

Woodcote Green Nurseries Limited
Annual Report and Financial Statements
For the 60 weeks ended 24 February 2019
Registered Number: 03468372

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WOODCOTE GREEN NURSERIES LIMITED

STRATEGIC REPORT FOR THE 60 WEEKS ENDED 24 FEBRUARY 2019

The Directors present their Strategic Report of Woodcote Green Nurseries Limited (the "Company") for the 60 weeks ended 24 February 2019 (prior period 52 weeks ended 31 December 2017).

Business review and principal activities

The principal activity of the Company is the operation of a garden centre in the United Kingdom. There has been no significant change in the nature or level of this activity during the period and the Directors do not expect this to change significantly throughout the next financial period. On 2 November 2018 the entire issued share capital of Woodcote Green Nurseries (Holdings) Limited (the "Parent") the Company's immediate parent company, was acquired by Dobbies Garden Centres Limited. The accounting reference period of both the Company and the Parent were extended to 28 February 2019 in order to align with that of Dobbies Gardens Centres Limited. As a consequence, the current reporting period covers the 60 weeks to 24 February 2019 which is the year end date selected by the Dobbies Garden Centres Group for the current financial year.

Results and dividends

The results for the 60 weeks ended 24 February show a profit before tax of £1.5m (2017: profit of £1.7m) and net sales of £18.5m (2017: £16.8m). Underlying operating profit before exceptional items was £1.8m (2017: £1.7m).

The Directors do not recommend payment of a final dividend for the 60 weeks ended 24 February 2019 (2018: £nil). An interim dividend of £5.6m (2017: £nil) was paid on 26 October 2018.

The retained profit for the 60 weeks ended 24th February 2019 amounted to £1.1m (2017: £1.6m).

Principal risks and uncertainties

We manage our key risks strategically at Dobbies Garden Centres Group Limited (the "Group") Board level and operationally via weekly senior leadership team meetings. Our key risks are as follows:

These risks can be categorised as:

- Weather
- Supply chain
- Competition
- Cyber security and data protection
- Brexit

Weather: This is a key risk to the Group due to the seasonal nature of the sale of plants, gardening and outdoor living products. Adverse weather can lead to reduced footfall, impacting both profit and stock levels. Contingency plans are in place to mitigate risk.

Supply chain: We have a diversified international supply chain which is managed through a rigorous procurement process with end-to-end safety checks and quality assurance processes. We have ensured that there is no risk of a single point of failure risk.

Competition: The Group competes with a variety of retailers including other garden centres, DIY retailers and, in some categories, supermarkets and discount retailers. We closely monitor our position and remain competitive on range, value, quality and service.

Cyber security and data protection: These continue to be managed by robust IT security measures and the implementation of a GDPR compliance programme in 2018.

WOODCOTE GREEN NURSERIES LIMITED

STRATEGIC REPORT FOR THE 60 WEEKS ENDED 24 FEBRUARY 2019 (CONTINUED)

Principal risks and uncertainties (continued)

Brexit: As at the date of this report, the terms on which the UK will depart from the EU ("Brexit") remain uncertain. Brexit does not pose a significant risk to the Group but may have an impact upon supply chain and foreign exchange risk. On the basis that customs procedures are in place and tariff rates are adjusted to ensure no net increase in duty costs to consumers, we believe there will be no resultant material cost increases or operational disruption. As a contingency, our key overseas suppliers have provided assurance in relation to alternative delivery plans. We continue to monitor the position and will manage these risks and uncertainties appropriately.

Key performance indicators (KPIs)

The Company uses a number of KPI's to measure performance, most importantly gross margin (46.8% to February 2019, up from 44.9% in December 2017) and wages to sales (23.4% to February 2019, up from 22.0% in December 2017). The wages to sales ratio has been adversely impacted by the change in financial period and so is not comparable.

By order of the Board



Debbie Harding
Company Secretary
27 November 2019

WOODCOTE GREEN NURSERIES LIMITED

DIRECTORS' REPORT FOR THE 60 WEEKS ENDED 24 FEBRUARY 2019

The Directors present their Report and the audited financial statements of Woodcote Green Nurseries Limited (the "Company") for the 60 weeks ended 24 February 2019 (prior period 52 weeks ended 31 December 2017).

