Registered number: 02213321

Farplants Group Limited

Annual report and financial statements

For the year ended 31 August 2017

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Farplants Group Limited

Company Information

Directors	David Ralph Tristram (resigned 20 September 2017) Jeffrey Neil Hooper James Oliver Turner Michael Guy Tristram Christopher Paul Tellwright (resigned 29 September 2017) Stephen Don Carter (appointed 29 September 2017) Marc Simon Jones (appointed 20 September 2017)
Company secretary	Nicola Aileen Bream
Registered number	02213321
Registered office	9 Donnington Park, 85 Birdham Road, Chichester, West Sussex, PO20 7AJ
Independent auditors	Kreston Reeves LLP Statutory Auditor 9 Donnington Park 85 Birdham Road Chichester West Sussex PO20 7AJ
Bankers	National Westminster Bank Plc 27 South Street Worthing Sussex BN11 3AR
Solicitors	Brook Oliver & Co 12a Stanford Road Springfield Road Lymington Hampshire So41 9GF

Farplants Group Limited

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Farplants Group Limited

Group strategic report
For the year ended 31 August 2017

Introduction

The Farplants Group have been providing many different varieties of plants to garden centres throughout the UK for the last 37 years. Farplants is the trading arm of a cooperative that brings together five nurseries from the local area – Binsted Nursery, Fleurie Nursery, Star Plants, Walberton Nusery and Toddington Nurseries.

Business review

Farplants is a wholesaler to garden plant retailers including a grocery multiple, and relationships remain strong with our customer base, as we continue to evolve to support their needs.

Turnover increased by 5%, following a concerted effort to meet customer requirements, whilst also concentrating on further plans for growth in 2018.

Principal risks and uncertainties

Our principal risk remains the weather and its' effect on sales demand and working capital requirement. We mitigate the effect on sales demand through our wide ranging customer base, strong sales focus and with growth in 'Added Value' business, which is less affected by seasonality. The working capital fluctuation is primarily mitigated by the use of trade related finance but also, when required, flexible payment terms in relation to trade creditor balances with member nurseries are available.

In addition we are not complacent to competitor activity and are constantly looking for ways to increase our market share, bring differentiation to our product offering, and innovating to streamline costs within the production and distribution processes.

Financial key performance indicators

The Company's key financial and other performance indicators during the year were as follows:

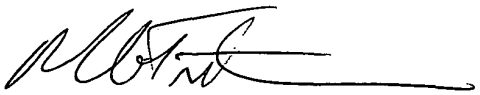
	2017	2016
Turnover	20,050,874	19,071,309
Gross profit	6,028,279	5,789,490
Operating profit	130,349	218,654

The lower operating profit than last year was principally due to investment in systems and processes to allow for the planned growth in future years.

Other key performance indicators

Our objective continues to be increased profitability for our member nurseries through growth and continuous improvement in both products and processes, whilst providing great service and quality to our customers.

This report was approved by the board on 5-2-18 and signed on its behalf by:.



Michael Guy Tristram
Director

Directors' report
For the year ended 31 August 2017

The directors present their report and the financial statements for the year ended 31 August 2017.

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Group's financial statements and then apply them consistently;
- make judgments 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 Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to 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.

Results and dividends

The profit for the year, after taxation, amounted to £75,901 (2016 - £135,793).

Directors

The directors who served during the year were:

David Ralph Tristram (resigned 20 September 2017)
Jeffrey Neil Hooper
James Oliver Turner
Michael Guy Tristram
Christopher Paul Tellwright (resigned 29 September 2017)

Future developments

We plan to continue the growth in 'Added Value' offerings, especially outside of the 'traditional' UK gardening season, therefore improving utilisation of our extensive distribution centre.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Directors' report (continued)
For the year ended 31 August 2017

Post balance sheet events

There have been no significant events affecting the Group since the year end.

Auditors

The auditors, Kreston Reeves LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 5.2.18 and signed on its behalf by:



Michael Guy Tristram
Director

Independent auditors' report to the shareholders of Farplants Group Limited

Opinion

We have audited the financial statements of Farplants Group Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 August 2017, which comprise the Group Statement of comprehensive income, the Group and Company Balance sheets, the Group Statement of cash flows, the Group and Company Statement of changes in equity and the related notes, 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).

