Registered number: NI027321

Westland Horticulture Limited

Annual report and consolidated financial statements

for the year ended 31 August 2019

Westland Horticulture Limited

Annual report and consolidated financial statements for the year ended 31 August 2019

Directors and advisers

Directors

Edward Conroy
Robert Lavery
John McVeigh
John McDowell
Keith Nicholson
Scott Dougherty
Peter Madden
Michael Murdock (appointed 1 October 2018)

Company secretary

John McVeigh

Registered office

14 Granville Industrial Estate
Granville Road
Dungannon
Tyrone
Northern Ireland
BT70 1NJ

Solicitors

Tughans
Marlborough House
30 Victoria Street
Belfast
BT1 3GG

Bankers

Danske Bank
Donegall Square West Branch
PO BOX 183
Belfast
BT1 6JS

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Waterfront Plaza
8 Laganbank Road
Belfast
BT1 3LR

Strategic report for the year ended 31 August 2019

The directors present their strategic report on the group and the company for the year ended 31 August 2019.

Principal activities

The principal activities of the group and company are the processing and distribution of products for the gardening and horticulture markets and the sale of bird seed and related products.

Review of the business

Performance

The group's recorded profit for the financial year of £8,601,003 (2018: £4,747,211). The trading results and year end financial position were considered to be satisfactory. The directors believe that there are still opportunities for growth as new lines are introduced to the growing media and fertilizer market. On 15 October 2018, Westland (GM) Limited was incorporated as a subsidiary of Westland Horticulture Limited. Westland (GM) Limited acquired the trade and assets of Gardman Limited on 16 October 2018, a company registered in the United Kingdom for consideration of £4,000,000. The group has grown revenue both organically and through aforementioned acquisition while maintaining gross margin percentages at the prior year level. Net assets of the group have increased by £9,331,045 from £41,999,092 to £51,330,137 due to the profits for the year and revaluation of tangible assets of £1,840,543 in the year. Cash levels remain strong at £16,469,022 (2018: £19,331,254). Gross assets and liabilities on the balance sheet have been impacted by the acquisition in the year plus increased activity of the group and European subsidiaries which contributed to the increases in stock, trade debtors and creditors.

Future developments

The directors are satisfied with the results for the year. The directors have plans in place to ensure the group is strongly placed to retain its market position and continued profitability. Since the year end performance to date has been encouraging. The directors are satisfied with the results for the year. The directors have plans in place to ensure the group is strongly placed to retain its market position and continued profitability. Since the year end performance to date has been encouraging, the COVID-19 pandemic has created unique challenges for the business, we continue to monitor but we do not foresee at present any material impact on our future performance. Further detail on COVID-19 is discussed in the going concern section.

Principal risks and uncertainties

Performance of the group is affected by general economic conditions and by specific sectoral factors, relevant key examples presently being uncertainties surrounding BREXIT, exchange rate volatility and the adverse impact of the COVID-19 worldwide pandemic. These risks are managed by regular monthly board meetings of the directors and senior leadership team, with each risk considered and assessed and plans put in place to address and mitigate any potential downside scenarios. The board carries out regular strategic reviews including assessments of competitor activity, market trends and forecasts and customer behaviour. The security of product supply is monitored by the directors on an ongoing basis with supplier financial strength, product quality and service levels regularly reviewed. The group's active review of market prices and use of European subsidiaries provides protection and maximises opportunities from these factors. Brexit remains under constant review and the group has plans in place to mitigate against any potential disruption to the groups supply chain and any potential impact on its customer base. As a result of COVID-19 there has been increased demand for horticulture products and the group has performed well during 2020.

The core risks associated with the group's financial instruments (i.e. its interest bearing loans and debt, cash and cash equivalents, short dated liquid investments and finance leases and on the operational trade receivables and payables) are currency risk, interest rate risk, credit risk and liquidity risk.

Environment

The group recognises its corporate responsibility to carry out its operations whilst minimising environmental impacts. The directors' continued aim is to comply with all applicable environmental legislation, prevent pollution and reduce waste wherever possible.

Strategic report for the year ended 31 August 2019 (continued)

Key performance indicators (KPIs)

The group's key performance indicators are as follows:

	2019	2018	2017
Movement in sales	**38%**	1%	2%
Gross margin	**26%**	25%	25%
Net profit percentage	**5%**	4%	3%
Employee numbers	**740**	606	588

Movement in sales: These figures represent the movement in sales for the year ended 31 August 2019, year ended 31 August 2018 and the year ended 31 August 2017. The significant increase in movement in sales from 2018 to 2019 is reflective of the Gardman Limited acquisition and organic growth.

Gross margin: The overall gross margin has remained reasonably constant.

Net profit percentage: The net profit percentage has remained reasonably constant.

Financial risk management

The group's operations expose it to a variety of financial risks that include foreign exchange risk, credit risk, liquidity risk and interest rate risk. The group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the group by monitoring levels of debt finance and the related finance costs.

Given the size of the group, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the group finance department.

Foreign exchange risk

While the greater part of the group's revenues and expenses are denominated in sterling, the group is exposed to some foreign exchange risk in the normal course of business, principally from sales and purchases in euros. The group has used financial instruments to hedge foreign exchange exposure and this position is kept constantly under review.

Credit risk

The group has implemented policies that require appropriate credit checks on potential customers before sales are made. The group has no significant concentration of credit risk with the total exposure spread over a number of debtors. The amount of exposure to individual customers is subject to a limit, which is reassessed regularly by the board.

Liquidity risk

The group actively maintains a mixture of short to medium-term debt finance that is designed to ensure the group has sufficient available funds for operations and planned expansions.

Interest rate risk

The group has both interest bearing assets and interest bearing liabilities. Interest bearing assets include cash balances which earn interest at both fixed and variable rates. Interest bearing liabilities relate to bank loans, overdrafts and finance lease agreements. The group debt is primarily maintained at variable rates although it also utilises a number of fixed rate loans.

On behalf of the Board

John McVeigh

John McVeigh
Director
27 October 2020

Directors' report for the year ended 31 August 2019

The directors present their report and the audited consolidated financial statements of the group and company for the year ended 31 August 2019.

Results and dividends

The results for the group show a profit for the financial year of £8,601,003 (2018: £4,747,211) on sales of £182,381,790 (2018: £132,407,336) for the financial year. A cash dividend of £1,500,000 (2018: £1,483,510) was paid during the year. The directors do not recommend a final dividend be paid (2018: £nil).

Directors

The directors of the company who were in office during the year, and up to the date of signing the financial statements, are shown below:

Edward Conroy
Robert Lavery
John McVeigh
John McDowell
Keith Nicholson
Scott Dougherty
Peter Madden
Michael Murdock (appointed 1 October 2018)

Environment

The group recognises its corporate responsibility to carry out its operations whilst minimising environmental impacts. The directors' continued aim is to comply with all applicable environmental legislation, prevent pollution and reduce waste wherever possible.

Health and safety

The group is committed to achieving the highest practicable standards in health and safety management and strives to make all sites and offices safe environments for employees and customers alike.

Human resources

The group's most important resource is its people; their knowledge and experience is crucial to meeting customer requirements. Retention of key staff is critical and the group has invested increasingly in employment training and development and has introduced appropriate incentive and career progression arrangements.

Research and development activities

The group is strongly committed to research and development activities in order to secure and enhance its market position. Research and development expenditure is charged to the profit and loss account in the year in which it is incurred.

Employment policies

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the group continues and the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring their views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of the group.

Political donations

No donations for political purposes were made during the year (2018: £nil).