Business performance, future outlook and principal risks and uncertainties

The results for the period are set out in the Statement of Comprehensive Income on page 9. The results for the period and principal risks and uncertainties have been discussed in the Strategic Report on page 1.

Political contributions

There were no political donations for the period (2017: nil).

Future outlook

The Company is planning to introduce new general merchandise ranges and upgrade its restaurant.

Going concern

As at the balance sheet date of 24 February 2019 the company showed a current net assets position of £0.1m (31 December 2017: £4.3m) and net assets of £1.5m ((31 December 2017: £5.9m).

The Directors have closely considered the balance sheet position, the borrowing facilities available to the Company and Group and projected trading performance of the business and conclude that the Company has adequate resources to continue to operate for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

In addition, the Group has a further £47.8m of finance facilities in place which are available to the Company as required. This comprises a £15m revolving credit facility, a £15m accordion facility and a £17.8m capital expenditure facility. After the year end, the Group drew down £11.0m from the revolving credit facility, this was repaid in full on 28 May 2019, and £8.2m from the capital expenditure facility. On 20 May 2019 the Group's Senior Term and Revolving Facilities agreement was updated to provide additional facilities.

Research and development

The Company does not undertake any research and development activities (2017: none).

Employees

The Company depends on the skills and commitment of its employees in order to achieve its objectives.

Ongoing training programmes seek to ensure that employees understand the Company's customer service objectives and strive to achieve them.

The Company's selection, training, development and promotion policies ensure equal opportunities for all employees regardless of factors such as gender, marital status, race, age, sexual preference and orientation, colour, creed, ethnic origin, religion or belief, or disability. All decisions are based on merit.

Internal communications are designed to ensure that employees are well informed about the business.

The Company had 208 employees on average during the 60 weeks ended 24 February 2019 (2017: 206).

WOODCOTE GREEN NURSERIES LIMITED

DIRECTORS' REPORT FOR THE 60 WEEKS ENDED 24 FEBRUARY 2019 (continued)

Directors and their interests

The following Directors served during the period and up to the date of signing the financial statements.

Andrew Bracey (appointed 2 November 2018)
David Burgess (appointed 2 November 2018)
Aidan Clegg (appointed 2 November 2018)
Neil Currie (appointed 2 November 2018)
Elizabeth Sharon Glass (appointed 2 November 2018; resigned 20 March 2019)
Frederick Goltz (appointed 2 November 2018)
Graeme Jenkins (appointed 2 November 2018)
A G Jones (resigned 2 November 2018)
Fiona Larkin (appointed 24 October 2019)
R McLaughlan (resigned 2 November 2018)

None of the Directors had any disclosable interests in the Company during this period.

The Group has maintained a directors' and officers' liability insurance policy from the date of acquisition of the Company which includes cover for the Directors of the Company.

Disclosure of information to auditors

Each Director who is a Director of the Company at the date of approval of this Annual Report and Financial Statements confirms that:


- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- he/she has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Pursuant to section 487 of the Companies Act 2006, EY LLP are the newly appointed auditor that will audit the 2019 statutory financial statements.

EY LLP offer themselves for reappointment as auditors in accordance with section 485(4) of the Companies Act 2006. A resolution to reappoint them will be proposed at a forthcoming Board meeting.

By order of the Board

27 November 2019



Debbie Harding
Company Secretary
27 November 2019

WOODCOTE GREEN NURSERIES LIMITED

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 period. 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). 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 those 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WOODCOTE GREEN NURSERIES LIMITED

Opinion

We have audited the financial statements of Woodcote Green Nurseries Limited for the 60 week period ended 24 February 2019 which comprise the Statement of Comprehensive Income, the Statement of Financial Position and the Statement of Changes in Equity and the related notes 1 to 21, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework".

