal activity

The company's principal activity is the operation of a garden centre.

#### Results and dividends

The profit for the year, after taxation, amounted to £948,256 (2017 - £896,977).

Dividends for the year, amounted to £996,000 (2017 - £496,000)

#### Directors

The directors who served during the year and their interests in the Company's issued share capital were:

	"A" Ordinary shares of £1 each		"B" Ordinary shares of £1 each	
	31/1/18	1/2/17	31/1/18	1/2/17
Mr N Johnson	67,590	67,590	7,510	7,510
Mrs C L Johnson	22,410	22,410	2,490	2,490
Mr P Gingell	-	-	-	-
Ms M Cassens	-	-	-	-
Mr G Sheldrake	-	-	-	-
Ms E Day	-	-	-	-

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**BURFORD GARDEN CENTRE LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 JANUARY 2018**

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**Future developments**

There are no significant future developments that affect the Company.

**Financial instruments**

The company's principal financial instruments comprise bank balances, bank overdrafts, trade receivables, trade payables and loans to the company. The risk management policy is detailed in the strategic report.

**Disclosure of information to auditors**

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 auditors are 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 auditors are aware of that information.

**Post balance sheet events**

There have been no significant events affecting the Company since the year end.

**Auditors**

The auditors, Wellers, are deemed to be reappointed in accordance with section 386 of the Companies Act 1985 by virtue of an elective resolution passed by the members on 29 April 1994.

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

X  
Mr P Gingell  
Director



Date:

17/10/18

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## BURFORD GARDEN CENTRE LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BURFORD GARDEN CENTRE LIMITED

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#### Opinion

We have audited the financial statements of Burford Garden Centre Limited (the 'Company') for the year ended 31 January 2018, which comprise the statement of comprehensive income, the statement of financial position, the statement of cash flows, the statement of changes in equity and the related notes, 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 January 2018 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 United Kingdom, including the Financial Reporting Council'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.

#### Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditors' report 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



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## BURFORD GARDEN CENTRE LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BURFORD GARDEN CENTRE LIMITED (CONTINUED)

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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 year 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 in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement on page 3, 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.

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**BURFORD GARDEN CENTRE LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BURFORD GARDEN CENTRE  
LIMITED (CONTINUED)**

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**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 an auditors' 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' 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 auditors' 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.



James Tillotson, ACA (senior statutory auditor)

for and on behalf of

Wellers

Statutory Auditor

**Wellers**

Accountants

Statutory Auditors

8 King Edward Street

Oxford

OX1 4HL

Date: 25 October 2016

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**BURFORD GARDEN CENTRE LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 JANUARY 2018**

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	Note	2018 £	2017 £
Turnover	4	12,027,971	11,396,669
Cost of sales		(6,724,895)	(6,305,452)
<b>Gross profit</b>		<b>5,303,076</b>	<b>5,091,217</b>
Administrative expenses		(4,117,351)	(3,866,339)
Other operating income	5	101,311	95,655
<b>Operating profit</b>	6	<b>1,287,036</b>	<b>1,320,533</b>
Income from fixed assets investments		-	6,603
Interest receivable and similar income	11	5,674	1,811
Interest payable and expenses	12	(124,299)	(118,692)
<b>Profit before tax</b>		<b>1,168,411</b>	<b>1,210,255</b>
Tax on profit	13	(220,155)	(313,278)
<b>Profit for the financial year</b>		<b>948,256</b>	<b>896,977</b>
<b>Other comprehensive income for the year</b>			
Depreciation of revalued assets		(6,492)	(6,495)
Deferred tax on revalued assets		186,188	40,679
<b>Other comprehensive income for the year</b>		<b>179,696</b>	<b>34,184</b>
<b>Total comprehensive income for the year</b>		<b>1,127,952</b>	<b>931,161</b>

The notes on pages 15 to 35 form part of these financial statements.