Post balance sheet events

In March 2020, the World Health Organisation officially declared COVID-19 a pandemic. COVID-19 is the disease caused by coronavirus. The group is continuing to work with its suppliers, customers and employees to mitigate the impact of COVID-19 on the operations of the group. As a result of COVID-19 there has been increased demand for horticulture products. The commercial impact of the pandemic on the group has been minimal so far and the group has performed well against budget during 2020, however there could be a material impact on the financial performance of the group in the next 12 months depending on future unknown events arising from COVID-19.

Going concern

The group has recognized the inherent risks posed by COVID-19. To date we have introduced a variety of contingency measures and mitigating actions, in line with current government advice and guidelines. The group continues to monitor the situation daily and will take all necessary precautionary steps when assessing, and adapting to, the evolving pandemic.

From March 2020, the UK and Ireland have been in the midst of the COVID-19 pandemic, which has presented unique and unprecedented challenges to the business and wider gardening industry.

Where necessary, the directors have taken precautions in line with government advice and guidelines, including the temporary closure of several sites. The group did continue to operate several head office functions remotely, particularly during the early part of lockdown. The group has sought to mitigate the effect of the necessary restrictions by reducing all "non essential" expenditure.

The group has considered the impact of COVID-19 on the group's financial performance and cashflows and has modelled the potential impact of any further national restrictions and the wider effect of an economic slowdown. The directors have assessed potential downside scenarios of COVID-19 on the group's forecasts and given the strong cash balances within the group, the directors conclude there is sufficient headroom within forecasts. The commercial impact of the pandemic on the group has been minimal so far and the group has performed well during 2020. The directors expect the group to continue to be cash generative. The group is reliant on the continued support of the group's bank. The group is also reliant on the continued support of other group companies and receives assurances from these companies that this support will continue for a period of at least 12 months from signing of the financial statements. The directors believe that the group is well placed to manage the business risks and accordingly, continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Future developments

The section on future developments which is detailed in the strategic report is included in this report by cross reference.

Financial risk management

The section on financial risk management which is detailed in the strategic report is included in this report by cross reference.

Directors' report for the year ended 31 August 2019 (continued)

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 group and company and of the profit or loss of the group and company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Statement of disclosure of information to auditors

So far as each of the directors in office at the date of approval of these financial statements is aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

On behalf of the Board

John McVeigh

John McVeigh
Director
27 October 2020

Independent auditors' report to the members of Westland Horticulture Limited

Report on the audit of the financial statements

Opinion

In our opinion, Westland Horticulture Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 August 2019 and of the group's profit and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and consolidated financial statements (the "Annual Report"), which comprise: the consolidated and company balance sheets as at 31 August 2019; the consolidated profit and loss account and consolidated statement of comprehensive income, the consolidated cash flow statement, and the consolidated and company statements of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Independent auditors' report to the members of Westland Horticulture Limited (continued)

Reporting on other information (continued)

With respect to the Strategic Report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 August 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements set out on page 6, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the 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 an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Independent auditors' report to the members of Westland Horticulture Limited (continued)

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Brenda Heenan

Brenda Heenan (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Belfast
27 October 2020

Consolidated profit and loss account for the year ended 31 August 2019

	Note	2019 £	2018 £
Turnover	5	**182,381,790**	132,407,336
Cost of sales		**(134,830,268)**	(99,123,621)
Gross profit		**47,551,522**	33,283,715
Distribution costs		**(18,206,107)**	(12,305,813)
Administrative expenses		**(18,899,292)**	(14,872,087)
Administrative expenses analysed as:			
Non-exceptional administrative expenses		**(15,604,003)**	(12,011,768)
Exceptional items	6	**(3,295,289)**	(2,860,319)
Other operating income		**156,385**	429,184
Operating profit	7	**10,602,508**	6,534,999
Interest payable and similar expenses	10	**(432,841)**	(330,209)
Profit before taxation		**10,169,667**	6,204,790
Tax on profit	11	**(1,568,664)**	(1,457,579)
Profit for the financial year		**8,601,003**	4,747,211
Profit/(loss) attributable to:			
Owners of the parent		**8,602,560**	4,749,589
Minority interests	28	**(1,557)**	(2,378)
Profit for the financial year		**8,601,003**	4,747,211

The notes on pages 16 to 36 are an integral part of these financial statements.

Consolidated statement of comprehensive income for the year ended 31 August 2019

	2019 £	2018 £
Profit for the financial year	**8,601,003**	4,747,211
Currency translation differences on foreign currency net investments	**(87,199)**	141,280
Movement on revaluation of tangible assets	**1,840,543**	17,769,435
Movement on deferred tax in relation to the revaluation of tangible assets	**-**	(2,524,227)
Total comprehensive income for the year, net of tax	**10,354,347**	20,133,699
Total comprehensive income/(expense) attributed to:		
Owners of the parent	**10,355,904**	20,136,077
Minority interests	**(1,557)**	(2,378)
Total comprehensive income for the year, net of tax	**10,354,347**	20,133,699

Consolidated balance sheet as at 31 August 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	13	**1,687,959**	2,252,091
Tangible assets	14	**41,807,059**	42,019,575
Investments	15	**38,755**	38,755
		43,533,773	44,310,421
Current assets			
Stocks	16	**34,245,137**	17,725,186
Debtors	17	**40,768,076**	22,006,647
Cash at bank and in hand		**16,469,022**	19,331,254
		91,482,235	59,063,087
Creditors: amounts falling due within one year	18	**(70,271,410)**	(54,525,385)
Net current assets		**21,210,825**	4,537,702
Total assets less current liabilities		**64,744,598**	48,848,123
Creditors: amounts falling due after more than one year	19	**(10,956,164)**	(4,265,642)
Provisions for liabilities	21	**(2,458,297)**	(2,583,389)
Net assets		**51,330,137**	41,999,092
Capital and reserves			
Called up share capital	24	**8,422**	8,422
Revaluation reserve		**17,085,751**	15,245,208
Capital redemption reserve		**1,578**	1,578
Capital contribution reserve		**476,698**	-
Profit and loss account		**33,757,688**	26,765,799
Total shareholders' funds		**51,330,137**	42,021,007
Minority interests	28	**-**	(21,915)
Capital employed		**51,330,137**	41,999,092

The notes on pages 16 to 36 are an integral part of these financial statements.

The financial statements on pages 10 to 36 were approved by the board of directors on 27 October 2020 and were signed on its behalf by:

John McVeigh

John McVeigh
Director

Registered number: NI027321

Company balance sheet as at 31 August 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	13	**1,687,959**	2,250,603
Tangible assets	14	**38,983,069**	38,884,368
Investments	15	**72,361**	3,849,519
		40,743,389	44,984,490
Current assets			
Stocks	16	**30,832,872**	16,123,645
Debtors	17	**43,416,409**	24,984,019
Cash at bank and in hand		**16,150,655**	19,035,568
		90,399,936	60,143,232
Creditors: amounts falling due within one year	18	**(67,132,941)**	(53,231,316)
Net current assets		**23,266,995**	6,911,916
Total assets less current liabilities		**64,010,384**	51,896,406
Creditors: amounts falling due after more than one year	19	**(10,225,848)**	(3,504,133)
Provisions for liabilities	21	**(2,458,297)**	(2,583,389)
Net assets		**51,326,239**	45,808,884
Capital and reserves			
Called up share capital	24	**8,422**	8,422
Revaluation reserve		**14,164,713**	12,324,170
Capital redemption reserve		**1,578**	1,578
Profit and loss account			
At 1 September		**33,474,714**	31,787,633
Profit for the financial year		**5,176,812**	3,170,591
Dividends paid		**(1,500,000)**	(1,483,510)
At 31 August		**37,151,526**	33,474,714
Total shareholders' funds		**51,326,239**	45,808,884

The notes on pages 16 to 36 are an integral part of these financial statements.

