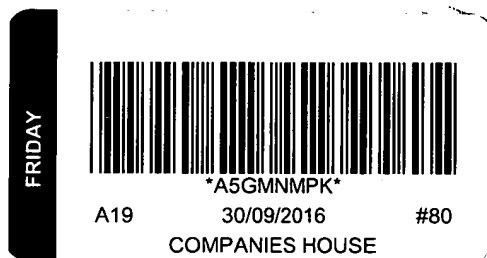


GARDEDEN TOPCO LIMITED

Annual Report and Financial Statements

For the period ended 27 December 2015



GARDEDEN TOPCO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

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GARDEDEN TOPCO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J Halford
M J J Little
P A Utting
PI Cartwright
T Craddock
BSP Slatter

REGISTERED OFFICE

Broadoak
Southgate Park
Bakewell Road
Peterborough
Cambridgeshire
PE2 6YS

PRINCIPAL BANKERS

Barclays Bank PLC
10 Hall Place
Spalding
Lincs
PE11 1SR

AUDITOR

Deloitte LLP
Nottingham, UK

GARDEDEN TOPCO LIMITED

DIRECTORS' REPORT

The company was incorporated on 18 May 2015. The first accounting period is the 223 day period ended from this date to 27 December 2015. The company acquired the Gardman Group on 23 June 2015 and the results reflect the trading period from that point.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The principal activity of Gardeden Topco Limited (the company) is that of an ultimate parent company and does not trade. The principal activity of the group is the manufacture, marketing and distribution of gardening and wild bird products.

A review of business performance, plans for future development and a discussion of financial risk management are shown within the Strategic Report on page 4.

DIRECTORS

The directors who served during the period and subsequently, unless otherwise stated, were:

J Halford	(Appointed 23 June 2015)
S A Hainsworth	(Resigned 5 May 2015)
M J J Little	(Appointed 23 June 2015)
P A Utting	(Appointed on 21 December 2015)
PI Cartwright	(Appointed 18 May 2015)
T Craddock	(Appointed 18 May 2015)
BSP Slatter	Appointed 18 May 2015)

EMPLOYEE CONSULTATION

The group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the group and the company. This is achieved through formal and informal meetings. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

GOING CONCERN

The directors are satisfied with the financial performance and financial position of the group, they have prepared detailed forecasts which consider the funding and trading performance for a period of at least 12 months from signing the financial statements. The directors, after due consideration, consider it appropriate to continue to prepare the financial statements on a going concern basis.

DIVIDENDS

There are no dividends paid or proposed during the period.

GARDEDEN TOPCO LIMITED

DIRECTORS' REPORT (Continued)

AUDITOR

Each of the persons who is a director at the date of approval of this report confirms that:

- (1) so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- (2) the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP were appointed as auditor in the period and have expressed their willingness to continue in office as auditor of the company. A resolution to re-appoint Deloitte LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



29 July 2016

M J J LITTLE
Director

GARDEDEN TOPCO LIMITED

STRATEGIC REPORT

The directors present their Strategic Report for the period ended 27 December 2015.

BUSINESS REVIEW

The company acquired the Gardman Group in June 2015 and the results reflect the trading period from that point. The focus during this initial period of ownership has been to conduct a detailed review of business operations, the recruitment of a new CEO and establishing a suitable financing facility to support future growth. The directors are pleased to confirm that all of these objectives were completed during the first 6 months of new ownership.

The transaction was funded primarily through loan notes issued by Rutland Partners which although technically a debt instrument, is viewed by the directors as a form of equity as there are no repayments due until maturity.

During the second half of the year, the business built on its successful exhibitions at GLEE and SPOGA, winning new listings in its core product categories both in the UK and in its increasingly important Export markets.

Given the one-off exceptional costs related to the acquisition of Gardman Group, the directors consider the trading performance of the business in the period is best represented by its EBITDA before exceptional costs, which was £2m. Dividends of £nil (28 December 2014: £Nil) were paid during the period.

	<u>2015</u>
	£m's
PBT per Stat Accts	-3.1
addback : Depreciation	1.2
Interest charges	1.7
Exceptional costs	2.2
EBITDA	<u>2.0</u>

Whilst general market conditions have been challenging in early 2016, the Group has continued to secure major new customers and extend existing relationships following the investment in its brand plans. The Group's geographic reach and breadth of product categories will ensure it remains well positioned to deliver growth as it executes its strategy to become the recognised market leader in its core categories.

Key performance indicators

The three main performance indicators relate to growth, net return on sales and productivity.

The board considers that the combination of the sales achieved of £22.1m and the net return on sales, being post tax loss as a percentage of turnover, of -14.3% represent the challenging market conditions that the company has faced.

PRINCIPAL RISKS AND UNCERTAINTIES

There are strategic, commercial, operational, social and environmental risks facing the group. There are also opportunities. The directors continue to assess both the risks and opportunities in formulating their strategies. The directors place a considerable emphasis on the development and retention of their customer goodwill. They have expended considerable resources on trying to ensure that products are of high quality and are delivered on time.

STRATEGIC REPORT (Continued)

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The group's activities expose it to a number of financial risks including liquidity risk, foreign currency risk, interest rate risk, credit risk, cash flow risk and price risk. The use of financial derivatives is governed by the group's policies approved by the board which provide principles on the use of financial derivatives to manage these risks. The group does not use derivative financial instruments for speculative purposes. Where the group has entered into financial derivative contracts to mitigate financial risks, they are included below under the relevant risk heading.

Liquidity risk

All of the group's cash balances and short term deposits are held in such a way that enables the correct balance of access to working capital and a competitive rate of interest to be achieved. Working capital requirements are constantly monitored. In order to assist liquidity, invoice financing is used. As such, the directors do not consider there to be a significant liquidity risk.