**BURFORD GARDEN CENTRE LIMITED**  
**REGISTERED NUMBER: 02773151**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 JANUARY 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	15	19,702,919	19,681,114
Investments	16	294,602	294,602
		<u>19,997,521</u>	<u>19,975,716</u>
<b>Current assets</b>			
Stocks	17	1,596,618	1,380,628
Debtors: amounts falling due within one year	18	164,912	405,988
Cash at bank and in hand	19	52,964	51,848
		<u>1,814,494</u>	<u>1,838,464</u>
Creditors: amounts falling due within one year	20	(3,829,617)	(3,434,742)
<b>Net current liabilities</b>		<u>(2,015,123)</u>	<u>(1,596,278)</u>
<b>Total assets less current liabilities</b>		<u>17,982,398</u>	<u>18,379,438</u>
Creditors: amounts falling due after more than one year	21	(2,293,332)	(2,635,500)
<b>Provisions for liabilities</b>			
Deferred tax	25	(2,065,165)	(2,258,481)
		<u>(2,065,165)</u>	<u>(2,258,481)</u>
<b>Net assets</b>		<u><u>13,623,901</u></u>	<u><u>13,485,457</u></u>

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**BURFORD GARDEN CENTRE LIMITED**  
**REGISTERED NUMBER: 02773151**

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**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 JANUARY 2018**

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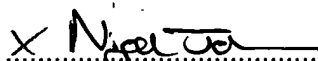
	<b>Note</b>	<b>2018</b> <b>£</b>	<b>2017</b> <b>£</b>
<b>Capital and reserves</b>			
Called up share capital	26	<b>100,000</b>	100,000
Revaluation reserve	27	<b>11,368,982</b>	11,189,286
Profit and loss account	27	<b>2,154,919</b>	2,196,171
		<hr/> <b>13,623,901</b> <hr/>	<hr/> <b>13,485,457</b> <hr/>

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

17/10/18

x 

.....  
**Mr P Gingell**  
Director

x 

.....  
**Mr N Johnson**  
Director

The notes on pages 15 to 35 form part of these financial statements.

Under the Companies Act 2006, s454, on a voluntary basis, the directors can amend these financial statements if they subsequently prove to be defective.

**BURFORD GARDEN CENTRE LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 JANUARY 2018**

	<b>Called up share capital</b>	<b>Revaluation reserve</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 February 2017	<b>100,000</b>	<b>11,189,286</b>	<b>2,196,171</b>	<b>13,485,457</b>
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	<b>948,256</b>	<b>948,256</b>
Depreciation of revalued assets	-	-	<b>6,492</b>	<b>6,492</b>
Depreciation of revalued assets	-	<b>(6,492)</b>	-	<b>(6,492)</b>
Deferred tax on revalued assets	-	<b>186,188</b>	-	<b>186,188</b>
<b>Other comprehensive income for the year</b>	-	<b>179,696</b>	<b>6,492</b>	<b>186,188</b>
<b>Total comprehensive income for the year</b>	-	<b>179,696</b>	<b>954,748</b>	<b>1,134,444</b>
Dividends: Equity capital	-	-	<b>(996,000)</b>	<b>(996,000)</b>
<b>Total transactions with owners</b>	-	-	<b>(996,000)</b>	<b>(996,000)</b>
<b>At 31 January 2018</b>	<b>100,000</b>	<b>11,368,982</b>	<b>2,154,919</b>	<b>13,623,901</b>

The notes on pages 15 to 35 form part of these financial statements.

**BURFORD GARDEN CENTRE LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 JANUARY 2017**

	<b>Called up share capital</b>	<b>Revaluation reserve</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 February 2016	100,000	11,155,102	1,788,699	13,043,801
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	896,977	896,977
Depreciation of revalued assets	-	-	6,495	6,495
Depreciation of revalued assets	-	(6,495)	-	(6,495)
Deferred tax on revalued assets	-	40,679	-	40,679
<b>Other comprehensive income for the year</b>	-	34,184	6,495	40,679
<b>Total comprehensive income for the year</b>	-	34,184	903,472	937,656
Dividends: Equity capital	-	-	(496,000)	(496,000)
<b>Total transactions with owners</b>	-	-	(496,000)	(496,000)
<b>At 31 January 2017</b>	<b>100,000</b>	<b>11,189,286</b>	<b>2,196,171</b>	<b>13,485,457</b>

The notes on pages 15 to 35 form part of these financial statements.

