

LINCOLNSHIRE HORTICULTURE LIMITED
GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

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FOR THE YEAR ENDED 31 MARCH 2021**

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LINCOLNSHIRE HORTICULTURE LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2021**

DIRECTORS:

S H Elkington
G W Elkington
Mrs K B E Elkington
W M J Dean

REGISTERED OFFICE:

Newton Lane
Ruskington
Sleaford
Lincolnshire
NG34 9EB

REGISTERED NUMBER:

12816481 (England and Wales)

SENIOR STATUTORY AUDITOR:

Theo Banos BA FCA

AUDITORS:

Duncan & Toplis Limited, Statutory Auditor
3 Castlegate
Grantham
Lincolnshire
NG31 6SF

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the non-complex nature of our business.

Review of the business

The company's principal activity is the operation of garden centres. We consider that our key financial performance indicators are those that communicate the financial performance and strength of the company as a whole, these being turnover, gross profit and profit before tax, as shown on page 8.

Turnover has decreased by 21.8% compared to that of the business in 2020. This decrease has been the direct result of the COVID-19 pandemic, and subsequent government restrictions. Despite this, the company continues to be profitable and the balance sheet remains strong with net assets of £6,248,037.

In view of the straight forward nature of the business, we do not consider that any more detailed financial analysis is necessary for an understanding of the development, performance and position of the company.

Overall, the directors are pleased with the performance in the year.

Principal risks and uncertainties

As for many of our customers and competitors, the business environment in which we operate continues to be challenging due to a number of market conditions. Although Brexit does not pose a significant risk to the Company, it may impact upon both the supply chain and the wider health of the economy, reducing consumer spending. The current COVID-19 pandemic also creates a risk that further lockdowns may result in closures of our garden centres.

We believe the company is able to continue to meet the challenges within the current environment due to its well established business operations and strong reputation.

ON BEHALF OF THE BOARD:

Mrs K B E Elkington - Director

31 January 2022

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2021**

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2021.

COMMENCEMENT OF TRADING

The parent company was incorporated on 16 August 2020.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2021.

DIRECTORS

The directors shown below have held office during the whole of the period from 16 August 2020 to the date of this report.

S H Elkington
G W Elkington
Mrs K B E Elkington
W M J Dean

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

ON BEHALF OF THE BOARD:

Mrs K B E Elkington - Director

31 January 2022

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LINCOLNSHIRE HORTICULTURE LIMITED

Qualified opinion

We have audited the financial statements of Lincolnshire Horticulture Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the possible effects of the matters described in the basis for qualified opinion section of our report, the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 March 2021 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for qualified opinion

We were not able to observe the counting of physical inventories for the subsidiary at the 31 March 2020 due to COVID-19 restrictions.

We were unable to satisfy ourselves by alternative means concerning the inventory quantities held at 31 March 2020, which had been included in the balance sheet at £702,620, by using other audit procedures. Consequently, we were unable to determine whether any adjustment to this amount was necessary. Although the limitation was on the prior year balance, this forms part of the current year opening balances with specific attention to the brought forward balance on the retained earnings and therefore has an impact on our audit opinion of the financial statements as at 31 March 2021.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law.

Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LINCOLNSHIRE HORTICULTURE LIMITED

Other information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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

- adequate accounting records have not been kept 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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LINCOLNSHIRE HORTICULTURE LIMITED

Auditors' responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We have identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial experience, knowledge of the sector, a review of regulatory and legal correspondence and through discussions with Directors and other management obtained as part of the work required by auditing standards. We have also discussed with the Directors and other management the policies and procedures relating to compliance with laws and regulations. We communicated laws and regulations throughout the team and remained alert to any indications of non-compliance throughout the audit. The potential impact of different laws and regulations varies considerably.

Firstly, the company is subject to laws and regulations that directly impact the financial statements (for example financial reporting legislation) and we have assessed the extent of compliance with such laws as part of our financial statements audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase reported profitability. Audit procedures performed by the engagement team included the identification and testing of unusual material journal entries.