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 24 February 2019 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WOODCOTE GREEN NURSERIES LIMITED (CONTINUED)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the 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 directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and 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 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 set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WOODCOTE GREEN NURSERIES LIMITED (CONTINUED)

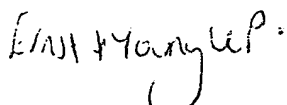
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Annie Graham (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Glasgow
29 November 2019

WOODCOTE GREEN NURSERIES LIMITED

Statement of Comprehensive Income

For the 60 weeks ended 24 February 2019

	Notes	60 weeks to 24 February 2019 £000	52 weeks to 31 December 2017 £000
Turnover		18,455	16,855
Cost of sales		(9,824)	(9,287)
Gross profit		8,631	7,568
Administrative expenses		(7,337)	(5,986)
Other operating income		175	153
Operating profit	5	1,469	1,735
Analysed as:			
Underlying operating profit		1,798	1,735
Exceptional items	7	(329)	-
		1,469	1,735
Net loss on disposal of assets	8	(1)	-
Finance income	9	-	373
Finance costs	10	-	(21)
Profit on ordinary activities before tax		1,468	2,087
Tax	11	(293)	(424)
Profit for the financial period		1,175	1,663

All results relate to continuing operations.

There are no gains or losses other than those shown above, and as such no separate Statement of Comprehensive Income has been provided.

The notes on pages 12 to 23 form part of these financial statements.

WOODCOTE GREEN NURSERIES LIMITED

Statement of Financial Position

As at 24 February 2019

	Notes	24 February 2019 £000	31 December 2017 £000
Non-current assets			
Property, plant and equipment	12	1,503	1,709
Total non-current assets		1,503	1,709
Current assets			
Stock	13	1,180	1,216
Debtors: amounts falling due within one year	14	583	5,139
Cash at bank and in hand		820	1,696
Total current assets		2,583	8,051
Total assets		4,086	9,760
Current liabilities			
Creditors: amounts falling due within one year	15	(2,245)	(3,278)
Current income tax payable		(218)	(447)
Total current liabilities		(2,463)	(3,725)
Net current assets		120	4,326
Total assets less current liabilities		1,623	6,035
Non-current liabilities			
Deferred tax	17	(92)	(100)
Total non-current liabilities		(92)	(100)
Total liabilities		(2,555)	(3,825)
Net assets		1,531	5,935
Capital and reserves			
Share capital	18	-	-
Share premium		3	3
Retained earnings		1,528	5,932
Total equity		1,531	5,935

The financial statements on pages 9 to 23 were approved by the Board of Directors on 27 November 2019 and were signed on its behalf by:



Fiona Larkin
Director

Woodcote Green Nurseries Limited, Registered Number: 03468372

The notes on pages 12 to 23 form part of these financial statements.

WOODCOTE GREEN NURSERIES LIMITED

Statement of Changes in Equity

For the 60 weeks ended 24 February 2019

	Share Capital £000	Share Premium £000	Retained Earnings £000	Total Equity £000
As at 31 December 2016	-	3	4,269	4,272
Profit for the year	-	-	1,663	1,663
As at 31 December 2017	-	3	5,932	5,935
Profit for the period	-	-	1,175	1,175
Dividends paid	-	-	(5,579)	(5,579)
As at 24th February 2019	-	3	1,528	1,531

The notes on pages 12 to 23 form part of these financial statements.

WOODCOTE GREEN NURSERIES LIMITED

Notes to the financial statements

1. Authorisation of financial statements and compliance with FRS 101

The financial statements of Woodcote Green Nurseries Limited (the "Company") for the 60 weeks ended 24 February 2019 were approved by the board of directors on 27 November 2019 and the Statement of Financial Position was signed on the board's behalf by Graeme Jenkins.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The Company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£'000) except when otherwise indicated.

The Company has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare group accounts as it was a wholly owned subsidiary of Dobbies Garden Centres Group Limited at the balance sheet date. Woodcote Green Nurseries Limited (the Company) is a limited company, limited by shares, incorporated and domiciled in the United Kingdom. The results of Woodcote Green Nurseries Limited are included in the consolidated financial statements of Dobbies Garden Centres Group Limited which are available from Fourth Floor, 22-23 Old Burlington Street, London, United Kingdom, W1S 2JJ.