Foreign currency risk

The group makes significant purchases denominated in foreign currency. In order to mitigate the risk of movements in foreign exchange rates, the group utilises forward exchange contracts. Details are included in note 17.

Interest rate risk

Interest is charged on the company's cash and borrowings balances at variable rates; given the current low level of interest rates, the directors do not consider it necessary to mitigate the interest rate risk.

Credit risk

The group is exposed to credit risk as it has a large number of customers. Although some of those customers are large UK retail companies, there is still the risk of slow or non-payment. The group manages this risk through close relations with the customers, tight credit controls and frequent reviews of customers' accounts.

Price risk

The prices of the group's products are subject to fluctuations which the group manages through close relations with both customers and suppliers.

Cash flow risk

The directors believe that the major cash flow risks are non-payment by customers, increases in foreign currency exchange rates and increases in interest rates; these risks are mitigated by the methods noted above within credit risk, foreign currency risk and interest rate risk respectively.

Approved by the Board of Directors
and signed on behalf of the Board



29 July 2016

M J J LITTLE
Director

GARDEDEN TOPCO LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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 International Financial Reporting Standards (IFRS) as adopted by the European Union. 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, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GARDEDEN TOPCO LIMITED

We have audited the financial statements of Gardeden TopCo Limited for the 223 day period ended 27 December 2015 which comprise the Consolidated Income Statement, the Consolidated and Parent Company Balance Sheets, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated and Parent Company Cash Flow Statements and the related notes 1 to 27. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 27 December 2015 and of the group's loss for the period then ended;
- the group financial statements have been properly prepared in accordance with IFRS as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRS as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GARDEDEN TOPCO LIMITED (Continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Mark Doleman FCA

29 July 2016

Mark Doleman FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Nottingham United Kingdom

GARDEDEN TOPCO LIMITED

CONSOLIDATED INCOME STATEMENT **223 day period ended 27 December 2015**

	Note	223 day period ended 27 December 2015 £
REVENUE	3	22,112,800
Cost of sales		<u>(15,227,195)</u>
GROSS PROFIT		6,885,605
Distribution costs		(3,957,715)
Administrative expenses		<u>(5,906,582)</u>
OPERATING PROFIT(LOSS)	4	(2,978,692)
Finance costs	7	(1,736,841)
Other operating income	11	1,397,869
Income from investments		463
Share of profit in joint venture	12	<u>245,410</u>
LOSS BEFORE TAXATION		(3,071,791)
Analysed as:		
Underlying (loss)/profit before tax		(3,888,830)
Exceptional cost of sales		(465,392)
Exceptional admin costs		<u>(1,708,757)</u>
Exceptional items	5	(2,174,149)
Fair value adjustment of unrealised derivatives	17	1,593,319
Bargain purchase gain	11	<u>1,397,869</u>
		<u><u>(3,071,791)</u></u>
Taxation	8	<u>221,953</u>
LOSS FOR THE PERIOD		<u><u>(2,849,838)</u></u>

All results are derived from continuing operations.

There are no gains or losses other than the retained losses for the year and accordingly no statement of comprehensive income is presented.

GARDEDEN TOPCO LIMITED

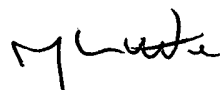
CONSOLIDATED BALANCE SHEET

27 December 2015

	Note	27 December 2015 £
NON-CURRENT ASSETS		
Other intangible assets	14	445,500
Property, plant and equipment	13	4,353,780
Deferred tax asset	23	499,680
Investment in joint venture	12	1,011,265
		<u>6,310,225</u>
CURRENT ASSETS		
Inventories	15	15,114,339
Trade and other receivables	16	12,024,762
Cash and cash equivalents	18	3,119,173
Derivative financial instruments	17	1,310,016
		<u>31,568,290</u>
TOTAL CURRENT ASSETS		<u>31,568,290</u>
TOTAL ASSETS		<u>37,878,515</u>
EQUITIES AND LIABILITIES		
Equity		
Share capital	19	12,050
Retained earnings		(2,927,069)
Share premium	19	722,950
		<u>(2,192,069)</u>
Total equity		<u>(2,192,069)</u>
CURRENT LIABILITIES		
Trade and other payables	21	7,932,427
Borrowings	20	12,344,412
Corporation tax payables		292,300
		<u>20,569,139</u>
TOTAL CURRENT LIABILITIES		<u>20,569,139</u>
NON-CURRENT LIABILITIES		
Borrowings	20	19,501,445
		<u>40,070,584</u>
TOTAL LIABILITIES		<u>40,070,584</u>
TOTAL EQUITY AND LIABILITIES		<u>37,878,515</u>

These financial statements were approved by the Board of Directors and authorised for issue on 29 July 2016

Signed on behalf of the Board of Directors



M J J LITTLE

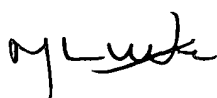
Director

GARDEDEN TOPCO LIMITED
Company registration number: 09595922

COMPANY BALANCE SHEET
27 December 2015

	Note	27 December 2015 £
NON-CURRENT ASSETS		
Investments	12	-
CURRENT ASSETS		
Trade and other receivables	16	735,000
TOTAL CURRENT ASSETS		<u>735,000</u>
TOTAL ASSETS		<u><u>735,000</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	19	12,050
Retained earnings		-
Share premium	19	722,950
TOTAL EQUITY		<u>735,000</u>
TOTAL LIABILITIES		<u>-</u>
TOTAL EQUITY AND LIABILITIES		<u><u>735,000</u></u>

These financial statements were approved by the Board of Directors and authorised for issue on *29 July 2016*
Signed on behalf of the Board of Directors