**BURFORD GARDEN CENTRE LIMITED**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 JANUARY 2018**

	<b>2018 £</b>	<b>2017 £</b>
<b>Cash flows from operating activities</b>		
Profit for the financial year	<b>948,256</b>	<b>896,977</b>
<b>Adjustments for:</b>		
Depreciation of tangible assets	<b>97,069</b>	<b>104,854</b>
Loss on disposal of tangible assets	<b>-</b>	<b>(582)</b>
Interest paid	<b>124,299</b>	<b>118,692</b>
Interest received	<b>(5,674)</b>	<b>(8,414)</b>
Taxation charge	<b>220,155</b>	<b>313,278</b>
(Increase)/decrease in stocks	<b>(215,990)</b>	<b>62,525</b>
Decrease/(increase) in debtors	<b>241,075</b>	<b>(264,088)</b>
Increase/(decrease) in creditors	<b>285,830</b>	<b>(102,905)</b>
Increase in amounts owed to groups	<b>3,807</b>	<b>-</b>
Corporation tax (paid)	<b>(340,099)</b>	<b>(166,301)</b>
<b>Net cash generated from operating activities</b>	<b>1,358,728</b>	<b>954,036</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	<b>(118,873)</b>	<b>(573,969)</b>
Sale of tangible fixed assets	<b>-</b>	<b>1,333</b>
Interest received	<b>5,674</b>	<b>1,811</b>
HP interest paid	<b>(2,249)</b>	<b>(2,061)</b>
Income from investments	<b>-</b>	<b>6,603</b>
<b>Net cash from investing activities</b>	<b>(115,448)</b>	<b>(566,283)</b>
<b>Cash flows from financing activities</b>		
New secured loans	<b>-</b>	<b>134,990</b>
Repayment of loans	<b>(307,505)</b>	<b>-</b>
Repayment of/new finance leases	<b>(24,029)</b>	<b>19,330</b>
Dividends paid	<b>(996,000)</b>	<b>(496,000)</b>
Interest paid	<b>(122,050)</b>	<b>(116,631)</b>
<b>Net cash used in financing activities</b>	<b>(1,449,584)</b>	<b>(458,311)</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>(206,304)</b>	<b>(70,558)</b>
Cash and cash equivalents at beginning of year	<b>(1,168,069)</b>	<b>(1,097,512)</b>
<b>Cash and cash equivalents at the end of year</b>	<b>(1,374,373)</b>	<b>(1,168,070)</b>



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**BURFORD GARDEN CENTRE LIMITED**

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**STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE YEAR ENDED 31 JANUARY 2018**

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	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	<b>52,964</b>	<b>51,848</b>
Bank overdrafts	<b>(1,427,337)</b>	<b>(1,219,918)</b>
	<b><u>(1,374,373)</u></b>	<b><u>(1,168,070)</u></b>

The notes on pages 15 to 35 form part of these financial statements.

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## **BURFORD GARDEN CENTRE LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2018**

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#### **1. General information**

Burford Garden Centre Limited is limited liability company registered in England and Wales.

The registered address of the company is 8 King Edward Street, Oxford, OX1 4HL and the principal place of business is Shilton Road, Burford, Oxfordshire, OX18 4PA.

The company's registered number is 02773151.

#### **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 judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

##### **2.2 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 comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'other operating income'.

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## BURFORD GARDEN CENTRE LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2018

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#### 2. Accounting policies (continued)

##### 2.3 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.

##### 2.4 Operating leases: the Company as lessor

Rentals income from operating leases is credited to the statement of comprehensive income on a straight line basis over the term of the relevant lease.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income over the lease term on a straight line basis, unless another systematic basis is representative of the time pattern over which the lessor's benefit from the leased asset is diminished.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 February 2016 to continue to be charged over the period to the first market rent review rather than the term of the lease.

##### 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.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 February 2016 to continue to be charged over the period to the first market rent review rather than the term of the lease.

##### 2.6 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2018**

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**2. Accounting policies (continued)**

**2.7 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.

**2.8 Borrowing costs**

All borrowing costs are recognised in the statement of comprehensive income in the year in which they are incurred.

**2.9 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 statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

**2.10 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, 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.

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## BURFORD GARDEN CENTRE LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2018

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#### 2. Accounting policies (continued)

##### 2.11 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Freehold buildings	- 0.05% reducing balance
Plant and machinery	- 15% reducing balance
Motor vehicles	- 25% reducing balance
Computer equipment and website	- 20% 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.