The financial statements on pages 10 to 36 were approved by the board of directors on 27 October 2020 and were signed on its behalf by:

John McVeigh

John McVeigh
Director

Registered number: NI027321

Westland Horticulture Limited

Consolidated statement of changes in equity for year ended 31 August 2019

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Revaluation reserve £	Total shareholders' funds £	Minority interests £	Capital employed £
Balance as at 1 September 2017	8,422	1,578	23,358,440	-	23,368,440	(19,537)	23,348,903
Profit/(loss) for the financial year	-	-	4,749,589	-	4,749,589	(2,378)	4,747,211
Movement in revaluation of tangible assets	-	-	-	17,769,435	17,769,435	-	17,769,435
Movement in deferred taxation relating to the revaluation of tangible assets	-	-	-	(2,524,227)	(2,524,227)	-	(2,524,227)
Currency translation differences	-	-	141,280	-	141,280	-	141,280
Total comprehensive income/(expense) for the year	-	-	4,890,869	15,245,208	20,136,077	(2,378)	20,133,699
Dividends paid	-	-	(1,483,510)	-	(1,483,510)	-	(1,483,510)
Total transactions with owners recognised directly in equity	-	-	(1,483,510)	-	(1,483,510)	-	(1,483,510)
Balance as at 31 August 2018	**8,422**	**1,578**	**26,765,799**	**15,245,208**	**42,021,007**	**(21,915)**	**41,999,092**

	Called up share capital £	Capital redemption reserve £	Capital contribution reserve £	Profit and loss account £	Revaluation reserve £	Total shareholders' funds £	Minority interests £	Capital employed £
Balance as at 1 September 2018	8,422	1,578	-	26,765,799	15,245,208	42,021,007	(21,915)	41,999,092
Profit/(loss) for the financial year	-	-	-	8,602,560	-	8,602,560	(1,557)	8,601,003
Movement in revaluation of tangible assets	-	-	-	-	1,840,543	1,840,543	-	1,840,543
Currency translation differences	-	-	-	(87,199)	-	(87,199)	-	(87,199)
Total comprehensive income/(expense) for the year	**-**	**-**	**-**	**8,515,361**	**1,840,543**	**10,355,904**	**(1,557)**	**10,354,347**
Dividends paid	-	-	-	(1,500,000)	-	(1,500,000)	-	(1,500,000)
Capital contribution	-	-	476,698	-	-	476,698	-	476,698
Purchase of minority interest	-	-	-	(23,472)	-	(23,472)	23,472	-
Total transactions with owners recognised directly in equity	**-**	**-**	**476,698**	**(1,523,472)**	**-**	**(1,046,774)**	**23,472**	**(1,023,302)**
Balance as at 31 August 2019	**8,422**	**1,578**	**476,698**	**33,757,688**	**17,085,751**	**51,330,137**	**-**	**51,330,137**

Company statement of changes in equity for the year ended 31 August 2019

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Revaluation reserve £	Total shareholders' funds £
Balance as at 1 September 2017	8,422	1,578	31,787,633	-	31,797,633
Profit for the financial year	-	-	3,170,591	-	3,170,591
Movement on revaluation of tangible assets	-	-	-	14,848,397	14,848,397
Movement in deferred taxation relating to the revaluation of tangible assets	-	-	-	(2,524,227)	(2,524,227)
Total comprehensive income for the year	-	-	3,170,591	12,324,170	15,494,761
Dividends paid	-	-	(1,483,510)	-	(1,483,510)
Total transactions with owners recognised directly in equity	-	-	(1,483,510)	-	(1,483,510)
Balance as at 31 August 2018	**8,422**	**1,578**	**33,474,714**	**12,324,170**	**45,808,884**

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Revaluation reserve £	Total shareholders' funds £
Balance as at 1 September 2018	8,422	1,578	33,474,714	12,324,170	45,808,884
Profit for the financial year	-	-	5,176,812	-	5,176,812
Movement on revaluation of tangible assets	-	-	-	1,840,543	1,840,543
Total comprehensive income for the year	-	-	**5,176,812**	**1,840,543**	**7,017,355**
Dividends paid	-	-	(1,500,000)	-	(1,500,000)
Total transactions with owners recognised directly in equity	-	-	**(1,500,000)**	-	**(1,500,000)**
Balance as at 31 August 2019	**8,422**	**1,578**	**37,151,526**	**14,164,713**	**51,326,239**

Consolidated cash flow statement for the year ended 31 August 2019

	Note	2019 £	2018 £
Net cash (outflow)/inflow from operating activities	25	**(1,701,649)**	16,787,819
Taxation paid		**(1,884,327)**	(353,913)
Net cash (used in)/generated from operating activities		**(3,585,976)**	16,433,906
Cash flow from investing activities			
Purchase of tangible assets		**(1,364,731)**	(2,764,925)
Proceeds on disposals of tangible fixed assets		**175,525**	176,476
Cash outflow of business combinations (note 31)		**(4,138,064)**	-
Net cash used in investing activities		**(5,327,270)**	(2,588,449)
Cash flow from financing activities			
Interest paid		**(432,841)**	(330,209)
Bank loans advanced		**8,739,690**	-
Bank loans repaid		**(4,761,411)**	(3,854,848)
Repayment of principal under finance lease agreements		**(302,256)**	(258,997)
Repayments from/(advances to) other group & related undertakings		**4,295,243**	(2,641,737)
Dividends paid		**(1,500,000)**	(1,483,510)
Net cash generated from/(used in) financing activities		**6,038,425**	(8,569,301)
Net (decrease)/increase in cash in the year		**(2,874,821)**	5,276,156
Foreign exchange on cash and cash equivalents		**12,589**	-
Cash and cash equivalents at the beginning of the year		**19,331,254**	14,055,098
Cash and cash equivalents at the end of the year		**16,469,022**	19,331,254

Cash and cash equivalents consists of:		
Cash at bank and in hand	**16,469,022**	19,331,254
Cash and cash equivalents	**16,469,022**	19,331,254

Westland Horticulture Limited

Notes to the financial statements for the year ended 31 August 2019

1 General information

Westland Horticulture Limited ('the company') and its subsidiaries (together "the group") operate in processing and distribution of products for the gardening and horticulture markets and the sale of bird seed and related products. The company is a private company limited by shares and is incorporated in Northern Ireland in the United Kingdom. The address of its registered office is 14 Granville Industrial Estate, Granville Road, Dungannon, Co Tyrone, Northern Ireland, BT70 1NJ.

2 Statement of compliance

The group and company financial statements of Westland Horticulture Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Basis of preparation

These consolidated and separate financial statements are prepared on a going concern basis, under the historical cost convention, as modified for the revaluation of certain assets.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group and company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4. The company has taken advantage of the exemption in Section 408 of the Companies Act 2006 from disclosing its individual profit and loss account.

Basis of consolidation

The group consolidated financial statements include the financial statements of the company and all of its subsidiary undertakings made up to 31 August 2019. A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Going concern

The group has recognized the inherent risks posed by COVID-19. To date we have introduced a variety of contingency measures and mitigating actions, in line with current government advice and guidelines. The group continues to monitor the situation daily and will take all necessary precautionary steps when assessing, and adapting to, the evolving pandemic.

From March 2020, the UK and Ireland have been in the midst of the COVID-19 pandemic, which has presented unique and unprecedented challenges to the business and wider gardening industry.

Where necessary, the directors have taken precautions in line with government advice and guidelines, including the temporary closure of several sites. The group did continue to operate several head office functions remotely, particularly during the early part of lockdown. The group has sought to mitigate the effect of the necessary restrictions by reducing all "non essential" expenditure.