M J J LITTLE
Director

GARDEDEN TOPCO LIMITED

STATEMENT OF CHANGES IN EQUITY **223 day period ended 27 December 2015**

Group	Share capital £	Share premium £	Retained earnings £	Total equity £
At incorporation	12,050	722,950	-	735,000
Loss for the period	-	-	(2,849,838)	(2,849,838)
Foreign currency differences on consolidation	-	-	(77,231)	(77,231)
Balance at 27 December 2015	<u>12,050</u>	<u>722,950</u>	<u>(2,927,069)</u>	<u>(2,192,069)</u>

Company

At Incorporation	12,050	722,950	-	735,000
Loss for the period	-	-	-	-
Balance at 27 December 2015	<u>12,050</u>	<u>722,950</u>	<u>-</u>	<u>735,000</u>

GARDEDEN TOPCO LIMITED

CONSOLIDATED CASHFLOW STATEMENT **223 day period ended 27 December 2015**

		6 months ended 27 December 2015 £
Net cash inflow from operating activities	Note	
Loss for the period before tax		(3,071,791)
Adjustments for:		
Depreciation		1,166,576
Amortisation of intangible assets		49,500
Profit on sale of fixed assets		(16,330)
Interest receivable		(2,975,751)
Interest expense		1,736,841
Bargain purchase gain	11	(1,397,869)
Movement in derivatives	17	(1,593,319)
Tax paid		(322)
Increase in inventory		(3,421,055)
Group's share of joint venture's profit for the period		(333,243)
Decrease in receivables		6,873,697
Decrease in payables		(4,349,582)
Net cash used in operating activities		(7,332,648)
Cash flow from investing activities		
Purchase of subsidiary undertakings, net of cash and borrowings acquired		(21,724,491)
Purchase of property, plant and equipment		(859,941)
Sale of property, plant and equipment		28,718
Net cash used in investing activities		(22,555,714)
Cash flow from financing activities		
Interest receivable		2,975,751
Interest paid on borrowings		(1,736,841)
New loan notes raised	20	19,501,444
Net cash generated from financing activities		20,740,354
Foreign currency translation differences		(77,231)
Net (decrease)/increase in cash and cash equivalents		(9,225,239)
Cash and cash equivalents at beginning of period		-
Cash and cash equivalents at end of period	18	(9,225,239)

GARDEDEN TOPCO LIMITED

COMPANY CASHFLOW STATEMENT

223 day period ended 27 December 2015

The company entered into no cash transactions in the period and does not hold a bank account. All transactions during the period have been via intercompany loans as detailed on note 26.

NOTES TO THE FINANCIAL STATEMENTS

223 day period ended 27 December 2015

1. ACCOUNTING POLICIES

Gardeden TopCo Limited is a company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 1. The nature of the group's operations and its principal activities are set out in the directors' report on pages 2 to 3. These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the group operates. Foreign operations are included in accordance with policies set out below.

The financial statements are prepared in accordance with applicable IFRS including standards and interpretations issued by the International Accounting Standards Board as adopted by the EU and in accordance with Article 4 of the IAS Regulation. The financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies below certain items, including derivatives, held for trading investments and available for sale investments, are shown at fair value.

The preparation of the financial statements requires estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the date of the financial statements. If, in the future, such estimates and assumptions which are based on management's best judgement at the date of the financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change.

Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements. Further detail is contained in the directors' report on page 2 to 3.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all its subsidiaries. Any gains or losses arising on the retranslation of shareholders' funds in overseas subsidiaries are taken to retained earnings. In accordance with section 408 of the Companies Act 2006, no income statement is presented for the company. The parent company for the financial period incurred no profit or loss.

Business combinations

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred and/or equity instruments issued by the group in exchange for control of the acquiree. On the acquisition of a business, fair values are attributed to the group's share of net separable assets. Where the cost of acquisition exceeds the fair values attributable to such assets, the difference is treated as purchased goodwill and capitalised in the balance sheet in the period of acquisition. Where the cost of acquisition does not exceed the fair values attributable to such assets, the difference is treated as a bargain purchase gain and recognised in the income statement in the period of acquisition. The results and cash flows relating to such a business are included in the consolidated income statement and the consolidated cash flow statements from the date of acquisition.

Deal costs

To the extent that costs incurred in a business combination directly relate to either the issue of equity or the issue of debt, costs are capitalised as an asset on the balance sheet and charged to the income statement over the period of repayment on the debt to which they relate. Any costs incurred which are not directly related to the issue of equity or debt are expensed immediately to the income statement.

GARDEDEN TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

223 day period ended 27 December 2015

1. ACCOUNTING POLICIES (Continued)

Investments

Investments held as fixed assets are stated at the lower of cost and net realisable value.

Goodwill

Goodwill arising on consolidation relating to acquisitions, representing the excess acquisition cost over the group's interest in the fair value of identifiable assets and liabilities at the date of acquisition, is capitalised in the balance sheet. Goodwill is allocated to cash generating units at acquisition date and each unit is reviewed annually for impairment.

At the balance sheet date, the directors are of the opinion that there has not been a significant impairment of any of the acquisitions. In reaching this decision, the directors reviewed the assets purchased at acquisition and whether their carrying value had been significantly impaired.

Intangible assets

Intangible assets arising on acquisitions of businesses are capitalised in the balance sheet using the excess earnings method and are amortised over the period in which the incremental cash flows generated by the assets are expected to arise.

Impairment of tangible and intangible assets other than goodwill

At each statement of financial position date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Joint venture

In the group financial statements investments in joint ventures are accounted for using the equity method. Investments in joint ventures are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss and other comprehensive income of the associate. Goodwill arising on the acquisition of associates is accounted for in accordance with the policy set out above. In the company financial statements investments in associates are accounted for at cost less impairment.