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

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 August 2017 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 opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent 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.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report 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

Independent auditors' report to the shareholders of Farplants Group Limited (continued)

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Directors' report.

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

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

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

Independent auditors' report to the shareholders of Farplants Group Limited (continued)

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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Simon Webber BA (Hons) FCA (Senior statutory auditor)

for and on behalf of
Kreston Reeves LLP

Statutory Auditor

Chichester
Date: 16/2/2018

Consolidated statement of comprehensive income
For the year ended 31 August 2017

	Note	2017 £	2016 £
Turnover	4	**20,050,874**	19,071,309
Cost of sales		**(14,022,595)**	(13,281,819)
Gross profit		**6,028,279**	5,789,490
Distribution costs		**(5,071,289)**	(4,866,182)
Administrative expenses		**(914,796)**	(793,884)
Other operating income	5	**88,155**	89,230
Operating profit	6	**130,349**	218,654
Interest receivable and similar income		**3,302**	2,057
Interest payable and expenses	11	**(43,196)**	(34,936)
Profit before tax		**90,455**	185,775
Tax on profit	12	**(14,554)**	(49,982)
Profit for the financial year		**75,901**	135,793
Other comprehensive income for the year			
Total comprehensive income for the year		**75,901**	135,793
Profit for the year attributable to:			
Owners of the parent company		**75,901**	135,793
		75,901	135,793
Total comprehensive income attributable to:			

Farplants Group Limited
Registered number: 02213321

Consolidated balance sheet
As at 31 August 2017

	Note		2017 £		2016 £
Fixed assets					
Tangible assets	13		**1,937,341**		2,021,532
			1,937,341		2,021,532
Current assets					
Stocks	15	**112,308**		48,447	
Debtors: amounts falling due within one year	16	**2,943,570**		2,875,969	
Cash at bank and in hand	17	**2,981**		188,183	
		3,058,859		3,112,599	
Creditors: amounts falling due within one year	18	**(3,636,504)**		(3,614,373)	
Net current liabilities			**(577,645)**		(501,774)
Total assets less current liabilities			**1,359,696**		1,519,758
Creditors: amounts falling due after more than one year	19		**(468,116)**		(690,721)
Provisions for liabilities					
Deferred taxation	22	**(23,645)**		(37,003)	
			(23,645)		(37,003)
Net assets excluding pension asset			**867,935**		792,034
Net assets			**867,935**		792,034
Capital and reserves					
Called up share capital	23		**175,000**		175,000
Capital redemption reserve			**15,000**		15,000
Profit and loss account			**672,935**		597,034
Equity attributable to owners of the parent Company			**862,935**		787,034
Non-controlling interests			**5,000**		5,000
			867,935		792,034

The financial statements were approved and authorised for issue by the board on 5.2.18 and were signed on its behalf by:

James Turner

James Oliver Turner
Director

The notes on pages 13 to 34 form part of these financial statements.

Farplants Group Limited
Registered number: 02213321

Company balance sheet
As at 31 August 2017

	Note		2017 £		2016 £
Fixed assets					
Tangible assets	13		**1,860,328**		1,945,384
Investments	14		**68,118**		68,118
			1,928,446		2,013,502
Current assets					
Debtors: amounts falling due within one year	16	**104,835**		106,163	
Cash at bank and in hand	17	**1,684**		7,342	
		106,519		113,505	
Creditors: amounts falling due within one year		**(1,210,844)**		(1,144,909)	
Net current liabilities			**(1,104,325)**		(1,031,404)
Total assets less current liabilities			**824,121**		982,098
Creditors: amounts falling due after more than one year			**(468,116)**		(690,721)
Provisions for liabilities					
Deferred taxation	22	**(23,645)**		(37,003)	
			(23,645)		(37,003)
Net assets excluding pension asset			**332,360**		254,374
Net assets			**332,360**		254,374
Capital and reserves					
Called up share capital	23		**175,000**		175,000
Capital redemption reserve			**15,000**		15,000
Profit and loss account brought forward		**64,374**		(185,022)	
Profit for the year		**77,986**		249,396	
Profit and loss account carried forward			**142,360**		64,374
			332,360		254,374

The financial statements were approved and authorised for issue by the board on 5.2.18 and were signed on its behalf by:

James Turner

James Oliver Turner
Director

The notes on pages 13 to 34 form part of these financial statements.