##### 2.12 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the statement of financial position date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the statement of comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

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## BURFORD GARDEN CENTRE LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2018

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#### 2. Accounting policies (continued)

##### 2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each statement of financial position date. Gains and losses on remeasurement are recognised in profit or loss for the period.

##### 2.14 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 weighted average basis. Work in progress and finished goods include labour and attributable 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.

##### 2.15 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### 2.16 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. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

##### 2.17 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

##### 2.18 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the statement of financial position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the statement of financial position date.

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## BURFORD GARDEN CENTRE LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2018

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#### 2. Accounting policies (continued)

##### 2.19 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 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.

##### 2.20 Financial instruments

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### 2.21 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.

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**BURFORD GARDEN CENTRE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2018**

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**3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION  
UNCERTAINTY**

Property, plant and equipment and intangible assets:

Property, plant and equipment and intangible assets are depreciated over their useful life taking into account, where appropriate, residual values. Assessment of useful lives and residual values are performed annually. In assessing the residual values, the remaining life of the asset, its projected disposal value and future market conditions are taken into account.

Inventory provisions:

Inventory provisions include obsolescence and write-downs and represent the expected write-down between the estimated net realisable value and the original cost. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

**4. Turnover**

The whole of the turnover is attributable to retail sales.

All turnover arose within the United Kingdom.

**5. Other operating income**

	2018 £	2017 £
Net rents receivable	49,088	49,088
Renewable energy incentive	52,223	46,567
	<u>101,311</u>	<u>95,655</u>

**6. Operating profit**

The operating profit is stated after charging:

	2018 £	2017 £
Exchange differences	6,791	12,235
Other operating lease rentals	30,887	33,701
	<u>37,678</u>	<u>45,936</u>



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**BURFORD GARDEN CENTRE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2018**

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**7. Auditors' remuneration**

	<b>2018 £</b>	<b>2017 £</b>
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	<b>10,000</b>	<b>10,000</b>
	<b>10,000</b>	<b>10,000</b>
<b>Fees payable to the Company's auditor and its associates in respect of:</b>		
All other services	<b>39,366</b>	<b>37,830</b>
	<b>39,366</b>	<b>37,830</b>

**8. Employees**

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

	<b>2018 £</b>	<b>2017 £</b>
Wages and salaries	<b>2,695,188</b>	<b>2,564,413</b>
Social security costs	<b>202,420</b>	<b>186,534</b>
Cost of defined contribution scheme	<b>14,857</b>	<b>14,449</b>
	<b>2,912,465</b>	<b>2,765,396</b>

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

	<b>2018 No.</b>	<b>2017 No.</b>
Directors	<b>6</b>	<b>6</b>
Management	<b>7</b>	<b>7</b>
Administrative staff	<b>33</b>	<b>33</b>
Sales staff	<b>122</b>	<b>106</b>
	<b>168</b>	<b>152</b>

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**BURFORD GARDEN CENTRE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2018**

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**9. Directors' remuneration**

	<b>2018 £</b>	<b>2017 £</b>
Directors' emoluments	<b>455,698</b>	423,380
Company contributions to defined contribution pension schemes	<b>4,293</b>	4,990
	<b>459,991</b>	<b>428,370</b>

During the year retirement benefits were accruing to 6 directors (2017 - 6) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £168,570 (2017 - £158,467).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £1,671 (2017 - £2,154).

The directors are also the key management personnel of the company.

**10. Income from investments**

	<b>2018 £</b>	<b>2017 £</b>
Income from fixed asset investments	-	6,603
	-	6,603

**11. Interest receivable**

	<b>2018 £</b>	<b>2017 £</b>
Other interest receivable	<b>5,674</b>	1,811
	<b>5,674</b>	<b>1,811</b>

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**BURFORD GARDEN CENTRE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2018**

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**12. Interest payable and similar expenses**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Bank interest payable	<b>122,050</b>	116,631
Finance leases and hire purchase contracts	<b>2,249</b>	2,061
	<b>124,299</b>	118,692