Secondly, the company is subject to other laws and regulations where the consequence for non-compliance could have a material effect on the amounts or disclosures in the financial statements. We identified the following areas as those most likely to have such an effect: Health and Safety regulations and Employment laws.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection. This inspection included an assessment of the company's employment and health and safety controls. Through these procedures, if we became aware of any non-compliance, we considered the impact on the procedures performed on the related financial statement items.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. As with any audit, there is a greater risk of non-detection of irregularities as these may involve collusion, intentional omissions of the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
LINCOLNSHIRE HORTICULTURE LIMITED**

Use of our report

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

Theo Banos BA FCA (Senior Statutory Auditor)
for and on behalf of Duncan & Toplis Limited, Statutory Auditor
3 Castlegate
Grantham
Lincolnshire
NG31 6SF

31 January 2022

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	£
TURNOVER		4,252,577
Cost of sales		<u>2,067,268</u>
GROSS PROFIT		2,185,309
Administrative expenses		<u>1,618,499</u>
		566,810
Other operating income		<u>564,821</u>
OPERATING PROFIT	4	1,131,631
Interest receivable and similar income		<u>2,018</u>
		1,133,649
Interest payable and similar expenses	5	<u>15,981</u>
PROFIT BEFORE TAXATION		1,117,668
Tax on profit	6	<u>234,410</u>
PROFIT FOR THE FINANCIAL YEAR		883,258
OTHER COMPREHENSIVE INCOME		<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>883,258</u>
Profit attributable to: Owners of the parent		<u>883,258</u>
Total comprehensive income attributable to: Owners of the parent		<u>883,258</u>

The notes form part of these financial statements

CONSOLIDATED BALANCE SHEET
31 MARCH 2021

	Notes	£	£
FIXED ASSETS			
Tangible assets	8		4,279,629
Investments	9		<u>-</u>
			4,279,629
CURRENT ASSETS			
Stocks	10	700,863	
Debtors	11	19,205	
Cash at bank and in hand		<u>3,513,972</u>	
		4,234,040	
CREDITORS			
Amounts falling due within one year	12	<u>1,371,530</u>	
NET CURRENT ASSETS			<u>2,862,510</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>7,142,139</u>
CREDITORS			
Amounts falling due after more than one year	13		(826,902)
PROVISIONS FOR LIABILITIES	17		<u>(67,200)</u>
NET ASSETS			<u><u>6,248,037</u></u>
CAPITAL AND RESERVES			
Called up share capital	18		100
Retained earnings	19		<u>6,247,937</u>
SHAREHOLDERS' FUNDS			<u><u>6,248,037</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 31 January 2022 and were signed on its behalf by:

Mrs K B E Elkington - Director

COMPANY BALANCE SHEET
31 MARCH 2021

	Notes	£	£
FIXED ASSETS			
Tangible assets	8		-
Investments	9		<u>100</u>
			100
CURRENT ASSETS			
Cash at bank		1,999,994	
CREDITORS			
Amounts falling due within one year	12	<u>6</u>	
NET CURRENT ASSETS			<u>1,999,988</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,000,088</u>
CAPITAL AND RESERVES			
Called up share capital	18		100
Retained earnings	19		<u>1,999,988</u>
SHAREHOLDERS' FUNDS			<u>2,000,088</u>
Company's profit for the financial year			<u>1,999,988</u>

The financial statements were approved by the Board of Directors and authorised for issue on 31 January 2022 and were signed on its behalf by:

Mrs K B E Elkington - Director

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021**

	Called up share capital £	Retained earnings £	Total equity £
Changes in equity			
Retained earnings b/f	-	5,364,679	5,364,679
Issue of share capital	100	-	100
Total comprehensive income	-	883,258	883,258
Balance at 31 March 2021	100	6,247,937	6,248,037

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021**

	Called up share capital £	Retained earnings £	Total equity £
Changes in equity			
Issue of share capital	100	-	100
Total comprehensive income	-	1,999,988	1,999,988
Balance at 31 March 2021	100	1,999,988	2,000,088