Consolidated statement of changes in equity
For the year ended 31 August 2017

	Called up share capital	Capital redemption reserve	Profit and loss account	Equity attributable to owners of parent Company	Non-controlling interests	Total equity
	£	£	£	£	£	£
At 1 September 2015	175,000	15,000	461,241	651,241	5,000	656,241
Comprehensive income for the year						
Profit for the year	-	-	135,793	135,793	-	135,793
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	135,793	135,793	-	135,793
At 1 September 2016	175,000	15,000	597,034	787,034	5,000	792,034
Comprehensive income for the year						
Profit for the year	-	-	75,901	75,901	-	75,901
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	75,901	75,901	-	75,901
At 31 August 2017	175,000	15,000	672,935	862,935	5,000	867,935

Company statement of changes in equity
For the year ended 31 August 2017

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 September 2015	175,000	15,000	(185,022)	4,978
Comprehensive income for the year				
Profit for the year	-	-	249,396	249,396
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	249,396	249,396
At 1 September 2016	175,000	15,000	64,374	254,374
Comprehensive income for the year				
Profit for the year	-	-	77,986	77,986
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	77,986	77,986
At 31 August 2017	175,000	15,000	142,360	332,360

Farplants Group Limited

Consolidated statement of cash flows
For the year ended 31 August 2017

	2017 £	2016 £
Cash flows from operating activities		
Profit for the financial year	**75,901**	135,793
Adjustments for:		
Depreciation of tangible assets	**120,939**	123,909
Government grants	**(30,075)**	(34,407)
Interest paid	**43,196**	35,024
Interest Receivable	**(3,302)**	(2,057)
Taxation charge	**14,554**	49,982
(Increase)/decrease in stocks	**(63,861)**	22,198
(Increase)/decrease in debtors	**(67,601)**	62,506
Increase/(decrease) in creditors	**3,659**	(409,198)
Corporation tax (paid)	**(35,936)**	(60,037)
Net cash generated from operating activities	**57,474**	(76,287)
Cash flows from investing activities		
Purchase of tangible fixed assets	**(36,747)**	(6,999)
Government grants received	**30,075**	34,407
Bank interest receivable	**3,280**	2,057
Net cash from investing activities	**(3,392)**	29,465
Cash flows from financing activities		
Repayment of loans	**(213,919)**	(237,620)
Interest paid	**(43,196)**	(35,024)
Net cash used in financing activities	**(257,115)**	(272,644)
Net (decrease) in cash and cash equivalents	**(203,033)**	(319,466)
Cash and cash equivalents at beginning of year	**(326,770)**	(7,304)
Cash and cash equivalents at the end of year	**(529,803)**	(326,770)
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**2,981**	188,183
Bank overdrafts	**(532,784)**	(514,953)
	(529,803)	(326,770)

Notes to the financial statements
For the year ended 31 August 2017

1. General information

The company is a private company limited by share capital incorporated in the United Kingdom.

The address of the registered office is:
9 Donnington Park
85 Birdham Road
Chichester
West Sussex
PO20 7AJ

The principal place of business is:
Farplants Sales Ltd
Yapton Lane
Walberton
Arundel
West Sussex
BN18 0AS

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 September 2015.

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Land and buildings - freehold	- 5% & 10% straight line
Land and buildings - long leasehold	- 4% straight line
Plant and machinery	- 10%, 20% and 33% straight line
Furniture, fittings and equipment	- 10%, 20% and 33.3% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated statement of comprehensive income.

2. Accounting policies (continued)

2.5 Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the Group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.10 Financial instruments

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

2. Accounting policies (continued)

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Consolidated statement of comprehensive income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated statement of comprehensive income in the same period as the related expenditure.

2.13 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

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.

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 Consolidated statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

2.14 Finance costs

Finance costs are charged to the Consolidated statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.15 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated statement of comprehensive income on a straight line basis over the lease term.