The principal accounting policies adopted by the Company are set out in note 2. These have been applied consistently throughout the period.

2. Significant accounting policies

2.1 Basis of preparation

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102:

- The requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- The requirements of Section 7 Statement of Cash Flows;
- The requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- The requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- The requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- The requirements of Section 33 Related Party Disclosures

A summary of the principal accounting policies is set out below.

WOODCOTE GREEN NURSERIES LIMITED

Notes to the financial statements

2. Significant accounting policies (continued)

2.2 Summary of significant accounting policies

a) Going concern

The Directors have closely considered the balance sheet position, the borrowing facilities available to the company and projected trading performance of the business and conclude that the Company has adequate resources to continue to operate for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

b) Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period

Or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period

Or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

c) Revenue recognition

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 consists of sales through retail outlets. Revenue is reported net of returns, vouchers and value added taxes. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer net of returns and discounts. Commission income is recorded based on the terms of the contracts.

d) Other operating income

Other operating income consists of income from concession partners.

e) Exceptional items

The Company considers that underlying operating profit is the most useful non-statutory profit measure of operating performance since it eliminates the impact of certain non-recurring items which it deems to be exceptional. Transactions will be classified as exceptional items if they relate to company restructuring activities such as significant changes to operational management and other one-off costs associated with the reorganisation and integration following an acquisition.

f) Dividends

Dividend distributions payable to equity shareholders are included in the financial statements 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.

WOODCOTE GREEN NURSERIES LIMITED

Notes to the financial statements

2.2 Summary of significant accounting policies (continued)

g) Current taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

h) Group relief on taxation

The Company is a member of a group for the purposes of group relief under Part 5 of the Corporation Tax Act 2010. Payment is received for group relief losses surrendered to other group companies and payment is charged for group relief losses claimed from other group companies. The value of the payment is determined by the amount of corporation tax saved by reason of the group relief being surrendered or claimed.

i) Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax asset arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited to the profit and loss, except when it relates to items charged or credited in other comprehensive income, in which case deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

j) Current tax and deferred tax for the year

Current and deferred tax are recognised in the profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

WOODCOTE GREEN NURSERIES LIMITED

Notes to the financial statements

2.2 Summary of significant accounting policies (continued)

k) Property, plant and equipment

Tangible fixed assets are measured at historic cost less accumulated depreciation and any impairment losses. Historic 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.

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 provided to write off costs or valuation of tangible fixed assets less their residuals on a straight-line basis over the anticipated useful economic lives of the assets.

The following depreciation rates were applied for the Company:

- Long-term leasehold property - straight line over 30 years
- Motor vehicles - straight line over 5 years
- Plant and machinery - straight line over 5 years

The assets residual values, useful lives and methods of depreciation 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.

l) 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.

At each reporting date, stocks are assessed for impairment. A stock provision is booked for cases where the realisable value from sale of the stock is estimated to be lower than the stock's carrying value. The stock provision is estimated taking into account various factors including the age of the stock item, prevailing sales prices of items and losses associated with slow moving stock items. 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.

m) Debtors

Short term debtors are measured at the 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.

n) 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.

o) Foreign currencies

Transactions in foreign currencies are translated into pounds sterling at the exchange rate on the date of the transaction. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated into pounds sterling at the exchange rates prevailing at the Balance Sheet date. All foreign exchange differences are taken to the Statement of Comprehensive Income for the period.

WOODCOTE GREEN NURSERIES LIMITED

Notes to the financial statements

2.2 Summary of significant accounting policies (continued)

p) Financial instruments

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

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 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 costs.

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 the 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.

q) 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.

r) Pensions

The Company operates a defined contribution scheme. Contributions to this scheme are charged to the Statement of Comprehensive Income as they become payable. 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.

s) 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.

t) Finance income

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

WOODCOTE GREEN NURSERIES LIMITED

Notes to the financial statements

2.2 Summary of significant accounting policies (continued)

u) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

The Company has a present obligation resulting in a dilapidations provision in which assumptions have been made in arriving at its best estimate of the likely costs to "make good" premises which are currently occupied under leases. Such estimates involve management forecasting the average restoration costs.

3. Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the period. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements or estimates have had the most significant effect on amounts recognised in the financial statements:

Carrying value of property, plant and equipment

Management needs to determine whether there are indicators of impairment of the Company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and project disposal values.

Stocks

A stock provision is booked for cases where the realisable value from sale of the inventory is estimated to be lower than the inventory carrying value. The stock provision is estimated taking into account various factors including the age of inventory, prevailing sales prices, the seasonality of the sales profile and losses associated with slow moving inventory.

Taxation

Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

4. Segmental reporting

The Company operates within one business segment being that of the operation of a garden centre and associated activities with business transacted in the United Kingdom.

WOODCOTE GREEN NURSERIES LIMITED
Notes to the financial statements

5. Operating profit

	60 weeks to 24 February 2019 £000	52 weeks to 31 December 2017 £000
Operating profit is stated after charging:		
Depreciation of tangible fixed assets	316	317
Cost of inventories recognised as an expense (included in cost of sales)	9,703	8,872
Operating lease charges	924	792
Services provided by the Company's auditor:		
Fees payable for the audit	18	19
Taxation services	4	4

6. Staff costs

The average monthly number of persons employed (including Directors) by operating segment during the current and previous financial periods was:

	Average number of employees		Average number of full- time equivalents	
	60 weeks to 24 February 2019	52 weeks to 31 December 2017	60 weeks to 24 February 2019	52 weeks to 31 December 2017
Office and management	21	20	18	18
Other employees	187	181	132	126
Total	208	201	150	144

	60 weeks to 24 February 2019 £000	52 weeks to 31 December 2017 £000
Wages and salaries	3,902	3,378
Social security costs	325	266
Other pension costs	84	68
Staff costs	4,311	3,712

No director received any remuneration during the period (2017: £nil) as from 2 November 2018 the directors were remunerated via the parent company, Dobbies Garden Centres Limited, and prior to 2 November 2018 they were remunerated via Wyevalle Garden Centres Limited.

WOODCOTE GREEN NURSERIES LIMITED
Notes to the financial statements

7. Exceptional items

	60 weeks to 24 February 2019 £000	52 weeks to 31 December 2017 £000
Restructuring costs	329	-
Total exceptional items	329	-

The item below was deemed to be non-recurring and has been disclosed separately to ensure the underlying performance of the business is clearly identified:

Restructuring costs – during the period to 24 February 2019 the Company incurred £0.3m of costs associated with restructuring the operational management of the business following the acquisition of the Company's Parent by Dobbies Garden Centres Limited (2017: £nil).

8. Net gain on sale of fixed assets

The net loss on disposal of fixed assets for the 60 weeks ended 24th February 2019 was £1,000 (2017: £nil).

9. Finance income

	60 weeks to 24 February 2019 £000	52 weeks to 31 December 2017 £000
Interest receivable on loans to group companies	-	373
Total finance income	-	373

10. Finance costs

	60 weeks to 24 February 2019 £000	52 weeks to 31 December 2017 £000
Interest payable on loans from group companies	-	21
Total finance costs	-	21

WOODCOTE GREEN NURSERIES LIMITED
Notes to the financial statements

11. Income tax

	60 weeks to 24 February 2019 £000	52 weeks to 31 December 2017 £000
Current tax:		
Current tax on profits for the period	301	447
Total current tax charge	301	447
Deferred tax:		
Current year	(9)	(23)
Effect of changes in tax rates	1	-
Total deferred tax (credit)/charge	(8)	(23)
Tax charge for the period	293	424

Factors affecting the total tax charge for the current period. The charge for the period can be reconciled to the profit in the Statement of Comprehensive Income as follows:

	60 weeks to 24 February 2019 £000	52 weeks to 31 December 2017 £000
Profit for the period – continuing activities	1,468	2,087
Tax on profit at standard UK tax rate of 19.00% (2017: 19.25%)	279	402
Effects of:		
Expenses not deductible	13	19
Tax rate changes	1	3
Tax charge for the period	293	424

The main rate of corporation tax reduced from 20% to 19%, effective from 1 April 2017. The Finance Act included legislation to further reduce the rate of corporation tax to 17%, effective from 1 April 2020. The deferred tax asset in the accounts has been recognised at the rate at which timing differences are expected to reverse.