The group has considered the impact of COVID-19 on the group's financial performance and cashflows and has modelled the potential impact of any further national restrictions and the wider effect of an economic slowdown. The directors have assessed potential downside scenarios of COVID-19 on the group's forecasts and given the strong cash balances within the group, the directors conclude there is sufficient headroom within forecasts. The commercial impact of the pandemic on the group has been minimal so far and the group has performed well during 2020. The directors expect the group to continue to be cash generative. The group is reliant on the continued support of the group's bank. The group is also reliant on the continued support of other group companies and receives assurances from these companies that this support will continue for a period of at least 12 months from signing of the financial statements. The directors believe that the group is well placed to manage the business risks and accordingly, continue to adopt the going concern basis of accounting in preparing the annual financial statements.

3 Summary of significant accounting policies (continued)

Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the group and value added taxes. Where the consideration receivable in cash at bank and in hand is deferred, and the arrangement constitutes a financing transaction, the fair value of the consideration is measured as the present value of all future receipts using the imputed rate of interest.

The group recognises turnover when: (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the group retains no continuing involvement or control over the goods; (c) the amount of revenue can be measured reliably; (d) it is probable that future economic benefits will flow to the entity; and (e) when the specific criteria relating to each of the group's sales channels have been met. Turnover is recognised on customer receipt of goods.

Employee benefits

The group provides a range of benefits to employees, including paid holiday arrangements and defined contribution pension plans.

(i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

(ii) Defined contribution pension plans

The group operates a defined contribution scheme for specific directors and employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the group in independently administered funds.

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively. Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the year end. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These 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 recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

3 Summary of significant accounting policies (continued)

Goodwill

Business combinations are accounted for by applying the purchase method.

The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued plus the costs directly attributable to the business combination. Where control is achieved in stages the cost is the consideration at the date of each transaction.

Contingent consideration is initially recognised at estimated amount where the consideration is probable and can be measured reliably. Where (i) the contingent consideration is not considered probable or cannot be reliably measured but subsequently becomes probable and measureable or (ii) contingent consideration previously measured is adjusted, the amounts are recognised as an adjustment to the cost of the business combination.

On acquisition of a business, fair values are attributed to the identifiable assets, liabilities and contingent liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill. Where the fair value of contingent liabilities cannot be reliably measured they are disclosed on the same basis as other contingent liabilities.

Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair values to the group's interest in the identifiable net assets, liabilities and contingent liabilities acquired.

On acquisition, goodwill is allocated to cash-generating units ('CGU's') that are expected to benefit from the combination.

Goodwill is amortised over its expected useful life. Where the group is unable to make a reliable estimate of useful life, goodwill is amortised over a period not exceeding 10 years. Goodwill is assessed for impairment when there are indicators of impairment and any impairment is charged to the income statement. Reversals of impairment are recognised when the reasons for the impairment no longer apply.

Intangible assets and amortisation

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives, as follows:

(i) Goodwill - 10% straight line
(ii) Patents - 10% straight line
(iii) Brands - 10% straight line
(iv) Customer relationships - 10% straight line

Amortisation is charged to administrative expenses in the profit and loss account.

Negative goodwill arising on acquisitions up to the fair values of the non-monetary assets acquired is recognised in the profit and loss account in the periods in which the non-monetary assets are recovered, whether through depreciation or sale. Negative goodwill in excess of the fair values of the non-monetary assets acquired is recognised in the profit and loss account in the periods expected to be benefited.

Impairment of non-financial assets

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

Notes to the financial statements for the year ended 31 August 2019 (continued)

3 Summary of significant accounting policies (continued)

Impairment of non-financial assets (continued)

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss account, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in profit or loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the profit and loss account.

Goodwill is allocated on acquisition to the cash generating unit expected to benefit from the synergies of the combination. Goodwill is included in the carrying value of cash generating units for impairment testing.

Tangible assets and depreciation

Tangible assets are stated at either fair value for asset classes that are revalued, or cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs. Freehold land and buildings, long leasehold land and buildings and plant and machinery are revalued to fair value with the surplus on book value being recognised in other comprehensive income in the revaluation reserve.

(i) Freehold land, buildings and long leasehold land and buildings

Freehold land and buildings are stated at fair value less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated. Long leasehold land and buildings are stated at fair value less accumulated depreciation and accumulated impairment losses. Long leasehold buildings are amortised over 25 years or, if shorter, the period of the lease. Land is not depreciated.

(ii) Plant and machinery

Plant and machinery are stated at fair value less accumulated depreciation and accumulated impairment losses.

(iii) Boglands, fixtures and fittings and motor vehicles

Boglands, fixtures and fittings and motor vehicles are stated at cost less accumulated depreciation and accumulated impairment losses.

(iv) Depreciation and residual values

Depreciation is calculated, using the straight-line method, to allocate the depreciable amount to their residual values over the expected useful economic lives of the assets concerned. The principal annual rates used are as follows:

Freehold buildings	-	4% straight line
Leasehold buildings	-	straight line over the life of the lease
Plant and machinery	-	15% - 20% straight line
Boglands	-	4% straight line
Fixtures and fittings	-	20% - 25% straight line
Motor vehicles	-	25% straight line
Land	-	Not depreciated

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

(v) Subsequent additions and major components

Subsequent costs, including major inspections, are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the group and the cost can be measured reliably.

Notes to the financial statements for the year ended 31 August 2019 (continued)

3 Summary of significant accounting policies (continued)

Tangible assets and depreciation (continued)

The carrying amount of any replaced component is derecognised. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life. Repairs, maintenance and minor inspection costs are expensed as incurred.

(vi) Derecognition

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss and included in 'Administrative expenses'.

(vii) Revaluation of tangible assets

Freehold land and buildings, long leasehold land and buildings and plant and machinery are revalued to fair value with the surplus on book value being transferred to the revaluation reserve.

Research and development

Research and development expenditure is written off to the profit and loss account in the year in which it is incurred.

Investments

Investment in a subsidiary company is held at cost less accumulated impairment losses.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell. Stocks are recognised as an expense in the period in which the related revenue is recognised. In the case of manufactured products cost includes all direct expenditure and production overheads based on the normal level of activity. Cost is based on a first in, first out basis.

Cost includes the purchase price, including taxes and duties and transport and handling directly attributable to bringing the stock to its present location and condition.

At the end of each reporting period stocks are assessed for impairment. If an item of stock is impaired, the identified stock is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the profit and loss account. Where a reversal of the impairment charge is required the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the profit and loss account.

Foreign currencies

(i) Functional and presentation currency

The group financial statements are presented in pound sterling.

The company's functional and presentation currency is the pound sterling.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions. At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

(ii) Transactions and balances (continued)

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

3 Summary of significant accounting policies (continued)

(iii) Translation

The trading results of group undertakings are translated into sterling at the average exchange rates for the year. The assets and liabilities of overseas undertakings, including goodwill and fair value adjustments arising on acquisition, are translated at the exchange rates ruling at the year end. Exchange adjustments arising from the retranslation of opening net investments and from the translation of the profits or losses at average rates are recognised in "Other comprehensive income" and allocated to non-controlling interest as appropriate.

Financial instruments

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

(i) Financial assets

Basic financial assets, including trade and other debtors, cash and bank balances, directors' current accounts, amounts due from group undertakings and related parties and 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. Such assets are subsequently carried at amortised cost using the effective interest method.

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.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and overdrafts, directors' current accounts and amounts due to group undertakings and related parties 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.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade payables 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method. Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting

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

3 Summary of significant accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Leased assets

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 tangible fixed asset and is depreciated over its estimated useful economic life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments. Rentals under operating leases are charged to the profit and loss account as incurred.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Distributions to equity holders

Dividends and other distributions to the group's shareholders are recognized as a liability in the financial statements in the period in which the dividends and other distributions are approved by the shareholders. These amounts are recognized in the statement of changes in equity.