2.16 Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

2. Accounting policies (continued)

2.17 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its 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 in the Consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.18 Interest income

Interest income is recognised in the Consolidated statement of comprehensive income using the effective interest method.

2.19 Borrowing costs

All borrowing costs are recognised in the Consolidated statement of comprehensive income in the year in which they are incurred.

2.20 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated statement of comprehensive income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2. Accounting policies (continued)

2.21 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.22 Employee termination benefits

It is the company's policy not to provide termination benefits over and above its normal terms of employment. In certain circumstances where an employee's contract is ended before its term, or voluntary redundancy is encouraged, a formal plan for termination is agreed and compensation is assessed on a case by case basis. The company recognises employee termination benefits as an expense when economic outflow is probable.

Notes to the financial statements
For the year ended 31 August 2017

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires the directors to make judgments, estimates and assumptions that can affect the amounts reported for assets and liabilities, and the results for the year. The nature of estimation is such though, that actual outcomes could differ significantly from those estimates.

The following judgments and key sources of estimation uncertainty have had the most significant impact on amounts recognised in the financial statements:

The group has recognised tangible fixed assets with a carrying value of £1,937,341 at the reporting date (see note 13). These assets are stated at their cost less provision for depreciation and impairment, the group's accounting policy sets out the approach to calculating depreciation. Where there are indicators that the carrying value of tangible assets may be impaired the group undertakes tests to determine the recoverable amount of assets. These tests require estimates of the fair value of assets less cost to sell and of their value in use. Wherever possible the estimate of the fair value of assets is based upon observable market prices less incremental cost for disposing of the asset.

The land and buildings held within the company have been valued at cost less accumulated depreciation. The release of FRED67 during the period amended FRS102 and this year provided the directors with the option to value the assets under the 'cost model' or at 'fair value'. Prior to this amendment the directors adopted the cost model on the basis that they believe, due to the bespoke nature of the assets, that a fair value cannot be measured reliably without undue cost or effort. This year the directors have again chosen to value the assets under the 'cost model' as they continue to be used within the group.

A management fee is charged from the company to its subsidiary Farplants Sales Limited. This is calculated based on the value of the assets used by the subsidiary during the period. The calculation method has been consistently applied and the directors judge this to be the most appropriate way to determine the value of economic benefit received by the subsidiary from the use of these assets

4. Turnover

An analysis of turnover by class of business is as follows:

	2017	2016
	£	£
Sale of goods	**18,852,814**	18,108,509
Rendering of services	**1,198,060**	962,800
	20,050,874	19,071,309

	2017	2016
	£	£
United Kingdom	**20,050,874**	19,071,309
	20,050,874	19,071,309

Notes to the financial statements
For the year ended 31 August 2017

5. Other operating income

	2017 £	2016 £
Miscellaneous other operating income	**58,080**	54,823
Government grants receivable	**30,075**	34,407
	88,155	89,230

6. Operating profit

The operating profit is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	**120,938**	123,909
Fees payable to the Group's auditor and its associates for the audit of the Company's annual financial statements	**10,000**	10,000
Exchange differences	**168**	88
Other operating lease rentals	**103,365**	98,193
Defined contribution pension cost	**86,393**	92,386

7. Auditors' remuneration

Group

	2017 £	2016 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	**10,000**	10,000
Fees payable to the Group's auditor and its associates in respect of:		
Taxation compliance services	**1,500**	13,500
All other services	**5,114**	2,250
Total non-audit	**6,614**	15,750

Notes to the financial statements
For the year ended 31 August 2017

8. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Wages and salaries	**2,492,770**	2,414,545	**-**	-
Social security costs	**176,853**	157,322	**-**	-
Cost of defined contribution scheme	**86,393**	92,386	**-**	-
	2,756,016	2,664,253	**-**	-

The cost of termination benefits included in the wages and salaries in the year amounted to £nil (2016: £147,600). This consists of £nil (2016: £30,000) for payment in lieu of notice and £nil (2016: £117,000) as settlement for early termination of employment. The amount provided for within creditors amounted to £nil (2016: £147,600) and no further obligations required funding after the reporting date.