**13. Taxation**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Corporation tax</b>		
Current tax on profits for the year	<b>227,283</b>	213,523
Adjustments in respect of previous periods	-	138,082
	<b>227,283</b>	351,605
<b>Total current tax</b>	<b>227,283</b>	351,605
<b>Deferred tax</b>		
Origination and reversal of timing differences	<b>(7,128)</b>	(38,327)
<b>Total deferred tax</b>	<b>(7,128)</b>	(38,327)
<b>Taxation on profit on ordinary activities</b>	<b>220,155</b>	313,278

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**BURFORD GARDEN CENTRE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2018**

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**13. Taxation (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is the same as (2017 - *higher than*) the standard rate of corporation tax in the UK of 19% (2017 - 20%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	<u>1,168,411</u>	<u>1,210,255</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	223,887	242,051
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	(116)
Capital allowances for year in excess of depreciation	3,157	(28,626)
Increase or decrease in pension fund prepayment leading to an increase (decrease) in tax	239	214
Other timing differences leading to an increase (decrease) in taxation	(7,128)	(38,327)
Other tax charge (relief) on exceptional items	-	138,082
<b>Total tax charge/(credit) for the year</b>	<u><u>220,155</u></u>	<u><u>313,278</u></u>

**Factors that may affect future tax charges**

There were no factors that may affect future tax charges.

**14. Dividends**

	2018 £	2017 £
"A" Ordinary Shares	996,000	496,000
	<u><u>996,000</u></u>	<u><u>496,000</u></u>

**BURFORD GARDEN CENTRE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2018**

**15. Tangible fixed assets**

	Freehold property £	Plant & machinery £	Motor vehicles £	Computer equipment & website £	Total £
<b>Cost or valuation</b>					
At 1 February 2017	19,214,509	1,625,575	41,649	244,752	21,126,485
Additions	94,764	23,962	-	147	118,873
At 31 January 2018	19,309,273	1,649,537	41,649	244,899	21,245,358
<b>Depreciation</b>					
At 1 February 2017	16,851	1,229,436	37,879	161,204	1,445,370
Charge for the year on owned assets	8,581	63,015	942	12,516	85,054
Charge for the year on financed assets	-	-	-	12,015	12,015
At 31 January 2018	25,432	1,292,451	38,821	185,735	1,542,439
<b>Net book value</b>					
At 31 January 2018	19,283,841	357,086	2,828	59,164	19,702,919
At 31 January 2017	19,197,658	396,139	3,769	83,548	19,681,114

The net book value of land and buildings may be further analysed as follows:

	2018 £	2017 £
Freehold	19,283,841	19,197,658
	<u>19,283,841</u>	<u>19,197,658</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2018 £	2017 £
Computer equipment and website	36,043	48,058
	<u>36,043</u>	<u>48,058</u>

**BURFORD GARDEN CENTRE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2018**

Cost or valuation at 31 January 2018 is as follows:

	<b>Land and buildings £</b>
<b>At cost</b>	<b>5,913,217</b>
<b>At valuation:</b>	
The most recent valuation was undertaken by Savills (UK) Limited Chartered Surveyors in October 2015.	<b>13,396,057</b>
	<b><u>19,309,274</u></b>

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	<b>2018 £</b>	<b>2017 £</b>
Cost	<b>5,913,217</b>	<b>5,818,452</b>
Accumulated depreciation	<b>(2,549,527)</b>	<b>(2,372,491)</b>
<b>Net book value</b>	<b><u>3,363,690</u></b>	<b><u>3,445,961</u></b>

**16. Fixed asset investments**

	<b>Investments in subsidiary companies £</b>	<b>Unlisted investments £</b>	<b>Total £</b>
<b>Cost or valuation</b>			
At 1 February 2017	<b>274,602</b>	<b>20,000</b>	<b>294,602</b>
At 31 January 2018	<b><u>274,602</u></b>	<b><u>20,000</u></b>	<b><u>294,602</u></b>
<b>Net book value</b>			
At 31 January 2018	<b><u>274,602</u></b>	<b><u>20,000</u></b>	<b><u>294,602</u></b>
At 31 January 2017	<b><u>274,602</u></b>	<b><u>20,000</u></b>	<b><u>294,602</u></b>

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**BURFORD GARDEN CENTRE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2018**

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**16. Fixed asset investments (continued)**

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Class of shares</b>	<b>Holding</b>	<b>Principal activity</b>
Treasures of Tenbury Limited	Ordinary £1	95 %	Dormant

The aggregate of the share capital and reserves as at 31 January 2018 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	<b>Aggregate of share capital and reserves £</b>
Treasures of Tenbury Limited	<b>303,671</b>
	<b>303,671</b>

**17. Stocks**

	<b>2018 £</b>	<b>2017 £</b>
Prepaid stocks	<b>70,794</b>	-
Finished goods and goods for resale	<b>1,525,824</b>	<b>1,380,628</b>
	<b>1,596,618</b>	<b>1,380,628</b>

Stock recognised in cost of sales during the year as an expense was £6,156,317 (2017 - £5,885,787) .