Related party transactions

The group discloses transactions with related parties which are not wholly owned within the same group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the group financial statements.

Exceptional items

The group classifies certain one-off charges or credits that have a material impact on the group's financial results as 'exceptional items'. These are disclosed separately to provide further understanding of the financial performance of the group.

Capital contribution

Where shareholders waive amounts owed by the group to them, and this is deemed to be waived in their capacity as a shareholder, the amount of the debt forgiven is recognized as a capital contribution through the statement of changes in equity.

Government grants

Grants that relate to specific capital expenditure are treated as deferred income and then credited to the consolidated profit and loss account over the related asset's useful economic life. Grants that relate to revenue expenditure are credited to the consolidated profit and loss account over the period that the revenue expenditure relates to.

Notes to the financial statements for the year ended 31 August 2019 (continued)

4 Critical accounting judgements and estimation uncertainty

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical judgements in applying the group's accounting policies

There are no critical judgements in applying the group's accounting policies.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the Balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities with the next financial year, are discussed below.

Tangible assets valuation

Freehold, long leasehold land and buildings and plant and machinery are measured at revalued amount for financial reporting purposes, with the value of £40,753,790 (2018: £40,750,388) at the balance sheet date. The group utilises third party valuation experts to derive these valuations. The fair value calculation utilised the current market value for the assets. The key assumption used by the valuers are that the assets would be realised on the open market during a normal marketing period and not under a restricted or shorter marketing period which could have a material impact of the market value realised.

Impairment of intangible assets and investments

Intangible assets and investments are reviewed for potential impairment each year which is an area of potential estimation uncertainty. Impairments made in the year are noted in note 13 and 15.

5 Turnover

All turnover relates to the sale of gardening and horticulture products, bird seed and other related products. All turnover is generated in the United Kingdom, with the exception of turnover attributable to the European subsidiaries of the group where the turnover is generated in mainland Europe. No analysis of turnover is provided as the directors consider that such disclosure would be seriously prejudicial to the interests of the group.

6 Exceptional items

Administration expenses includes an exceptional provision for doubtful debt of £Nil (2018: £1,690,226) in relation to amounts owed by other group companies, £1,469,941 (2018: £1,170,093) of exceptional costs in relation to training costs for the implementation of new business systems software, brought into use in 2019 and £1,825,348 (2018: £nil) of restructuring costs of the Gardman acquisition (note 31).

Notes to the financial statements for the year ended 31 August 2019 (continued)

7 Operating profit

This is stated after charging/(crediting):	2019 £	2018 £
Amortisation of intangible assets	**616,680**	613,587
Amortisation of negative goodwill	**(42,092)**	(42,092)
Impairment of goodwill	**127,771**	-
Impairment of trade receivables	**(38,758)**	152,329
Stock recognised as an expense	**91,565,923**	64,577,688
Depreciation of owned tangible assets	**3,711,180**	3,515,627
Depreciation of tangible assets held under finance lease	**194,251**	145,687
Foreign currency losses/(gains)	**133,143**	(153,021)
Government revenue grants received	**(3,000)**	(260,538)
Capital grants released	**(153,384)**	(168,647)
Profit on sale of tangible assets	**(86,487)**	(87,655)
Operating lease rentals	**3,155,287**	2,403,829
Fees payable to the company's auditors for the audit of the financial statements of the parent company and the consolidation	**48,410**	48,410
Fees payable to the company's auditors for the audit of the financial statements of subsidiaries of the company pursuant to legislation	**3,750**	1,800
Fees payable to the company's auditors for other services relating to taxation compliance and other taxation services	**108,990**	185,143

8 Employee information

	Group		Company	
	2019	2018	**2019**	2018
	£	£	**£**	£
Wages and salaries	**22,929,476**	17,960,151	**17,786,096**	16,035,236
Social security costs	**2,333,784**	1,864,068	**1,537,577**	1,508,793
Other pension costs	**1,103,446**	669,047	**724,672**	543,976
	26,366,706	20,493,266	**20,048,345**	18,088,005

	Group		Company	
	2019	2018	**2019**	2018
	Number	Number	**Number**	Number
Average monthly number of persons employed by the group (including directors) during the year by activity:				
Selling and distribution	**210**	146	**124**	129
Production	**349**	329	**331**	319
Administration	**181**	131	**111**	112
	740	606	**566**	560

Notes to the financial statements for the year ended 31 August 2019 (continued)

9 Directors' remuneration

	2019	2018
	£	£
Aggregate remuneration	**1,289,198**	784,655
Company contributions paid to money purchase schemes	**86,584**	89,318
	1,375,782	873,973

Retirement benefits are accruing to six (2018: six) directors under the defined contribution scheme.

	2019	2018
	£	£
Highest paid director:		
Aggregate remuneration	**293,904**	214,784

Key management is defined as the directors as disclosed above.

10 Interest payable and similar expenses

	2019	2018
	£	£
Interest payable on bank loans and overdrafts	**432,841**	330,209

11 Tax on profit

	2019	2018
	£	£
Current tax:		
UK corporation tax on profits for the year	**2,143,406**	1,783,718
Adjustment in respect of previous years	**(449,650)**	(261,701)
Total current tax	**1,693,756**	1,522,017
Deferred tax:		
Accelerated capital allowances and other timing differences	**(126,193)**	(21,858)
Adjustment in respect of previous years	**(12,185)**	(47,010)
Adjustment in respect of rate change	**13,286**	4,430
Total deferred tax	**(125,092)**	(64,438)
Total tax charge on profit	**1,568,664**	1,457,579

The tax assessed for the year is lower than (2018: higher than) the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are explained below:

	2019	2018
	£	£
Profit before tax	**10,169,667**	6,204,790
Profit multiplied by standard rate in the UK of 19% (2018: 19%)	**1,932,237**	1,178,910
Effects of:		
Non taxable income	**(29,143)**	(32,043)
Expenses not deductible for tax purposes	**220,357**	582,762
Adjustment in respect of previous years	**(461,835)**	(308,711)
Change in tax rates	**13,286**	4,430
Group relief not paid for	**(171,022)**	(148,465)
Unutilised losses for which no deferred tax asset is recognised	**64,784**	180,696
Total tax charge on profit	**1,568,664**	1,457,579

The adjustment in respect of prior years mainly relates to tax credits for research and development credits that have been agreed in the current year.

Factors that may affect future tax charges

In the March 2020 Budget the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). As the proposal to keep the rate at 19% had not been substantively enacted at the Balance sheet date its effects are not included in these financial statements. However, it is likely that the overall effect of the change, it had been substantively enacted by the Balance sheet date, would be to increase the tax expense for the year by £289,211 and to increase the deferred tax liability by £289,211.

12 Dividends

	2019	2018
Group and company	**£**	£
Dividends paid		
Interim dividend paid of £178.10 per £1 ordinary share (2018: £176.15)	**1,500,000**	1,483,510

A cash dividend of £1,500,000 (2018: £1,483,510) was paid during the year. The directors do not recommend a final dividend be paid (2018: £nil).