The average monthly number of employees, including the directors, during the year was as follows:

	2017 No.	2016 No.
Administration and support	**11**	10
Sales, marketing and distribution	**54**	50
	65	60

9. Directors' remuneration

Group

During the year directors' emoluments including benefits in kind totalled £303,770 (2016 - £387,109) and £23,327 (2016 - £32,653) was paid in respect of of defined contribution pension schemes.

During the year retirement benefits were accruing to 4 directors (2016 - 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £137,271 (2016 - £230,551).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £8,565 (2016 - £23,673).

10. Interest receivable

	2017 £	2016 £
Other interest receivable	**3,302**	2,057
	3,302	2,057

Notes to the financial statements
For the year ended 31 August 2017

11. Interest payable and similar charges

	2017 £	2016 £
Bank interest payable	**41,675**	34,936
Other loan interest payable	**1,521**	-
	43,196	34,936

12. Taxation

	2017 £	2016 £
Corporation tax		
Current tax on profits for the year	**27,912**	55,422
Adjustments in respect of previous periods	**-**	20,660
	27,912	76,082
Total current tax	**27,912**	76,082
Deferred tax		
Origination and reversal of timing differences	**(13,358)**	(26,100)
Total deferred tax	**(13,358)**	(26,100)
Taxation on profit on ordinary activities	**14,554**	49,982

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016 - higher than) the standard rate of corporation tax in the UK of 19.58% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	**90,455**	185,775
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.58% (2016 - 20%)	**17,711**	37,155
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**560**	1,255
Capital allowances for year in excess of depreciation	**3,189**	15,260
Utilisation of tax losses	**-**	(1,670)
Adjustments to tax charge in respect of prior periods	**-**	18,283
Short term timing difference leading to an increase (decrease) in taxation	**(927)**	9,936
Non-taxable income	**(5,889)**	(30,237)
Unrelieved tax losses carried forward	**(90)**	-
Total tax charge for the year	**14,554**	49,982

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

Notes to the financial statements
For the year ended 31 August 2017

13. Tangible fixed assets

Group

	Freehold property £	Long-term leasehold property £	Plant and machinery £	Furniture, fittings and equipment £	Total £
Cost or valuation					
At 1 September 2016	**2,655,509**	**1,383**	**296,661**	**576,078**	**3,529,631**
Additions	**26,404**	**-**	**-**	**10,343**	**36,747**
Disposals	**-**	**(1,383)**	**(274,774)**	**(299,819)**	**(575,976)**
At 31 August 2017	**2,681,913**	**-**	**21,887**	**286,602**	**2,990,402**
Depreciation					
At 1 September 2016	**683,993**	**1,383**	**280,642**	**542,081**	**1,508,099**
Charge for the year on owned assets	**86,876**	**-**	**9,668**	**24,394**	**120,938**
Disposals	**-**	**(1,383)**	**(274,774)**	**(299,819)**	**(575,976)**
At 31 August 2017	**770,869**	**-**	**15,536**	**266,656**	**1,053,061**
Net book value					
At 31 August 2017	**1,911,044**	**-**	**6,351**	**19,946**	**1,937,341**
At 31 August 2016	1,971,516	-	16,019	33,997	2,021,532

13. Tangible fixed assets (continued)

Company

	Freehold property £	Long-term leasehold property £	Plant and machinery £	Furniture, fittings and equipment £	Total £
Cost or valuation					
At 1 September 2016	**2,589,994**	**1,383**	**289,767**	**543,021**	**3,424,165**
Additions	**26,404**	**-**	**-**	**-**	**26,404**
Disposals	**-**	**(1,383)**	**(274,774)**	**(291,179)**	**(567,336)**
At 31 August 2017	**2,616,398**	**-**	**14,993**	**251,842**	**2,883,233**
Depreciation					
At 1 September 2016	**683,993**	**1,383**	**275,770**	**517,635**	**1,478,781**
Charge for the year on owned assets	**86,876**	**-**	**8,679**	**15,905**	**111,460**
Disposals	**-**	**(1,383)**	**(274,774)**	**(291,179)**	**(567,336)**
At 31 August 2017	**770,869**	**-**	**9,675**	**242,361**	**1,022,905**
Net book value					
At 31 August 2017	**1,845,529**	**-**	**5,318**	**9,481**	**1,860,328**
At 31 August 2016	1,906,001	-	13,997	25,386	1,945,384