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**BURFORD GARDEN CENTRE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2018**

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**18. Debtors**

	2018 £	2017 £
Trade debtors	59,509	108,237
Other debtors	877	202,927
Prepayments and accrued income	104,526	94,824
	<u>164,912</u>	<u>405,988</u>

Included within other debtors due within one year in the prior year is a loan to Mr N Johnson and Mrs C L Johnson, directors of the company. Further information is provided in note 31.

**19. Cash and cash equivalents**

	2018 £	2017 £
Cash at bank and in hand	52,964	51,848
Less: bank overdrafts	(1,427,337)	(1,219,918)
	<u>(1,374,373)</u>	<u>(1,168,070)</u>

**20. Creditors: Amounts falling due within one year**

	2018 £	2017 £
Bank overdrafts	1,427,337	1,219,918
Bank loans	317,762	307,129
Trade creditors	772,204	577,558
Amounts owed to group undertakings	303,188	299,381
Corporation tax	227,283	340,098
Other taxation and social security	454,821	460,926
Obligations under finance lease and hire purchase contracts	24,029	24,029
Other creditors	82,514	13,120
Accruals and deferred income	220,479	192,582
	<u>3,829,617</u>	<u>3,434,741</u>



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**BURFORD GARDEN CENTRE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2018**

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**21. Creditors: Amounts falling due after more than one year**

	<b>2018 £</b>	<b>2017 £</b>
Bank loans	<b>2,291,330</b>	2,609,468
Net obligations under finance leases and hire purchase contracts	<b>2,002</b>	26,032
	<b><u>2,293,332</u></b>	<b><u>2,635,500</u></b>

The following liabilities were secured:

	<b>2018 £</b>	<b>2017 £</b>
Bank loans	<b>2,609,091</b>	2,916,597
Hire purchase contracts	<b>26,032</b>	50,061
	<b><u>2,635,123</u></b>	<b><u>2,966,658</u></b>

Details of security provided:

All bank loans and overdrafts are secured by a fixed charge over freehold land created on 1 November 1993 and by a fixed and floating charge over the assets of the company created on 18 November 1993, both in favour of Barclays Bank PLC.

The finance lease and hire purchase liabilities shown above have been secured against the assets in question.

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**BURFORD GARDEN CENTRE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2018**

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**22. Loans**

Analysis of the maturity of loans is given below:

	<b>2018 £</b>	<b>2017 £</b>
<b>Amounts falling due within one year</b>		
Bank loans	<b>317,762</b>	<b>307,129</b>
	<b>317,762</b>	<b>307,129</b>
<b>Amounts falling due 1-2 years</b>		
Bank loans	<b>593,676</b>	<b>317,724</b>
	<b>593,676</b>	<b>317,724</b>
<b>Amounts falling due 2-5 years</b>		
Bank loans	<b>1,697,653</b>	<b>2,291,744</b>
	<b>1,697,653</b>	<b>2,291,744</b>
	<b>2,609,091</b>	<b>2,916,597</b>

**23. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	<b>2018 £</b>	<b>2017 £</b>
Within one year	<b>24,029</b>	<b>24,029</b>
Between 1-5 years	<b>2,002</b>	<b>26,032</b>
	<b>26,031</b>	<b>50,061</b>

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**BURFORD GARDEN CENTRE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2018**

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**24. Financial instruments**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	<b>20,000</b>	<i>20,000</i>
Financial assets that are debt instruments measured at amortised cost	<b>136,176</b>	<i>353,469</i>
	<u><b>156,176</b></u>	<u><i>373,469</i></u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<b>(5,137,654)</b>	<i>(4,969,835)</i>

Financial assets measured at fair value through profit or loss comprise of unlisted investments.