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	£
Cash flows from operating activities		
Cash generated from operations	1	1,198,556
Interest paid		(15,981)
Tax paid		<u>(173,500)</u>
Net cash from operating activities		<u>1,009,075</u>
Cash flows from investing activities		
Purchase of tangible fixed assets		(53,343)
Sale of tangible fixed assets		6,500
Cash balance acquired on consolidation		2,711,474
Interest received		<u>2,018</u>
Net cash from investing activities		<u>2,666,649</u>
Cash flows from financing activities		
Loan repayments in year		(161,751)
Amount withdrawn by directors		<u>(1)</u>
Net cash from financing activities		<u>(161,752)</u>
Increase in cash and cash equivalents		<u>3,513,972</u>
Cash and cash equivalents at beginning of year	2	-
Cash and cash equivalents at end of year	2	<u><u>3,513,972</u></u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	£
Profit before taxation	1,117,668
Depreciation charges	234,621
Profit on disposal of fixed assets	(4,003)
Finance costs	15,981
Finance income	(2,018)
	<u>1,362,249</u>
Decrease in stocks	1,757
Decrease in trade and other debtors	19,981
Decrease in trade and other creditors	(185,431)
Cash generated from operations	<u>1,198,556</u>

2. CASH AND CASH EQUIVALENTS

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

Year ended 31 March 2021

	31.3.21 £	1.4.20 £
Cash and cash equivalents	<u>3,513,972</u>	<u>-</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.20 £	Cash flow £	At 31.3.21 £
Net cash			
Cash at bank and in hand	-	3,513,972	3,513,972
	<u>-</u>	<u>3,513,972</u>	<u>3,513,972</u>
Debt			
Debts falling due within 1 year	-	(157,200)	(157,200)
Debts falling due after 1 year	-	(826,902)	(826,902)
	<u>-</u>	<u>(984,102)</u>	<u>(984,102)</u>
Total	<u>-</u>	<u>2,529,870</u>	<u>2,529,870</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1. STATUTORY INFORMATION

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

Basis of consolidation

The group financial statements consolidate the financial statements of Lincolnshire Horticulture Limited and its subsidiary undertakings drawn up to 31 March 2021. The parent company has taken advantage of section 408 of the Companies House Act 2006 and has not included its own Profit and Loss Account in these financial statements.

Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the merger accounting method. With the merger accounting method the carrying values of the assets and liabilities of the parties to the combination are not required to be adjusted to fair value, although appropriate adjustments have been made to achieve uniformity of accounting policies in the combining entities.

The results and cash flows of all the combining entities have been brought into the financial statements of the combined entity from the beginning of the financial year in which the combination occurred, adjusted so as to achieve uniformity of accounting policies.

Significant judgements and estimates

In the application of the Company's accounting policies, management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are the useful economic lives of tangible assets. The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

Revenue recognition

Revenue represents the fair value of consideration received for net invoiced sales of gardening, homeware and related goods along with the provision of catering services. Revenue is recognised on the day of sale.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

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

Freehold property	- 4% on cost
Leasehold property	- 10% on cost
Plant and machinery	- 20% on reducing balance
Fixtures and fittings	- 33% on cost

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Stocks

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

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

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

Deferred tax

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

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

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

Hire purchase and leasing commitments

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

Pension costs and other post-retirement benefits

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

3. EMPLOYEES AND DIRECTORS

	£
Wages and salaries	1,001,015
Social security costs	64,566
Other pension costs	13,117
	<u>1,078,698</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

3. **EMPLOYEES AND DIRECTORS - continued**

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

Directors	4
Retail and catering	93
	<u>97</u>

The average number of employees by undertakings that were proportionately consolidated during the year was 97 .

Directors' remuneration	£
	<u>95,836</u>

4. **OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

Hire of plant and machinery	£
Depreciation - owned assets	11,716
Profit on disposal of fixed assets	234,621
Auditors' remuneration	(4,003)
Non audit fee	7,575
	<u>2,650</u>

5. **INTEREST PAYABLE AND SIMILAR EXPENSES**

Bank interest	£
	<u>15,981</u>

6. **TAXATION**

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

Current tax:	£
UK corporation tax	237,910
Deferred tax	(3,500)
Tax on profit	<u>234,410</u>

UK corporation tax has been charged at 19% .