Notes to the financial statements for the year ended 31 August 2019 (continued)

13 Intangible assets

Group	Goodwill £	Patents £	Brands £	Customer relationships £	Negative goodwill £	Total £
Cost						
At 1 September 2018	5,626,470	44,649	395,284	25,636	(420,925)	5,671,114
Acquisition (note 31)	138,244	-	-	-	-	138,244
Currency translation differences	-	715	-	-	-	715
At 31 August 2019	**5,764,714**	**45,364**	**395,284**	**25,636**	**(420,925)**	**5,810,073**
Accumulated amortisation and impairments						
At 1 September 2018	3,375,867	43,156	118,584	7,692	(126,276)	3,419,023
Charge for the year	573,117	1,476	39,523	2,564	(42,092)	574,588
Impairment charge	127,771	-	-	-	-	127,771
Currency translation differences	-	732	-	-	-	732
At 31 August 2019	**4,076,755**	**45,364**	**158,107**	**10,256**	**(168,368)**	**4,122,114**
Net book amount						
At 31 August 2019	**1,687,959**	**-**	**237,177**	**15,380**	**(252,557)**	**1,687,959**
At 31 August 2018	2,250,603	1,493	276,700	17,944	(294,649)	2,252,091

An impairment charge of £127,771 was made in the year in relation to the goodwill of £138,244 arising on the acquisition of Gardman Limited and this charge is included in administrative expenses. This impairment was based on its performance for the year and fully impaired this goodwill at the balance sheet date.

Company	Goodwill £
Cost	
At 1 September 2018 and **31 August 2019**	**5,626,470**
Accumulated amortisation	
At 1 September 2018	3,375,867
Charge for the year	562,644
At 31 August 2019	**3,938,511**
Net book amount	
At 31 August 2019	**1,687,959**
At 31 August 2018	2,250,603

Notes to the financial statements for the year ended 31 August 2019 (continued)

14 Tangible assets

Group	Freehold land and buildings £	Long leasehold land and buildings £	Plant and machinery £	Boglands £	Fixtures and fittings £	Motor vehicles £	Total £
Cost or valuation							
At 1 September 2018	18,143,423	1,518,833	34,521,731	400,000	4,023,980	191,163	58,799,130
Acquisition (note 31)	-	-	-	-	49,584	5,000	54,584
Additions	457,424	-	1,413,516	-	12,923	-	1,883,863
Disposals	-	-	(345,775)	-	-	-	(345,775)
Transfers	(1,241,416)	1,241,416	-	-	-	-	-
Currency translation differences	-	2,040	4,050	-	1,256	-	7,346
At 31 August 2019	**17,359,431**	**2,762,289**	**35,593,522**	**400,000**	**4,087,743**	**196,163**	**60,399,148**
Accumulated depreciation							
At 1 September 2018	3,699,196	334,308	9,309,095	47,251	3,244,126	145,579	16,779,555
Charge for the year	732,452	63,885	2,916,191	15,955	155,013	21,935	3,905,431
Disposals	-	-	(256,737)	-	-	-	(256,737)
Revaluations	(1,796,995)	(43,548)	-	-	-	-	(1,840,543)
Transfers	(90,186)	90,186	-	-	-	-	-
Currency translation differences	-	1,509	2,096	-	778	-	4,383
At 31 August 2019	**2,544,467**	**446,340**	**11,970,645**	**63,206**	**3,399,917**	**167,514**	**18,592,089**
Net book amount							
At 31 August 2019	**14,814,964**	**2,315,949**	**23,622,877**	**336,794**	**687,826**	**28,649**	**41,807,059**
At 31 August 2018	14,444,227	1,184,525	25,212,636	352,749	779,854	45,584	42,019,575

Freehold land and buildings, long leasehold land and buildings and plant and machinery were professionally valued by independent valuers in accordance with RICS Valuation Standards on the basis of open market value for existing use with subsequent additions recognised at cost. The freehold and long leasehold land and buildings valuations were performed by Lisney on 28 February 2019, Cushman & Wakefield on 12 March 2020 and Avison Young on 1 March 2019. The plant and machinery valuations were performed by Rushton International on 1 April 2017 and Igds Engineering GmbH on 3 May 2017. Confirmation was received from valuers that the valuation figures as at 31 August 2019 would not be materially different from those reported at the various valuation dates noted above. Transfers in the year were to correct the classification of assets within long leasehold land and buildings. Included within long leasehold land and buildings are leasehold improvements with a net book value of £446,081 (2018: £502,195). The historical cost for revalued assets at 31 August 2019 is as follows:

	2019		2018	
Group	**Land and buildings £**	**Plant and machinery £**	Land and buildings £	Plant and machinery £
Cost	**20,121,720**	**35,593,522**	19,662,256	34,521,731
Accumulated depreciation	**(7,078,350)**	**(27,493,080)**	(6,280,504)	(24,831,530)
Net book amount	**13,043,370**	**8,100,442**	13,381,752	9,690,201

The net book amount of plant and machinery includes an amount of £874,125 (2018: £1,068,376) in respect of assets held under finance lease agreements. Depreciation for the year on these assets was £194,251 (2018: £145,687). Tangible assets with a net book value of £41,807,059 (2018: £42,019,575) are pledged as security against the group's bank loans.

Notes to the financial statements for the year ended 31 August 2019 (continued)

14 Tangible assets (continued)

Company	Freehold land and buildings £	Long leasehold land and buildings £	Plant and machinery £	Boglands £	Fixtures and fittings £	Motor vehicles £	Total £
Cost or valuation							
At 1 September 2018	18,143,423	1,392,515	34,280,773	400,000	3,958,426	191,163	58,366,300
Additions	457,424	-	1,407,739	-	5,039	-	1,870,202
Disposals	-	-	(345,775)	-	-	-	(345,775)
Transfers	(1,241,416)	1,241,416	-	-	-	-	-
At 31 August 2019	**17,359,431**	**2,633,931**	**35,342,737**	**400,000**	**3,963,465**	**191,163**	**59,890,727**
Accumulated depreciation							
At 1 September 2018	3,699,196	244,020	12,135,985	47,251	3,209,901	145,579	19,481,932
Charge for the year	732,452	61,720	2,599,966	15,955	95,978	16,935	3,523,006
Disposals	-	-	(256,737)	-	-	-	(256,737)
Revaluations	(1,796,995)	(43,548)	-	-	-	-	(1,840,543)
Transfers	(90,186)	90,186	-	-	-	-	-
At 31 August 2019	**2,544,467**	**352,378**	**14,479,214**	**63,206**	**3,305,879**	**162,514**	**20,907,658**
Net book amount							
At 31 August 2019	**14,814,964**	**2,281,553**	**20,863,523**	**336,794**	**657,586**	**28,649**	**38,983,069**
At 31 August 2018	14,444,227	1,148,495	22,144,788	352,749	748,525	45,584	38,884,368

Freehold land and buildings, long leasehold land and buildings and plant and machinery were professionally valued by independent valuers in accordance with RICS Valuation Standards on the basis of open market value for existing use with subsequent additions recognised at cost. The freehold and long leasehold land and buildings valuations were performed by Lisney on 28 February 2019, Cushman & Wakefield on 12 March 2020 and Avison Young on 1 March 2019. The plant and machinery valuations were performed by Rushton International on 1 April 2017. Confirmation was received from valuers that the valuation figures as at 31 August 2019 would not be materially different from those reported at the various valuation dates noted above. Transfers in the year were to correct the classification of assets within long leasehold land and buildings. Included within long leasehold land and buildings are leasehold improvements with a net book value of £446,081 (2018: £502,195).

The historical cost for revalued assets at 31 August 2019 is as follows:

Company	**2019** Land and buildings £	**2019** Plant and machinery £	2018 Land and buildings £	2018 Plant and machinery £
Cost	**19,993,362**	**35,342,737**	19,535,938	34,280,773
Accumulated depreciation	**(6,984,388)**	**(27,080,611)**	(6,190,216)	(24,737,382)
Net book amount	**13,008,974**	**8,262,126**	13,345,722	9,543,391

The net book amount of plant and machinery includes an amount of £874,125 (2018: £1,068,376) in respect of assets held under finance lease agreements. Depreciation for the year on these assets was £194,251 (2018: £145,687). Tangible assets with a net book value of £38,983,069 (2018: £38,884,368) are pledged as security against the group's bank loans.