NOTES TO THE FINANCIAL STATEMENTS
223 day period ended 27 December 2015

1. ACCOUNTING POLICIES (Continued)

Foreign exchange

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see below for hedging accounting policies); and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into GBP using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

GARDEDEN TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

223 day period ended 27 December 2015

1. ACCOUNTING POLICIES (Continued)

Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises the total of all costs and attributable overheads incurred by the company in bringing each item into its present state and location. Net realisable value is the amount that can be realised from the sale of the inventory in the normal course of business after allowing for the costs of realisation. Due recognition is also made for obsolescence.

In addition to the cost of materials and direct labour, an appropriate proportion of production overheads is included in the inventory values.

Revenue

Revenue comprised the fair value of consideration received or receivable for the sale of goods in the ordinary course of the group's activities. Revenue is shown net of value added tax, estimated returns, rebates and discounts.

Revenue is recognised when the group has delivered products to the customer, the customer has accepted the products and recoverability of the related receivable is reasonably assured.

Property, plant and equipment

Leasehold property improvements **Over the life of the lease**

Plant and equipment	10% - 33% per annum on cost
Display stands	33% per annum on cost
Motor vehicles	20% - 25% per annum on cost

Taxation

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheets date.

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.

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. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

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 Group intends to settle its current tax assets and liabilities on a net basis.

Product development

Expenditure on product development is written off in the period in which it is incurred.

NOTES TO THE FINANCIAL STATEMENTS

223 day period ended 27 December 2015

1. ACCOUNTING POLICIES (Continued)

Leases and hire purchase

Where the group enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a non-current asset and is depreciated in accordance with the above depreciation policies. Future instalments under leases, net of finance charges, are included with payables. Rentals payable are apportioned between the finance element, which is charged to the income statement, and the capital element which reduces the outstanding obligation for future instalments.

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged to the income statement as incurred.

Financial instruments

Financial assets and liabilities are recognised when the group becomes a party to the contractual provisions of the relevant instrument and derecognised when it ceases to be a party to such provisions, when the instrument expires or when it is cancelled. Financial instruments are classified as cash and cash equivalents, derivative financial instruments, trade receivables, trade creditors, intercompany receivables, borrowings (including obligations under finance leases) and other payables (including accruals, taxation and social security and current tax liabilities).

Non-derivative financial assets are categorised as “loans and receivables” and non-derivative financial liabilities are categorised as “other financial liabilities”. Derivative financial instruments are categorised as “at fair value through profit and loss” on the foreign currency contracts and “derivative instruments in designated hedge accounting relationships” on the interest rate cap.

Loans and receivables

Loans and receivables, as categorised above, are measured at amortised cost using the effective interest method less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Trade receivables

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. These are recognised in the income statement when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default in payments are considered indicators that the asset is impaired. Changes in the carrying amount of the receivable are recognised in the income statement.

Other financial liabilities

Other financial liabilities, as categorised above, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and current balances with banks and similar institutions, which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. This definition is also used for the cash flow statement.

Derivative financial instruments

Derivative financial instruments are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. The resulting gain or loss is recognised in the income statement immediately.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

NOTES TO THE FINANCIAL STATEMENTS
223 day period ended 27 December 2015

1. ACCOUNTING POLICIES (Continued)

Display stands

The purchase cost of display stands held for resale is included within stock at cost. When it is sold to a customer and risks and reward of ownership have passed the cost is expensed to the income statement.

Display stands held for continued use in the business, over which the entity retains the risk and rewards of ownership, are capitalised as per the property, plant and equipment accounting policy set out above.

Critical accounting judgements and key sources of estimation uncertainty

The following are the areas where critical accounting judgements and key estimations have been applied, these are referred to in the relevant notes.

Display stands

The purchase cost of display stands held for resale is included within stock at cost. When it is sold to a customer and risks and reward of ownership have passed the cost is expensed to the income statement.

Display stands held for continued use in the business, over which the entity retains the risk and rewards of ownership, are capitalised as per the Property, plant and equipment accounting policy.

There is a level of judgement and estimation in the classification of the stands between stock and property, plant and equipment.

Stock provision

In assessing whether stock is carried at the correct value assumptions are made on the saleability of aged stock and the provision raised against that stock.

2. ADOPTION OF NEW AND REVISED STANDARDS

In the current financial period, the company has adopted the following standards which did not have a material impact:

IFRS 7 Financial instrument Disclosure (December 2011 amendments)

IFRS 9 Financial Instruments (December 2011 amendments)

IAS 28 Investments in Associates and Joint Ventures (December 2014 amendments)

IAS19 Employee Benefits (September 2014 amendments)

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective:

IFRS 9 Financial Instruments (December 2015 amendments)

IFRS 10 Consolidated Financial Statements (December 2014 amendments)

IFRS 11 (amended May 2014 Joint Arrangements)

IFRS 12 Disclosure of Interests in Other Entities

IFRS 14 Regulatory Deferral Accounts

IFRS 15 Revenue from Contracts with Customers

IAS 7 Disclosure Initiative (amendments)

IFRS 16 Leases

IAS 1 Presentation of Financial Statements (December 2014 amendments)

IAS 16 (amended) Property Plant and Equipment (May and June 2014 amendments)

IAS 27 Separate Financial Statements (August 2014 amendments)

IAS 28 Investments in Associates and Joint Ventures (December 2015 amendments)

The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the company.