14. Fixed asset investments

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Farplants Sales Limited	Ordinary	100 %	Horitcultural sales and distribution
Wallock Limited	Ordinary	50 %	Dormant company
Pride of Place Plants Limited	Ordinary	100 %	Dormant company

The aggregate of the share capital and reserves as at 31 August 2017 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

14. Fixed asset investments (continued)

	Aggregate of share capital and reserves £	Profit/(loss) £
Farplants Sales Limited	**536,877**	**(2,084)**
Wallock Limited	**10,000**	**-**
Pride of Place Plants Limited	**2**	**-**
	546,879	**(2,084)**

Company

	Investments in subsidiary companies £	Loans to subsidiaries £	Total £
Cost or valuation			
At 1 September 2016	**12,603**	**55,515**	**68,118**
At 31 August 2017	**12,603**	**55,515**	**68,118**
Net book value			
At 31 August 2017	**12,603**	**55,515**	**68,118**
At 31 August 2016	12,603	55,515	68,118

15. Stocks

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Raw materials and consumables	**112,308**	48,447	**-**	**-**
	112,308	48,447	**-**	**-**

The difference between purchase price or production cost of stocks and their replacement cost is not material.

Stock recognised in cost of sales during the year as an expense was £143,848 (2016 - £130,781).

Notes to the financial statements
For the year ended 31 August 2017

16. Debtors

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Trade debtors	**2,649,915**	2,501,292	**-**	-
Owed by associates and connected parties	**163,750**	163,749	**103,750**	103,749
Other debtors	**1,928**	6,739	**1,085**	2,414
Prepayments and accrued income	**127,977**	204,189	**-**	-
	2,943,570	2,875,969	**104,835**	106,163

17. Cash and cash equivalents

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Cash at bank and in hand	**2,981**	188,183	**1,684**	7,342
Less: bank overdrafts	**(532,784)**	(514,953)	**-**	-
	(529,803)	(326,770)	**1,684**	7,342

18. Creditors: Amounts falling due within one year

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Bank overdrafts and other facilities	**532,784**	514,953	**-**	-
Bank loans	**212,559**	203,873	**212,559**	203,873
Trade creditors - third parties	**383,925**	343,251	**1,997**	2,772
Trade creditors - owed to member nurseries	**1,669,970**	1,674,012	**-**	-
Amounts owed to group undertakings	**-**	-	**703,930**	624,030
Corporation tax	**27,912**	35,958	**27,912**	26,070
Other taxation and social security	**177,146**	142,288	**-**	-
Other creditors	**13,211**	14,173	**-**	-
Accruals and deferred income	**618,997**	685,865	**264,446**	288,164
	3,636,504	3,614,373	**1,210,844**	1,144,909

Bank overdrafts and other facilities

Bank overdrafts and other facilities are denominated in £. The carrying amount at the year end is £532,784 (2016: £514,593) and are secured by fixed and floating charges over the plant and machinery, fixtures and fittings, office equipment, bookdebts and licenses of the group in favour of the company's bankers.

19. Creditors: Amounts falling due after more than one year

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Bank loans	**468,116**	690,721	**468,116**	690,721
	468,116	690,721	**468,116**	690,721

20. Loans

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Amounts falling due within one year				
Bank loans	**212,559**	203,873	**212,559**	203,873
	212,559	203,873	**212,559**	203,873
Amounts falling due 1-2 years				
Bank loans	**468,116**	690,721	**468,116**	690,721
	468,116	690,721	**468,116**	690,721
	680,675	894,594	**680,675**	894,594

Group and Company:
Bank borowings
The bank loan is denominated in £ with a nominal interest rate of 2.21%, and the final instalment is due on 1 June 2020. The carrying amount at the year end is £680,675 (2016: £894,594). The bank loan is secured by fixed and floating charges over the plant and machinery, fixtures and fittings, office equipment, bookdebts and licenses of the group in favour of the company's bankers.