Notes to the financial statements for the year ended 31 August 2019 (continued)

15 Investments

Group	Other investments £
Cost and net book value	
At 1 September 2018 and **31 August 2019**	**38,755**

Company	Other investments £	Shares in group undertakings £	Total £
Cost and net book value			
At 1 September 2018	38,755	3,810,764	3,849,519
Additions	-	8,772	8,772
Impairment	-	(3,785,930)	(3,785,930)
At 31 August 2019	**38,755**	**33,606**	**72,361**

An impairment of £3,785,930 was made in the year in relation to the investment in subsidiary undertaking, Seramis GmbH, based on its performance. This charge is included in administrative expenses of the company but is eliminated on consolidation in the consolidated profit and loss account.

Details of undertakings

The company holds directly more than 20% of the share capital in the following companies:

Subsidiary undertaking	Holdings	Proportion of voting rights and shares held	Principal activity
Seramis GmbH	Ordinary shares	100%	Supply of horticulture products
Westland Schweiz GmbH	Ordinary shares	100%	Supply of horticulture products
Westland France	Ordinary shares	100%	Supply of horticulture products
Westland (GM) Limited	Ordinary shares	100%	Supply of horticulture products

The registered office address of Seramis GmbH is Am Bollscheid 50, D-56424, Magendorf, Germany.
The registered office address of Westland Schweiz GmbH is Rudolf-Maag-Strasse 5, CH-8157 Dielsdorf, Switzerland.
The registered office address of Westland (GM) Limited is 14 Granville Industrial Estate, Granville Road, Dungannon, County Tyrone, United Kingdom, BT70 1NJ.
The registered office address of Westland France is 14 Quai Kleber 67000 Strasbourg.

16 Stocks

	Group		Company	
	2019	2018	**2019**	2018
	£	£	**£**	£
Raw materials	**10,881,901**	9,636,539	**9,755,782**	9,205,146
Finished goods	**23,363,236**	8,088,647	**21,077,090**	6,918,499
	34,245,137	17,725,186	**30,832,872**	16,123,645

Group and company stocks are stated after provisions for impairment of £4,997,918 (2018: £1,444,475).

Notes to the financial statements for the year ended 31 August 2019 (continued)

17 Debtors

	Group		Company	
	2019	2018	**2019**	2018
	£	£	**£**	£
Trade debtors	**33,061,033**	16,158,919	**30,085,883**	15,086,787
Amounts owed by group undertakings	**4,736,114**	3,658,916	**10,506,773**	7,774,287
Other debtors	**845,477**	487,012	**698,301**	421,145
Directors' current accounts (note 26)	**127,501**	65,001	**127,501**	65,001
Prepayments and accrued income	**1,997,951**	1,636,799	**1,997,951**	1,636,799
	40,768,076	22,006,647	**43,416,409**	24,984,019

Amounts owed by group undertakings and related parties are unsecured, interest free and payable on demand.

Group and company trade debtors are stated after provisions for impairment of £858,676 (2018: £892,716).

18 Creditors: amounts falling due within one year

	Group		Company	
	2019	2018	**2019**	2018
	£	£	**£**	£
Bank loans (note 19)	**1,953,740**	3,958,054	**1,953,740**	3,958,054
Trade creditors	**13,755,154**	9,811,067	**12,402,947**	9,090,173
Obligations under finance lease contracts	**302,256**	258,996	**302,256**	258,996
Amounts owed to group undertakings	**24,612,661**	18,795,442	**24,612,661**	18,795,442
Amounts owed to related parties (note 26)	**247,300**	555,607	**247,300**	555,607
Corporation tax	**467,708**	658,279	**467,708**	658,279
Other taxation and social security	**2,397,271**	1,668,012	**2,262,423**	1,430,557
Other creditors	**669,446**	712,737	**655,758**	527,502
Accruals and deferred income	**25,865,874**	18,107,191	**24,228,148**	17,956,706
	70,271,410	54,525,385	**67,132,941**	53,231,316

Amounts due to group undertakings and related parties are unsecured, interest free and payable on demand.

19 Creditors: amounts falling due after more than one year

	Group		Company	
	2019	2018	**2019**	2018
	£	£	**£**	£
Bank loans	**8,123,220**	2,140,627	**8,123,220**	2,140,627
Obligations under finance lease contracts	**842,689**	669,073	**842,689**	669,073
Accruals and deferred income	**1,990,255**	1,455,942	**1,259,939**	694,433
	10,956,164	4,265,642	**10,225,848**	3,504,133

Included within accruals and deferred income is deferred income as shown in note 20.

Notes to the financial statements for the year ended 31 August 2019 (continued)

19 Creditors: amounts falling due after more than one year (continued)

Bank loans are repayable as follows:

	Group		Company	
	2019	2018	**2019**	2018
	£	£	**£**	£
Within one year or on demand	**1,953,740**	3,958,054	**1,953,740**	3,958,054
Between one and two years	**3,256,342**	1,794,672	**3,256,342**	1,794,672
Between two and five years	**4,866,878**	345,955	**4,866,878**	345,955
	10,076,960	6,098,681	**10,076,960**	6,098,681

Security

The group's and the company's bank borrowings are secured by an all monies debenture with fixed and floating security over the property, assets, undertakings, rights and revenues of the group and company including a first legal charge over group properties.

Finance leases are repayable as follows:

	Group		Company	
	2019	2018	**2019**	2018
	£	£	**£**	£
Within one year or on demand	**302,256**	258,996	**302,256**	258,996
Between one and two years	**302,256**	258,996	**302,256**	258,996
Between two and five years	**540,433**	410,077	**540,433**	410,077
	1,144,945	928,069	**1,144,945**	928,069

20 Deferred income

	Group	Group	**Company**	Company
	2019	2018	**2019**	2018
	£	£	**£**	£
Deferred government grants				
At the beginning of financial year	**694,433**	863,080	**694,433**	863,080
Released to the profit and loss	**(153,384)**	(168,647)	**(153,384)**	(168,647)
At the end of financial year	**541,049**	694,433	**541,049**	694,433

Notes to the financial statements for the year ended 31 August 2019 (continued)

21 Provisions for liabilities

Deferred taxation:

	Group		Company	
	2019	2018	**2019**	2018
	£	£	**£**	£
Liability at the beginning of financial year	**2,583,389**	123,600	**2,583,389**	123,600
Credit to profit and loss account	**(112,907)**	(17,428)	**(112,907)**	(17,428)
Adjustment in respect of previous years	**(12,185)**	(47,010)	**(12,185)**	(47,010)
Charge to other comprehensive income	**-**	2,524,227	**-**	2,524,227
Liability at the end of financial year	**2,458,297**	2,583,389	**2,458,297**	2,583,389

The deferred tax is made up as follows:

	Group		Company	
	2019	2018	**2019**	2018
	£	£	**£**	£
Accelerated capital allowances	**2,483,595**	2,587,299	**2,483,595**	2,587,299
Short term timing differences	**(25,298)**	(3,910)	**(25,298)**	(3,910)
Total deferred tax liability	**2,458,297**	2,583,389	**2,458,297**	2,583,389