GARDEDEN TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

223 day period ended 27 December 2015

3. REVENUE

The revenue and profit before taxation is wholly attributable to the manufacture, marketing and distribution of gardening and wild bird products. The group's revenue, after rebates, is analysed by destination as follows:

	223 day period ended 27 December 2015 £
Great Britain	20,375,603
Europe	1,473,439
Rest of the World	263,758
	<hr/>
Sales of goods	22,112,800
	<hr/>
Other operating income (note 11)	1,397,869
	<hr/>
Total income	<u><u>23,510,669</u></u>

GARDEDEN TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

223 day period ended 27 December 2015

4. OPERATING PROFIT

Operating profit is stated after charging/(crediting):	223 day period ended 27 December 2015 £
Depreciation of tangible fixed assets:	
Owned assets	1,166,576
Amortisation of intangible assets	49,500
Profit on disposal of owned tangible fixed assets	(16,330)
Rentals under operating leases:	
Plant and machinery	173,235
Other	903,821
Loss on exchange rates	62,501
Profit on unrealised foreign currency contracts – note 17	<u>(1,593,319)</u>

The analysis of auditor's remuneration is as follows:

Fees payable to the company's auditor for the audit of the company's annual accounts	9,450
Fees payable to the company's auditor and their associates for other services to the group:	
- the audit of the company's subsidiaries pursuant to legislation	<u>54,700</u>
Total audit fees	<u>64,150</u>
Non-audit fees:	
- tax services (compliance)	<u>24,000</u>
Total non-audit fees	<u>24,000</u>

5. EXPENSES BY NATURE

	223 day period ended 27 December 2015 £
Raw materials and consumables used	12,231,716
Changes in inventories of finished goods and work in progress	3,495,479
Transportation, carriage and packing	1,853,897
Employees remuneration and benefits	2,888,778
Depreciation and amortisation expenses	1,216,076
Bad debt write-off	-
Other expenses	<u>3,405,546</u>
	<u>25,091,492</u>

GARDEDEN TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

223 day period ended 27 December 2015

5. EXPENSES BY NATURE (continued)

Other expenses include £2,174,149 of exceptional items which have been disclosed separately on the face of the income statement in order to disclose underlying results. Neither 'underlying profit or loss' nor 'exceptional items' are defined by IFRS however the directors believe that the disclosures presented in this manner provide clear presentation of the financial performance of the company.

The current period exceptional items are motivated by strategically focused decisions to structure the entity in a manner that ensures short and long term competitiveness and profitability. The current period exceptional items relate to margin support, restructure, redundancy, relocation and commercial projects.

6. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

Group	223 day period ended 27 December 2015 £
Staff costs during the period	
Wages and salaries	2,690,452
Social security costs	198,326
Pension costs	14,681
	<u>2,903,459</u>
	Number
Average number of persons employed	
Management and administration	76
Warehouse and production	122
	<u>198</u>
Directors	
Aggregate directors' emoluments (including benefits in kind)	<u>468,056</u>

The emoluments attributable to the highest paid director amounted to £252,267. The directors are the key management personnel of the group.

The company has no employees and the directors' emoluments are borne by fellow group companies.

GARDEDEN TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS **223 day period ended 27 December 2015**

7. FINANCE COSTS

	223 day period ended 27 December 2015 £
Interest on bank loans and overdrafts	1,736,841
Total finance costs on other financial liabilities	<u>1,736,841</u>

8. TAX ON LOSS ON ORDINARY ACTIVITIES

a) Analysis of charge in the period

	223 day period ended 27 December 2015 £
Current tax	
Corporation tax based on the profit for the period	4,385
Total current tax	<u>4,385</u>
Deferred taxation (note 23)	
Current period – origination and reversal of timing differences	(226,338)
	<u>(226,338)</u>
Total tax credit	<u>(221,953)</u>

b) Factors affecting the tax charge for the period

The tax assessed for the period is less than the standard rate of corporation tax in the UK of 20%. The differences are explained below:

	223 day period 27 December 2015 £
Loss on ordinary activities before tax	(3,071,791)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK	(614,358)
Effects of:	
Expenses not deductible for tax purposes	315,869
Unrecognised tax losses arising in the period	76,536
Total tax credit for the period	<u>(221,953)</u>

During the period the main rate of corporation tax was 20%. On 14 July 2015 the Government enacted the reduction in the main rate of Corporation Tax to 19% (effective 1 April 2017) and to 18% (effective 1 April 2020). Deferred tax assets and liabilities are measured at tax rates that are enacted or substantively enacted at the balance sheet date and accordingly deferred tax has been recognised within these financial statements at 18%.

GARDEDEN TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

223 day period ended 27 December 2015

9. NET FOREIGN EXCHANGE LOSSES

	223 day period ended 27 December 2015 £
Foreign exchange losses included within cost of sales (note 4)	62,501

10. DIVIDENDS

No dividends were paid or declared in the period.

11. BARGAIN PURCHASE GAIN

On 23 June 2015 the group, via its acquisition vehicle Gardeden Bidco Limited, purchased the entire share capital of Gardman Group Limited. Legal consideration was £1. In substance the acquirers also paid £11.8m to the outgoing shareholders to settle a shareholder debt owed by the Gardman Group Limited group immediately prior to the transaction.

The below table shows the substance of the transaction, that £11.8m was paid to acquire Gardman Group Limited, which contained the following trading assets and liabilities. The table does not reflect the legal form, being a £1 acquisition to acquire Gardman Group Limited, which contained the following trading assets and liabilities, but also an £11.8m shareholder debt. The resulting bargain purchase gain is the same using the substance, or the legal form.

The transaction has been accounted for by the purchase method.