Financial assets measured at amortised cost comprise of trade debtors, other debtors, bank and cash.

Financial liabilities measured at amortised cost comprise of overdrafts, loans, trade creditors and hire purchase agreements.

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**BURFORD GARDEN CENTRE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2018**

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**25. Deferred taxation**

	<b>2018 £</b>
At beginning of year	<b>(2,258,481)</b>
Charged to the profit or loss	<b>7,128</b>
Charged to other comprehensive income	<b>186,188</b>
<b>At end of year</b>	<b><u>(2,065,165)</u></b>

The provision for deferred taxation is made up as follows:

	<b>2018 £</b>	<b>2017 £</b>
Accelerated capital allowances	<b>(29,630)</b>	<b>(36,758)</b>
Deferred tax on revalued assets	<b>(2,035,535)</b>	<b>(2,221,723)</b>
	<b><u>(2,065,165)</u></b>	<b><u>(2,258,481)</u></b>

The expected net reversal of deferred tax, which is based on current depreciation, corporation tax and capital allowance rates is £11,276.

**26. Share capital**

	<b>2018 £</b>	<b>2017 £</b>
<b>Authorised, allotted, called up and fully paid</b>		
90,000 (2017 - 90,000) "A" Ordinary shares of £1.00 each	<b>90,000</b>	<b>90,000</b>
10,000 (2017 - 10,000) "B" Ordinary shares of £1.00 each	<b>10,000</b>	<b>10,000</b>
	<b><u>100,000</u></b>	<b><u>100,000</u></b>

"A" Ordinary shares have full voting, dividend and capital distribution rights (including on winding up) attached.

"B" Ordinary shares have the same voting rights as apply to fractions of 'Ordinary' shares, such fractions to be determined by reference to the value of the company.

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**BURFORD GARDEN CENTRE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2018**

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**27. Reserves**

**Revaluation reserve**

The revaluation reserve relates to the revaluation of the company's freehold property, fixtures, fittings and machinery.

The most recent valuation was undertaken by Savills (UK) Limited Chartered Surveyors in October 2015. The open market value of the aforementioned assets was deemed to be £18,360,000.

Deferred tax provisions on the revaluation gain are recognised within the revaluation reserve.

The revaluation reserve is not distributable.

**Profit & loss account**

The profit & loss account includes all current and prior period retained profits and losses and is distributable.

**28. Pension commitments**

The company contributes to defined contributions pension schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the funds and amounted to £14,845. (2017 - £14,449). Contributions totalling £2,318 were outstanding at the reporting date (2017 - £1,071).

**29. Commitments under operating leases**

At 31 January 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Not later than 1 year	<b>56,960</b>	75,844
Later than 1 year and not later than 5 years	<b>89,577</b>	150,963
	<b>146,537</b>	226,807

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## BURFORD GARDEN CENTRE LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2018

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#### 30. Related party transactions

Within other creditors is an amount owed to Mr N Johnson and Mrs C L Johnson, both directors of the company. The amount outstanding as at 31 January 2018 was £69,403 (2017 - £164,033 owed by Mr N Johnson and Mrs C L Johnson). The loan is repayable on demand. Interest is charged on an overdrawn loan balance at HMRC's official rate of interest.

The company has received consultancy services from Mr E Johnson, the father of one of the directors, as detailed below.

Burford Garden Centre Limited received photography and website design services from Burford Productions LLP as detailed below. Nigel Johnson and his two sons are partners of Burford Productions LLP.

Details of transactions during the period and the balances outstanding at the balance sheet date are set out below:

	2018 £	2017 £
Photography and website design services charged to the company by Burford Productions LLP	45,000	24,000
Consultancy services charged to the company by Mr E Johnson	18,000	18,000
Dividends paid to N and C Johnson	996,000	496,000
Net balance owed to N & C Johnson	69,403	-
Net balance owed by N & C Johnson	-	164,033
Balance owed to Treasures of Tenbury Limited	303,188	299,381
	<u>1,431,591</u>	<u>1,001,414</u>

#### 31. Controlling party

The ultimate controlling party in the year as well as the prior year is Mr N Johnson, by virtue of his directorship and majority shareholding in Burford Garden Centre Limited.