22 Financial instruments

	Group		Company	
	2019	2018	**2019**	2018
	£	£	**£**	£
Financial assets that are debt instruments measured at amortised cost				
Trade debtors	**33,061,033**	16,158,919	**30,085,883**	15,086,787
Amounts owed by group undertakings	**4,736,114**	3,658,916	**10,506,773**	7,774,287
Other debtors	**845,477**	487,012	**698,301**	421,145
Directors' current accounts	**127,501**	65,001	**127,501**	65,001
	38,770,125	20,369,848	**41,418,458**	23,347,220
Financial liabilities measured at amortised cost				
Bank loans	**10,076,960**	6,098,681	**10,076,960**	6,098,681
Trade creditors	**13,755,154**	9,811,067	**12,402,947**	9,090,173
Amounts owed to group undertakings	**24,612,661**	18,795,442	**24,612,661**	18,795,442
Amounts owed to related parties	**247,300**	555,607	**247,300**	555,607
Other creditors	**669,446**	712,737	**655,758**	527,502
Obligations under finance lease contracts	**1,144,945**	928,069	**1,144,945**	928,069
Accruals	**27,856,129**	19,563,133	**25,488,086**	18,651,139
	78,362,595	56,464,736	**74,628,657**	54,646,613

Notes to the financial statements for the year ended 31 August 2019 (continued)

23 Operating lease commitments

The group and the company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	Group		Company	
	2019	2018	**2019**	2018
	£	£	**£**	£
No later than one year	**3,348,882**	3,190,276	**3,061,655**	2,906,771
Later than one year and no later than five years	**2,133,126**	3,314,861	**2,133,126**	3,314,861
Later than five years	**-**	8,032	**-**	8,032
	5,482,008	6,513,169	**5,194,781**	6,229,664

24 Called up share capital

	2019	2018
Group and company	**£**	£
Allotted and fully paid		
8,422 (2018: 8,422) ordinary shares of £1 each	**8,422**	8,422

25 Net cash (outflow)/inflow from operating activities

	2019	2018
	£	£
Profit for the financial year	**8,601,003**	4,747,211
Tax on profit	**1,568,664**	1,457,579
Interest payable and similar expenses	**432,841**	330,209
Depreciation, amortisation and impairment charges	**4,607,790**	4,232,809
Profit on disposal of property, plant and equipment	**(86,487)**	(87,655)
Capital grants release	**(153,384)**	(168,647)
Movement in stocks	**(12,552,127)**	2,345,399
Movement in trade and other receivables	**(17,496,169)**	3,819,833
Movement in trade and other payables	**13,376,220**	111,081
Net cash (outflow)/inflow from operating activities	**(1,701,649)**	16,787,819

Notes to the financial statements for the year ended 31 August 2019 (continued)

26 Related party transactions

John McVeigh & Company - (John McVeigh is a director of Westland Horticulture Limited)

During the year John McVeigh & Company charged fees of £15,600 (2018: £15,600) for accounting and other professional services. At the balance sheet date the amount owed from John McVeigh & Company was a balance of £127,501 (2018: due from £65,001).

Seramis GmbH

Seramis GmbH is a subsidiary of Westland Horticulture Limited. Seramis GmbH was not wholly owned by Westland Holdings Limited until part way through the current year and are therefore not able to avail of the exemption of disclosure of related party transactions under FRS 102. At the balance sheet date the amount owed from Seramis GmbH was £5,545,597 (2018: £3,877,787). During the year Westland Horticulture Limited provided Seramis GmbH with funding to carry out day to day business. Westland Horticulture Limited had sales of £692,005 (2018: £188,879) with Seramis GmbH during the year and purchases of £326,155 (2018: £190,307). Seramis GmbH owed £476,698 as a loan to its minority shareholder, Mars GmbH at 31 August 2018 and this amount was waived during the year and treated as a capital contribution.

Crest Garden Ltd

Crest Garden Ltd is an 80% owned subsidiary of Westland Holdings Limited and included in the consolidated Westland Holdings financial statements but excluded from the consolidated Westland Horticulture Limited financial statements as it is not directly within the Westland Horticulture Limited group. Crest Garden Ltd is not wholly owned by Westland Holdings Limited and are therefore not able to avail of the exemption of disclosure of related party transactions under FRS 102. At the balance sheet date the amount due to Crest Garden Ltd was £3,745,169 (2018: owed from of £576,015). Westland Horticulture Limited had transactions of £4,393,597 (2018: £2,016,356) with Crest Garden Ltd during the year.

S.E. Marshall and Co Limited

The directors R Lavery, E Conroy and J McVeigh are common to both Westland Holdings Limited, Westland Group Limited, Westland Horticulture Limited and S.E. Marshall and Co Limited. Westland Horticulture Limited had purchases of £74,074 (2018: £158,996) from and sales of £1,023,929 (2018: £1,220,950) and an intercompany loan with S.E Marshall and Co Limited. At the balance sheet date the amount due to S.E. Marshall and Co Limited was £247,300 (2018: £555,607).

27 Ultimate parent undertaking and controlling parties

The ultimate parent undertaking and controlling party of the largest group of undertakings for which group financial statements are drawn up and of which the company is a member is Westland Holdings Limited, a company registered in Isle of Man. Copies of the financial statements of Westland Holdings Limited are available from the company secretary at the registered office, 34 North Quay, Douglas, IM1 4LB, Isle of Man.

The immeadiate parent undertaking and the parent undertaking of the smallest group of which the company is a member and for which group financial statements are prepared is Westland Group Limited, a company incorporated in Isle of Man. Copies of these financial statements may be obtained from the company secretary at the registered office, 34 North Quay, Douglas, IM1 4LB, Isle of Man. The ultimate controlling parties are the directors who own 100% of the called up share capital of the ultimate parent company.

28 Minority interests

	2019	2018
	£	£
At the beginning of the financial year	**(21,915)**	(19,537)
Minority interest share of loss in a subsidiary undertaking for the financial year	**(1,557)**	(2,378)
Minority interest acquired during the year	**23,472**	-
At the end of the financial year	**-**	(21,915)

The minority interest in Seramis GmbH was acquired during the year.

29 Pension obligations

The group operates a defined contribution scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £1,103,446 (2018: £669,047).

Contributions totaling £121,116 (2018: £98,480) were payable to the scheme at the end of the year and are included in creditors.

30 Post balance sheet events

In March 2020, the World Health Organisation officially declared COVID-19 a pandemic. COVID-19 is the disease caused by coronavirus. The group is continuing to work with its suppliers, customers and employees to mitigate the impact of COVID-19 on the operations of the group. As a result of COVID-19 there has been increased demand for horticulture products. The commercial impact of the pandemic on the group has been minimal so far and the group has performed well against budget during 2020, however there could be a material impact on the financial performance of the group in the next 12 months depending on future unknown events arising from COVID-19.

31 Business combinations

Group

On 16 October 2018, the group acquired the trade and specific assets of Gardman Limited. Gardman Limited operated in the same industry as Westland Horticulture Limited, and through the acquisition of their trade and assets, Westland Horticulture hope to expand market share within the industry. Gardman Limited's trade and assets were acquired by Westland (GM) Limited, a subsidiary of Westland Horticulture Limited.

The goodwill of £138,244 arising from the acquisition represents the excess of the cost of the business combination over the fair value of the assets acquired.

	Book value £	Fair value adjustment £	Fair value £
Fixtures and fittings	54,584	-	54,584
Stocks	8,088,456	(4,247,697)	3,840,759
Other debtors	104,657	-	104,657
Total identifiable net assets	8,247,697	(4,247,697)	4,000,000
Goodwill			138,244
Total purchase consideration - cash			**4,138,244**

The adjustments arising on acquisition were in respect of the following:

(a) An impairment charge in respect of certain of the acquired stock.

The revenue from the trade and assets of Westland (GM) Limited included in the consolidated profit and loss account for 2019 was £25,238,575 and also contributed losses of £2,498,389 over the same period.