The fair value of the assets and liabilities of the group acquired at that date are:

	27 December 2015 £ Book and fair value £
Tangible fixed assets	4,615,232
Deferred tax asset	273,342
Stock	11,693,554
Trade receivables	17,458,422
Prepayments and other receivables	1,440,037
Derivative financial instrument	(283,303)
Cash	(2,490,285)
Borrowings	(7,353,206)
Trade payables	(5,318,935)
Trade accruals	(6,062,078)
Other payables	(900,996)
Corporation tax payable	(287,915)
Identified fair value intangible assets (note 14)	495,000
Net assets acquired	13,278,869
Purchase price - cash	11,881,000
Bargain purchase gain	1,397,869

GARDEDEN TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

223 day period ended 27 December 2015

12. INVESTMENTS

Gardeden Topco Limited owns the following subsidiaries via the ownership of the ordinary share capital, those marked with * being indirect holdings:

Subsidiary name	Nature of business	Place of incorporation and operation	Proportion of ownership interest	Proportion of voting power held
Gardeden Midco	Holding company	UK	100%	100%
Gardeden Bidco Limited*	Holding company	UK	100%	100%
Gardman Group Limited*	Holding company	UK	100%	100%
GGML Limited*	Holding company	UK	100%	100%
Gardman EBT Limited*	Non-trading	UK	100%	100%
Gardman Limited*	Gardening and bird care product supplier	UK	100%	100%
Gardman Inc*	Gardening and bird care product supplier	USA	100%	100%
Parnell Lang Enterprises Limited*	Non-trading	UK	100%	100%
The Little Garden Company Limited*	Gardening and bird care product supplier	UK	100%	100%
Gardman (Australia) Pty*	Gardening and bird care product supplier	Australia	50%	50%

The only investment held directly by Gardeden Topco Limited is in Gardeden Midco Limited, that investment is held in the company books at cost of 1p.

INVESTMENT IN JOINT VENTURE

On 20 December 2012 GGML Limited acquired 50% of the equity of Gardman (Australia) Pty. The last audited annual financial statements issued by Gardman (Australia) Pty were at 31 December 2015. The joint venture is accounted for by the Group using the equity method.

Group	Country of incorporation	Issued share capital £	Interest held	At 27 December 2015 £
Gardman Australia Limited	Australia	700,000	50%	1,011,265

Share of post-acquisition profits:

At acquisition	1,048,740
Current year profits	245,410
Dividends received	(282,885)
	<u>1,011,265</u>

Summarised financial information in respect of the Group's joint venture:

Total assets	2,474,122
Total liabilities	(451,591)
Net asset	<u>2,022,531</u>
Group's share of joint venture's net asset	1,011,265
Revenue	7,338,274
Profit for the year	666,485
Group's share of joint venture's profit for the period	333,243

GARDEDEN TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

223 day period ended 27 December 2015

13. TANGIBLE FIXED ASSETS

Group	Leasehold property £	Plant and equipment £	Display stands £	Motor vehicles £	Total £
Cost					
At incorporation	-	-	-	-	-
Acquisition of subsidiary	395,271	3,688,383	5,142,272	154,369	9,380,295
Additions	-	31,657	814,214	14,070	859,941
Disposals	-	-	(112,653)	(94,331)	(206,984)
At 27 December 2015	395,271	3,720,040	5,843,833	74,108	10,033,253
Depreciation					
At incorporation	-	-	-	-	-
Acquisition of subsidiary	359,366	3,076,553	1,142,652	128,922	4,707,493
Charge for the period	4,381	132,576	1,025,568	4,051	1,166,576
Disposals	-	-	(112,653)	(81,943)	(194,596)
At 27 December 2015	363,947	3,209,129	2,055,567	50,830	5,679,473
Net book value					
At 27 December 2015	31,324	510,911	3,788,266	23,278	4,353,780
Net book value					
At Incorporation	-	-	-	-	-

No fixed assets are held as collateral and fixed asset with a carrying of £120,560 (2014: £175,014) are under finance lease.

14. INTANGIBLE ASSETS

Group	Agency relations £	Brands £	Intellectual property rights £	Total £
Cost				
Acquisition of subsidiary	398,800	82,500	13,700	495,000
At 27 December 2015	398,800	82,500	13,700	495,000
Amortisation				
Charge for the period	39,880	8,250	1,370	49,500
At 27 December 2015	39,880	8,250	1,370	49,500
Net book value				
At 27 December 2015	358,920	74,250	12,300	445,500

The assets are amortised straight line over their estimated useful lives. Brands, intellectual property rights and agency relations are amortised over 10 years.

GARDEDEN TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS **223 day period ended 27 December 2015**

15. INVENTORIES

	At 27 December 2015 £
Goods for re-sale	10,929,481
Goods in transit	4,184,858
	<u>15,114,339</u>

16. TRADE AND OTHER RECEIVABLES

	At 27 December 2015 Group £	At 27 December 2015 Company £
Trade receivables – gross	9,497,783	-
Allowance for doubtful debts	(266,284)	-
Amounts due to group companies	-	735,000
	<u>9,231,499</u>	<u>735,000</u>
Trade receivables – net	9,231,499	735,000
Other receivables	111,382	-
Prepayments	2,681,881	-
	<u>12,024,762</u>	<u>735,000</u>
Total trade and other receivables	<u>12,024,762</u>	<u>735,000</u>

All of the other receivables and prepayment balances above are deemed to be current; the disclosures below relate only to the trade receivables balance.

The directors review the recoverability of trade receivables on a regular basis and calculate the allowance for doubtful debts on both a specific, customer by customer basis and a general basis.

The group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. Accordingly the directors believe that there is no further credit provision risk required in excess of the allowance for doubtful debts.

Included within the group's trade receivables (gross) balance are debtors with a carrying value of £1,046,300 (2014: £77,700) which are past due at the reporting date for which the group has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable.