WOODCOTE GREEN NURSERIES LIMITED
Notes to the financial statements

12. Property, plant and equipment

	Leasehold Property £000	Motor Vehicles £000	Fixtures and Fittings £000	Total £000
Cost				
As at 1 January 2017	2,012	213	2,411	4,636
Additions	11	-	207	218
Disposals	-	(70)	(265)	(335)
As at 31 December 2017	2,023	143	2,353	4,519
Additions	33	-	78	111
Disposals	-	-	(208)	(208)
As at 24 February 2019	2,056	143	2,223	4,422
Accumulated depreciation				
As at 1 January 2017	(603)	(203)	(1,994)	(2,800)
Charge for the year	(100)	(3)	(214)	(317)
Disposals	-	70	237	307
As at 31 December 2017	(703)	(136)	(1,971)	(2,810)
Charge for the year	(108)	(4)	(204)	(316)
Disposals	-	-	207	207
As at 24 February 2019	(811)	(140)	(1,968)	(2,919)
Net book value				
As at 31 December 2017	1,320	7	382	1,709
As at 24 February 2019	1,245	3	255	1,503

13. Stock

	24 February 2019 £000	31 December 2017 £000
Goods for resale	1,180	1,216

14. Trade and other receivables due within one year

	24 February 2019 £000	31 December 2017 £000
Trade debtors	43	29
Prepayments	36	143
Other receivables	24	1
Amounts due from other group companies	480	4,966
	583	5,139

WOODCOTE GREEN NURSERIES LIMITED
Notes to the financial statements

15. Trade and other payables due within one year

	24 February 2019 £000	31 December 2017 £000
Trade creditors	(814)	(891)
Other taxation and social security	(334)	(597)
Accruals	(766)	(478)
Other creditors	(67)	(166)
Amounts due to other group companies	(264)	(1,146)
	(2,245)	(3,278)

16. Operating leases

The Company leases land from its immediate parent company Woodcote Green Nurseries (Holdings) Limited. The aggregate minimum lease payments payable under non-cancellable operating leases are as follows:

	24 February 2019 £000	31 December 2017 £000
Land & Buildings		
No later than 1 year	396	792
Later than 1 year and no later than 5 years	-	528
Later than 5 years	-	-
Total	396	1,320

17. Deferred tax

	24 February 2019 £000	31 December 2017 £000
Deferred tax liability:		
Deferred tax liability at start of period	100	123
Deferred tax charge to Statement of Comprehensive Income for the period	(8)	(23)
Deferred tax liability at end of period	92	100
 Accelerated capital allowances	 92	 100

WOODCOTE GREEN NURSERIES LIMITED
Notes to the financial statements

18. Issued share capital

	24 February 2019 Number	31 December 2017 Number
Share capital (authorised, issued and fully paid)		
- Ordinary shares of £0.01 each	100	100
	<hr/>	<hr/>
	24 February 2019 £	31 December 2017 £
Share capital (authorised, issued and fully paid)		
- Ordinary shares of £0.01 each	100	100
	<hr/>	<hr/>

19. Pensions

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund and contribution costs for the year which were charged to the Statement of Comprehensive Income were £84,000 (2017: £69,000). Outstanding pension contributions at the period end amounted to £nil (2017: £nil).

20. Post balance sheet event

On 21 May 2019 the Company surrendered its leasehold interests to DanAtAugusta Propco3 Limited, a fellow subsidiary undertaking of the Group, for nil consideration other than the mutual release of obligations.

21. Ultimate parent undertaking and controlling parties

The Company's immediate parent undertaking at the balance sheet date was Woodcote Green Nurseries (Holdings) Limited.

The Company's ultimate parent undertaking and controlling party at the balance sheet date was DanAtAugusta Equityco Limited, which is registered in Jersey at 22 Grenville Street, St Helier, Jersey, JE4 8PX.