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

6. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

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

	£
Profit before tax	1,117,668
Profit multiplied by the standard rate of corporation tax in the UK of 19%	<u>212,357</u>
Effects of:	
Expenses not deductible for tax purposes	733
Depreciation in excess of capital allowances	<u>21,320</u>
Total tax charge	<u>234,410</u>

7. INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

8. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Long leasehold £	Plant and machinery £	Fixtures and fittings £	Totals £
COST					
At 1 April 2020	4,697,921	330,000	852,803	64,176	5,944,900
Additions	-	-	52,963	380	53,343
Disposals	-	-	(15,400)	-	(15,400)
At 31 March 2021	<u>4,697,921</u>	<u>330,000</u>	<u>890,366</u>	<u>64,556</u>	<u>5,982,843</u>
DEPRECIATION					
At 1 April 2020	807,621	99,000	517,637	57,238	1,481,496
Charge for year	119,190	33,000	77,126	5,305	234,621
Eliminated on disposal	-	-	(12,903)	-	(12,903)
At 31 March 2021	<u>926,811</u>	<u>132,000</u>	<u>581,860</u>	<u>62,543</u>	<u>1,703,214</u>
NET BOOK VALUE					
At 31 March 2021	<u>3,771,110</u>	<u>198,000</u>	<u>308,506</u>	<u>2,013</u>	<u>4,279,629</u>
At 31 March 2020	<u>3,890,300</u>	<u>231,000</u>	<u>335,166</u>	<u>6,938</u>	<u>4,463,404</u>

Included in cost of land and buildings is freehold land of £1,755,000 which is not depreciated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

9. FIXED ASSET INVESTMENTS

Company

Shares in
group
undertakings
£

COST

Additions

100

At 31 March 2021

100

NET BOOK VALUE

At 31 March 2021

100

The group or the company's investments at the Statement of Financial Position date in the share capital of companies includes the following:

Subsidiaries

Ruskington Garden Centre Limited

Registered office: England and Wales

Nature of business: Operation of garden centres

%

Class of shares: holding

Ordinary 100

10. STOCKS

Group

£

Goods for resale

700,863

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Group

£

Trade debtors

3,354

Other debtors

43

Prepayments and accrued income

15,808

19,205

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group £	Company £
Bank loans and overdrafts (see note 14)	157,200	-
Trade creditors	372,219	-
Tax	225,103	-
Social security and other taxes	50,549	-
Directors' loan accounts	551,081	-
Accruals and deferred income	15,378	6
	<u>1,371,530</u>	<u>6</u>

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

	Group £
Bank loans (see note 14)	<u>826,902</u>

14. LOANS

Included within bank loans due after more than one year is an amount of £13,902 in respect of liabilities repayable by instalments which fall due after more than five years from the statement of financial position date.

15. SECURED DEBTS

The following secured debts are included within creditors:

	Group £
Bank loans	<u>984,102</u>

The bank loans are secured by a legal charge over the company's freehold property as a debenture.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

16. FINANCIAL INSTRUMENTS

The group has the following financial instruments:

	2021 £
Financial assets that are debt instruments measured at amortised cost	
Trade debtors	3,354
Other debtors	43
Financial liabilities measured at amortised cost	
Bank loans	984,102
Trade creditors	372,219

The total interest income and interest expense for financial assets and financial liabilities that are not measured at fair value through profit or loss was £nil and £15,981 respectively.

17. PROVISIONS FOR LIABILITIES

	Group £
Deferred tax	<u>67,200</u>
Group	
	Deferred tax
	£
Provided during year	<u>67,200</u>
Balance at 31 March 2021	<u>67,200</u>

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			
Number:	Class:	Nominal value:	£
100	Ordinary	£1	<u>100</u>

19. RESERVES

Group		Retained earnings
		£
Profit for the year		883,258
Retained earnings b/f		<u>5,364,679</u>
At 31 March 2021		<u>6,247,937</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

19. RESERVES - continued

Company

Retained
earnings
£

Profit for the year

1,999,988

At 31 March 2021

1,999,988

Within the group reserves is the opening reserve balance of the subsidiary in line with the merger acquisition method of consolidation as stated in note 21.

20. RELATED PARTY DISCLOSURES

Key management personnel

Key management personnel compensation is considered to be the same as reported under directors' remuneration disclosed in note 3.

21. GROUP RECONSTRUCTION

During the financial year end, there was a group reconstruction that incorporated Lincolnshire Horticulture Limited as the parent company and Ruskington Garden Centre Ltd as the main trading subsidiary. The consolidated accounts combine these two entities using the merger acquisition method. The control by Lincolnshire Horticulture Ltd of the subsidiary took place on 17 November 2020.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.