REGISTERED NUMBER: 12816481 (England and Wales)

LINCOLNSHIRE HORTICULTURE LIMITED

GROUP STRATEGIC REPORT,

REPORT OF THE DIRECTORS AND

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2023

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 Audit Limited, Statutory Auditor 3 Castlegate Grantham Lincs NG31 6SF

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2023

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 group'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 the Statement of Comprehensive Income.

Turnover has increased 6.9% compared to that of the business in 2022. The group continues to be profitable and the balance sheet remains strong with net assets of £8,585,169 (2022 - £7,555,205).

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 group.

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 group, it may impact upon both the supply chain and the wider health of the economy, reducing consumer spending.

We believe the group 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

22 December 2023

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2023

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2023.

DIVIDENDS
An interim dividend of £80 per share was paid on 4 November 2022. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 March 2023 will be £ 16,000 .

DIRECTORS
The directors shown below have held office during the whole of the period from 1 April 2021 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

22 December 2023

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 2023 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 matter 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 affairs as at 31 March 2023 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
Management of the group were unable to provide us with sufficient information and records in the previous year for us to be able to satisfy ourselves that the inventories balance of £956,345 as at 31 March 2022 was free of misstatement. We were unable to satisfy ourselves by alternative means and, therefore, could not determine whether any adjustment was necessary. Although the limitation was on the prior year balance, this forms part of the current year opening balances and comparative balances, and, therefore, has an impact on our audit opinion of the financial statements as at 31 March 2023.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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.

Key audit matters
Except for the matter described in the basis for qualified opinion section, we have determined that there are no key audit matters to be communicated in our report.

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

As described in the basis for qualified opinion section of our report, we were unable to satisfy ourselves concerning the inventory quantities of £956,345 held at 31 March 2022. We have concluded that where the other information refers to the inventory balance or related balances such as cost of sales, it may be materially misstated for the same reason.

Opinions on other matters prescribed by the Companies Act 2006
We were not provided with sufficient information required to satisfy ourselves that the inventories balance of £956,345 held at 31 March 2022 was free of misstatement, and we were unable to satisfy ourselves by alternative means. Consequently we were unable to determine whether any adjustment to this amount was necessary. In addition, were any adjustment to the inventory balance to be required, the Strategic Report would also need to be amended.

Except for the possible effects of the matter described in the basis for qualified opinion section of our report, in our opinion, based on the work undertaken in the course of the audit:
- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; 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
Except for the matter described in the basis for qualified opinion section of our report, in the light of the knowledge and understanding of the group and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

Arising solely from the limitation in scope of our work relating to inventory held at 31 March 2022, referred to above:
- we have not obtained all the information and explanations that we considered necessary for the purposes of our audit; and
- adequate accounting records had not been maintained.

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:

- 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.

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.

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 and management bias in accounting estimates and judgemental areas of the financial statements such as depreciation policies. Audit procedures performed by the engagement team included the identification and testing of unusual material journal entries and challenging management on key accounting estimates, assumptions and judgements made in the preparation of the financial statements. We carried out detailed substantive tests on accounting estimates, including reviewing the methods and data used by management to make those estimates, reperforming the calculation and reviewing the outcome of prior year estimates.

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 Audit Limited, Statutory Auditor
3 Castlegate
Grantham
Lincs
NG31 6SF

22 December 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 £
TURNOVER		6,461,753	6,046,298
Cost of sales		2,947,659	2,726,243
GROSS PROFIT		3,514,094	3,320,055
Administrative expenses		2,292,794	1,861,030
		1,221,300	1,459,025
Other operating income		89,772	229,344
OPERATING PROFIT	4	1,311,072	1,688,369
Interest receivable and similar income		13,090	2,591
		1,324,162	1,690,960
Interest payable and similar expenses	5	11,419	14,144
PROFIT BEFORE TAXATION		1,312,743	1,676,816
Tax on profit	6	266,779	357,648
PROFIT FOR THE FINANCIAL YEAR		1,045,964	1,319,168
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,045,964	1,319,168
Profit attributable to:			
Owners of the parent		1,045,964	1,319,168
Total comprehensive income attributable to:			
Owners of the parent		1,045,964	1,319,168

CONSOLIDATED BALANCE SHEET
31 MARCH 2023

		2023		2022	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	9		3,948,234		4,089,064
Investments	10		-		-
			3,948,234		4,089,064
CURRENT ASSETS					
Stocks	11	938,226		956,345	
Debtors	12	55,808		53,715	
Cash at bank and in hand		4,312,914		4,225,930	
		5,306,948		5,235,990	
CREDITORS					
Amounts falling due within one year	13	586,713		1,037,385	
NET CURRENT ASSETS			4,720,235		4,198,605
TOTAL ASSETS LESS CURRENT LIABILITIES			8,668,469		8,287,669
CREDITORS					
Amounts falling due after more than one year	14		-		(652,664)
PROVISIONS FOR LIABILITIES	17		(83,300)		(79,800)
NET ASSETS			8,585,169		7,555,205
CAPITAL AND RESERVES					
Called up share capital	18		100		100
Retained earnings	19		8,585,069		7,555,105
SHAREHOLDERS' FUNDS			8,585,169		7,555,205