GARDEDEN TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

223 day period ended 27 December 2015

16. TRADE AND OTHER RECEIVABLES (continued)

	27 December 2015 £
Ageing of past due trade receivables	
Group	
60-90 days	522,919
90+ days	501,947
	<hr/>
Total past due trade receivables	1,024,866
Current	8,472,917
	<hr/>
Total trade receivables	9,497,783
	<hr/>
Movement in the allowance for doubtful debts	
Balance acquired	410,549
Release during the period	(144,265)
	<hr/>
Balance at end of period	266,284
	<hr/>

The directors do not consider any of the trade receivables balances to be fully impaired, rather they are either in dispute or are only expected to be partially settled. Accordingly no ageing of impaired trade receivables is presented.

17. DERIVATIVE FINANCIAL INSTRUMENTS

Forward foreign currency contracts

The company purchases significant quantities of stock from overseas. In order to mitigate foreign currency risk, the company enters into forward foreign exchange contracts. The fair value of the outstanding contracts at the beginning and end of the period and the gain during the period as a result of changes in the US\$ exchange rate, are:

	£
At Acquisition	(283,303)
Movement in fair value during the period (note 4)	1,593,319
	<hr/>
Financial asset at fair value through income statement at 27 December 2015	1,310,016
	<hr/>

The group has a commitment to purchase US \$40,000,000 which mature as follows:

	\$
Within less than one month	4,750,000
Within two to three months	9,000,000
Within four months to a year	26,500,000
	<hr/>
	40,000,000
	<hr/>

Foreign currency forward contracts are measured using observable market data, being forward exchange rates and yield curves matching maturities of the contracts. Fair value measurements of derivative financial instruments which are considered to be Level 2 in the fair value hierarchy.

GARDEDEN TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS **223 day period ended 27 December 2015**

18. CASH AND CASH EQUIVALENTS

	27 December 2015 Group £
Cash and cash equivalents	<u>(9,225,239)</u>
Cash at bank and in hand	3,119,173
ABL financing agreement (note 20)	(9,354,197)
Bank overdraft	<u>(2,990,215)</u>
	<u>(9,225,239)</u>

Cash and cash equivalents include the above for the purpose of the consolidated cash flow statement. The carrying amount of these assets approximates their fair value.

GARDEDEN TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

223 day period ended 27 December 2015

19. CALLED UP SHARE CAPITAL

	27 December 2015 £
Allotted, issued and fully paid	
800,000 ordinary A shares of 1p each	8,000
90,000 ordinary B shares of 4p each	3,600
45,000 ordinary C shares of 1p each	450
	<u>12,050</u>
Share premium	<u>722,950</u>

A ordinary shares

These shares have attached to them full dividend and capital distribution (on winding up) rights and voting rights pro rata according to the number of A ordinary shareholders: they do not confer any rights of redemption.

B ordinary shares

These shares have attached to them full dividend and capital distribution (on winding up) rights and the right to cast 5% in aggregate per holder of the votes of the shareholders: they do not confer any rights of redemption.

C ordinary shares

These shares have attached to them full dividend and capital distribution (on winding up) rights and voting rights pro rata according to the number of C ordinary shareholders: they do not confer any rights of redemption.

20. BORROWINGS

	At 27 December 2015 £
Current	
ABL financing agreement	9,354,197
Bank overdraft	2,990,215
Total current borrowings	<u>12,344,412</u>
Non-current	
Loan notes	16,023,513
Loan facility	4,750,000
Total non-current borrowings	<u>20,773,513</u>
Associated borrowing costs	(1,272,068)
Total borrowings	<u>31,845,857</u>

20. BORROWINGS (continued)

The ABL financing agreement and bank overdraft are secured by a fixed and floating charge over the company's assets, and are repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

223 day period ended 27 December 2015

The loan notes incur interest at 15% on the principal amount of the loan, the loan notes and accrued interest are repayable in June 2021, or earlier in the event of an exit.

The interest on the loan facility is 4.75%. Interest is paid monthly.

Associated borrowing costs will be written off over the expected life of the facility, being 5 years.

In the directors' opinion, there is no difference between the fair value and the book value of the above liabilities.

The analysis of the maturity of the borrowings is as follows:

	Weighted average interest rate	Within one year £	2-5 years £	5+ years £	Total £
ABL financing agreement	4.87%	9,354,197	-	-	9,354,197
Bank overdraft	5.25%	2,990,215	-	-	2,990,215
Loan facility	4.75%	-	4,292,365	-	4,292,365
Loan notes	15%	-	-	15,209,080	15,209,080
Total borrowings		12,344,412	4,292,365	15,209,080	31,845,857

21. TRADE AND OTHER PAYABLES

	At 27 December 2015 £
Other payables	157,981
Accruals	3,503,805
Taxation and social security	208,066
Total other payables	3,848,977
Trade creditors	4,062,575
Total trade and other payables	7,932,427

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 91 days. For most suppliers, no interest is charged on the trade payables. The group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

The directors consider that the carrying amount of trade payables approximates to their fair value.

GARDEDEN TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS 223 day period ended 27 December 2015

22. FINANCIAL INSTRUMENTS

	At 27 December 2015 £
Categories of financial instruments	
Carrying value of financial assets:	
Cash and cash equivalents	3,119,173
Trade and other receivables	9,342,881
	<hr/>
Loans and receivables at amortised cost	12,462,054
Derivative financial instruments	1,310,016
	<hr/>
Financial assets at fair value	1,310,016
Total financial assets	13,772,070
	<hr/>
Carrying value of financial liabilities:	
Trade creditors	3,735,575
Other payables	3,988,786
Borrowings	31,845,857
	<hr/>
Financial liabilities at amortised cost	39,570,218
Derivative financial instruments	-
	<hr/>
Total financial liabilities	39,570,218
	<hr/>

The fair values of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

Foreign currency forward contracts are measured using observable market data, being forward exchange rates and yield curves matching maturities of the contracts. All fair value measurements are considered to be Level 3 in the fair value hierarchy, with the exception of derivative financial instruments which are considered to be Level 2.

Foreign currency sensitivity analysis

The group is mainly exposed to fluctuations in the US \$, which is used for stock purchases. If the US \$ exchange rate, on average through the period, increased/decreased by 5 cents and all other variables were held constant, the group's loss for the period ended 27 December 2015 would increase/decrease by £777,119 and £831,696 respectively. This has been calculated by applying the amended currency rate to the \$ value of purchases in the period.

The group enters into foreign currency derivative financial instruments, the details of which are included in note 17. If the period end US \$ exchange rate increased by 5 cents and all other variables were held constant, the group's loss for the period ended 27 December 2015 would increase by £39,569. If the period end US \$ exchange rate decreased by 5 cents, the group's loss for the period ended 27 December 2015 would decrease by £42,190. This has been calculated by applying the amended currency rate to the calculation of the gain/loss on each contract, as disclosed in note 17.

NOTES TO THE FINANCIAL STATEMENTS
223 day period ended 27 December 2015

22. FINANCIAL INSTRUMENTS (continued)

Interest rate sensitivity analysis

If interest rates on all borrowings had been 0.5% higher/lower and all other variables were held constant, the group's loss for the period ended 27 December 2015 would increase/decrease by £43,996. This has been calculated by applying the amended interest rate to the weighted average rate of borrowings for the period.

Maturity of financial liabilities

The maturity of borrowings is included in note 20 and derivatives maturity included in note 18. Intercompany balances have no specified repayment date. All other financial liabilities are expected to mature within six months of the period-end.

Carrying value of financial assets

The directors have assessed that, on the basis of the net assets of the owing companies, the intercompany receivables are fully recoverable. As noted in note 16, the directors do not believe any of the trade receivables to be impaired. A significant decrease in the net assets and trade of the owing company or a decline in the financial position of customers would trigger an impairment review.

Credit risk

In the opinion of the directors, the only financial instrument that is subject to credit risk is the trade receivables. The directors believe that the bad debt provision as disclosed in note 16 represents the directors' best estimate of the maximum exposure to credit risk at period end.

Fair value of financial instruments

In the opinion of the directors, the fair value of the financial assets and liabilities are equal to their book values.

Liquidity risk management

The directors believe that the receivables are not impaired and that the owing companies have sufficient net assets to repay the balances. Therefore the directors believe that liquidity risk is minimal.

Capital risk management

As stated in the directors' report, the directors believe that the group is cash generative and self sufficient and does not require additional external finance. The borrowings were taken out for acquisition purposes, not working capital funding. The directors maintain detailed cash forecasts which are frequently revised to actuals to ensure that the group has sufficient liquid resources to meet its requirements. The capital structure of the group consist of debt as described in note 20, cash and cash equivalents and equity attributable to equity holders of the parent.

Foreign currency financial assets and liabilities

Included within the above table are £1,570,160 of assets and £289,296 of liabilities relating to the overseas subsidiaries which have been translated in the consolidation at the period end rate. These balances are subject to movements in exchange rates, as shown in the statement of changes in equity. The directors do not believe the risk is significant enough to warrant hedging against the investments in overseas companies.

Also included within the above table are foreign currency denominated external trade payables and receivables of £5,254,472 and £814,672 respectively. As disclosed in note 17, the group mitigates a significant amount of the exchange rate risk via purchases of forward foreign currency contracts.

GARDEDEN TOPCO LIMITED

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223 day period ended 27 December 2015

23. DEFERRED TAXATION

The following deferred tax assets existed at the period end:

	At 27 December 2015 Recognised £
Short term timing differences	180,769
Depreciation in excess of capital allowances	270,475
Tax losses	48,436
	<u>499,680</u>

The recognised deferred tax asset is regarded as recoverable as, given the evidence available, there will be sufficient future taxable profits against which the above timing differences can be offset. The group has unrecognised deferred tax assets of approximately £1.4m over which there is sufficient uncertainty over the availability of future taxable profits.

	£
At acquisition of subsidiary	273,342
Credit to income (note 8)	226,338
	<u>499,680</u>
Balance at 27 December 2015	<u>499,680</u>

There is no recognised or unrecognised deferred tax in the company.

24. FINANCIAL COMMITMENTS

Leasing commitments:

At the balance sheet date, the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	At 27 December 2015 Other £	At 27 December 2015 Plant and machinery £
Within one year or less	-	152,712
In two to five years	2,695,916	-
In more than five years	682,500	-
	<u>3,378,416</u>	<u>152,712</u>

NOTES TO THE FINANCIAL STATEMENTS
223 day period ended 27 December 2015

25. CONTINGENT LIABILITIES

The group and company has no contingent liabilities to disclose in the financial statements.

26. RELATED PARTY TRANSACTIONS

The directors are the key management personnel of the company; their emoluments are included in note 6.

Group

Tyrol Consulting Limited

Tyrol Consulting Limited is controlled by J Halford, a company director of Gardman Limited.

During the period the company purchased consultancy services from Tyrol Consulting Limited amounting to £163,000 (2014: £7,200). At the balance sheet date £43,200 (2014: £Nil) was outstanding to Tyrol Consulting Limited.

Company

Inter-group balances within trade and other receivables and other financial liabilities

Included in trade and other receivables at the period end were the following balances with group companies:

	26 December 2015 £	28 December 2014 £
Receivables		
Gardeden Midco Limited	735,000	-
Receivables from other group companies	735,000	-

27. CONTROLLING PARTY

Gardeden Topco Limited is the ultimate parent company and the largest group for which consolidated financial statements are prepared.

During the current period the controlling investor has become Rutland Fund III LP which is managed by its manager Rutland Partners LLP.