The financial statements were approved by the Board of Directors and authorised for issue on 22 December 2023 and were signed on its behalf by:

Mrs K B E Elkington - Director

COMPANY BALANCE SHEET
31 MARCH 2023

	Notes	2023 £	2023 £	2022 £	2022 £
FIXED ASSETS					
Tangible assets	9		-		-
Investments	10		100		100
			100		100
CURRENT ASSETS					
Cash at bank		2,484,840		2,493,599	
CREDITORS					
Amounts falling due within one year	13	6,221		4,311	
NET CURRENT ASSETS			2,478,619		2,489,288
TOTAL ASSETS LESS CURRENT LIABILITIES			2,478,719		2,489,388
CAPITAL AND RESERVES					
Called up share capital	18		100		100
Retained earnings	19		2,478,619		2,489,288
SHAREHOLDERS' FUNDS			2,478,719		2,489,388
Company's profit for the financial year			5,331		501,300

The financial statements were approved by the Board of Directors and authorised for issue on 22 December 2023 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 2023

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2021	100	6,247,937	6,248,037
Changes in equity			
Dividends	-	(12,000)	(12,000)
Total comprehensive income	-	1,319,168	1,319,168
Balance at 31 March 2022	100	7,555,105	7,555,205
Changes in equity			
Dividends	-	(16,000)	(16,000)
Total comprehensive income	-	1,045,964	1,045,964
Balance at 31 March 2023	100	8,585,069	8,585,169

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023

	Called up share capital	Retained earnings	Total equity
	£	£	£
Balance at 1 April 2021	100	1,999,988	2,000,088
Changes in equity			
Dividends	-	(12,000)	(12,000)
Total comprehensive income	-	501,300	501,300
Balance at 31 March 2022	100	2,489,288	2,489,388
Changes in equity			
Dividends	-	(16,000)	(16,000)
Total comprehensive income	-	5,331	5,331
Balance at 31 March 2023	100	2,478,619	2,478,719

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	1,509,258	1,655,451
Interest paid		(11,419)	(14,144)
Tax paid		(504,743)	(225,103)
Net cash from operating activities		993,096	1,416,204
Cash flows from investing activities			
Purchase of tangible fixed assets		(84,938)	(31,918)
Interest received		13,090	2,591
Net cash from investing activities		(71,848)	(29,327)
Cash flows from financing activities			
Loan repayments in year		(818,264)	(165,838)
Amount introduced by directors		-	4,000
Amount withdrawn by directors		-	(501,081)
Equity dividends paid		(16,000)	(12,000)
Net cash from financing activities		(834,264)	(674,919)
Increase in cash and cash equivalents		86,984	711,958
Cash and cash equivalents at beginning of year	2	4,225,930	3,513,972
Cash and cash equivalents at end of year	2	4,312,914	4,225,930

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

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

	2023	2022
	£	£
Profit before taxation	1,312,743	1,676,816
Depreciation charges	225,768	222,483
Finance costs	11,419	14,144
Finance income	(13,090)	(2,591)
	1,536,840	1,910,852
Decrease/(increase) in stocks	18,119	(255,482)
Increase in trade and other debtors	(2,093)	(34,510)
(Decrease)/increase in trade and other creditors	(43,608)	34,591
Cash generated from operations	1,509,258	1,655,451

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 2023

	31.3.23	1.4.22
	£	£
Cash and cash equivalents	4,312,914	4,225,930

Year ended 31 March 2022

	31.3.22	1.4.21
	£	£
Cash and cash equivalents	4,225,930	3,513,972

3. **ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.4.22	Cash flow	At 31.3.23
	£	£	£
Net cash			
Cash at bank and in hand	4,225,930	86,984	4,312,914
	4,225,930	86,984	4,312,914
Debt			
Debts falling due within 1 year	(165,600)	165,600	-
Debts falling due after 1 year	(652,664)	652,664	-
	(818,264)	818,264	-
Total	3,407,666	905,248	4,312,914

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. STATUTORY INFORMATION

Lincolnshire Horticulture Limited is a private limited company incorporated in England and Wales. The address of the registered office is given on the company information page and the nature of the company's operations and principal activities are detailed in the strategic report.

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 2023. 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 group'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.

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

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.

continued...

2. **ACCOUNTING POLICIES - continued**

Financial instruments
The company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

Basic financial assets, including trade and other debtors and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

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.

Government grants
Government grants relating to revenue are recognised using the accruals model. The revenue is recognised as income on a systematic basis over the period in which the related costs for which the grant is intended to compensate are recognised.

continued...

3. EMPLOYEES AND DIRECTORS

	2023	2022
	£	£
Wages and salaries	1,410,633	1,128,005
Social security costs	72,351	78,674
Other pension costs	19,278	15,449
	1,502,262	1,222,128

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

	2023	2022
Directors	4	4
Retail and catering	108	89
	112	93

	2023	2022
	£	£
Directors' remuneration	107,695	97,596

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	1	1

Directors' pension contributions in the year were £943 (2022 - £844).

4. OPERATING PROFIT

The operating profit is stated after charging:

	2023	2022
	£	£
Hire of plant and machinery	19,463	14,766
Depreciation - owned assets	225,768	222,483
Auditors' remuneration	9,600	8,930
Non audit fee	3,100	2,800

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2023	2022
	£	£
Bank interest	11,419	14,144

continued...

6. TAXATION

Analysis of the tax charge

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

	2023	2022
	£	£
Current tax:		
UK corporation tax	263,279	345,048
Deferred tax	3,500	12,600
Tax on profit	266,779	357,648

UK corporation tax was charged at 19 %) in 2022.

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:

	2023	2022
	£	£
Profit before tax	1,312,743	1,676,816
Profit multiplied by the standard rate of corporation tax in the UK of 19 % (2022 - 19 %)	249,421	318,595
Effects of:		
Expenses not deductible for tax purposes	-	486
Depreciation in excess of capital allowances	17,358	38,567
Total tax charge	266,779	357,648

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. DIVIDENDS

	2023	2022
	£	£
Interim	16,000	12,000

continued...

9. TANGIBLE FIXED ASSETS

Group

	Freehold property	Long leasehold	Plant and machinery	Fixtures and fittings	Totals
	£	£	£	£	£
COST					
At 1 April 2022	4,697,921	330,000	916,237	70,603	6,014,761
Additions	-	-	71,303	13,635	84,938
At 31 March 2023	4,697,921	330,000	987,540	84,238	6,099,699
DEPRECIATION					
At 1 April 2022	1,045,517	165,000	648,735	66,445	1,925,697
Charge for year	118,320	33,000	67,761	6,687	225,768
At 31 March 2023	1,163,837	198,000	716,496	73,132	2,151,465
NET BOOK VALUE					
At 31 March 2023	3,534,084	132,000	271,044	11,106	3,948,234
At 31 March 2022	3,652,404	165,000	267,502	4,158	4,089,064

Included in cost of land and buildings is freehold land of £1,755,000 (2022 - £1,755,000) which is not depreciated.

10. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings
	£
COST	
At 1 April 2022 and 31 March 2023	100
NET BOOK VALUE	
At 31 March 2023	100
At 31 March 2022	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

continued...

11. STOCKS

	Group	
	2023	2022
	£	£
Goods for resale	938,226	956,345

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	
	2023	2022
	£	£
Trade debtors	6,065	21,040
Other debtors	12,793	-
Prepayments and accrued income	36,950	32,675
	55,808	53,715

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Bank loans and overdrafts (see note 15)	-	165,600	-	-
Trade creditors	279,109	372,509	660	-
Tax	103,584	345,048	1,555	305
Social security and other taxes	116,698	77,672	-	-
Directors' loan accounts	54,000	54,000	4,000	4,000
Accruals and deferred income	33,322	22,556	6	6
	586,713	1,037,385	6,221	4,311

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

	Group	
	2023	2022
	£	£
Bank loans (see note 15)	-	652,664

15. LOANS

An analysis of the maturity of loans is given below:

	Group	
	2023	2022
	£	£
Amounts falling due within one year or on demand:		
Bank loans	-	165,600
Amounts falling due between one and two years:		
Bank loans - 1-2 years	-	165,600
Amounts falling due between two and five years:		
Bank loans - 2-5 years	-	487,064

continued...

16. SECURED DEBTS

The following secured debts are included within creditors:

	Group 2023 £	Group 2022 £
Bank loans	-	818,264

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

17. PROVISIONS FOR LIABILITIES

	Group 2023 £	Group 2022 £
Deferred tax	83,300	79,800

Group

	Deferred tax £
Balance at 1 April 2022	79,800
Provided during year	3,500
Balance at 31 March 2023	83,300

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2023 £	2022 £
100	Ordinary	£1	100	100

19. RESERVES

Group

	Retained earnings £
At 1 April 2022	7,555,105
Profit for the year	1,045,964
Dividends	(16,000)
At 31 March 2023	8,585,069

continued...

19. **RESERVES - continued**

Company

	Retained earnings £
At 1 April 2022	2,489,288
Profit for the year	5,331
Dividends	(16,000)
At 31 March 2023	2,478,619

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 2.

20. **RELATED PARTY DISCLOSURES**

Key management personnel

Key management personnel compensation in the year totalled £120,739 (2022 - £107,010).