Notes to the financial statements
For the year ended 31 August 2017

21. Financial instruments

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Financial assets				
Financial assets that are debt instruments measured at amortised cost	**2,898,953**	3,012,103	**106,519**	113,505
Financial assets that are equity instruments measured at cost less impairment	**-**	-	**68,118**	68,118
	2,898,953	3,012,103	**174,637**	181,623
Financial liabilities				
Financial liabilities measured at amortised cost	**4,899,562**	4,126,848	**1,651,048**	1,809,560
	4,899,562	4,126,848	**1,651,048**	1,809,560

22. Deferred taxation

Group

	2017 £	2016 £
At beginning of year	**(37,003)**	(63,103)
Charged to profit or loss	**13,358**	26,100
At end of year	**(23,645)**	(37,003)

22. Deferred taxation (continued)

Company

	2017 £	2016 £
At beginning of year	**(37,003)**	(63,103)
Charged to profit or loss	**13,358**	26,100
At end of year	**(23,645)**	(37,003)

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Accelerated capital allowances	**(23,645)**	(37,003)	**(23,645)**	(37,003)
	(23,645)	(37,003)	**(23,645)**	(37,003)

23. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
175,000 Ordinary shares of £1 each	**175,000**	175,000

24. Pension commitments

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £86,393 (2016: £92,386).

Contributions totalling £13,213 (2016: £14,175) were payable to the scheme at the end of the year and are included in creditors.

Notes to the financial statements
For the year ended 31 August 2017

25. Commitments under operating leases

At 31 August 2017 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2017 £	Group 2016 £	**Company 2017 £**	Company 2016 £
Not later than 1 year	**102,187**	81,190	**1,300**	1,300
Later than 1 year and not later than 5 years	**151,580**	134,155	**-**	-
	253,767	215,345	**1,300**	1,300

The amount of non-cancellable operating lease payments recognised as an expense during the year was £103,365 (2016: £98,193)

Notes to the financial statements
For the year ended 31 August 2017

26. Financial guarantee contracts

Company
The company has entered into a cross guarantee with National Westminster Bank PLC in relation to the group's (Farplants Group Limited, Farplants Sales Limited, Pride of Place Plants Limited and Wallock Limited) bank borrowings.

The amount of the financial guarantee contract is £900,914 (2016: £700,578).

Notes to the financial statements
For the year ended 31 August 2017

27. Related party transactions

Group:

Key management personnel

The directors of the group have defined key management as the directors of the company and it's subsidiaries. Key management personnel salaries and other short term benefits totalled £327,097 (2016: £419,762).

Summary of transactions with other related parties

Farplants Limited
(Under common control)
The group continued to provide an interest free loan to Farplants Limited. During the year Farplants Limited charged rent of £16,600 (2016: £16,600) to the company. At the balance sheet date the amount due from Farplants Limited was £163,749 (2016: £163,749).

Binsted Nurseries LLP
(Under the control of a director)
Sales made to Binsted Nurseries LLP during the year amounted to £270,164 (2016: £188,631).
Purchases from Binsted Nurseries LLP during the year amounted to £3,431,189 (2016: £3,293,627). At the balance sheet date the amount due to Binsted Nurseries LLP was £358,037 (2016: £387,954).

Fleurie Nursery Limited
(Under the control of a director)
Sales made to Fleurie Nursery Limited during the year amounted to £383,660 (2016: £278,658).
Purchases from Fleurie Nursery Limited during the year amounted to £3,536,380 (2016: £3,302,050).
Fleurie Nursery Limited also provided the company with a loan of £185,000 during the year, interest was charged at an annual rate of 3% and the loan was fully repaid at the balance sheet date. At the balance sheet date the amount due to Fleurie Nursery Limited was £240,373 (2016: £289,696).

Star Nurseries Limited
(Under the control of a director)
Sales made to Star Nurseries Limited during the year amounted to £208,644 (2016: £155,532).
Purchases from Star Nurseries Limited during the year amounted to £1,467,925 (2016: £1,416,713). At the balance sheet date the amount due to Star Nurseries Limited was £69,939 (2016: £146,448).

Toddington Nurseries Limited
(Under the control of a director)
Sales made to Toddington Nurseries Limited during the year amounted to £177,329 (2016: £127,359).
Purchases from Toddington Nurseries Limited during the year amounted to £2,376,511 (2016: £2,187,325). At the balance sheet date the amount due to Toddington Nurseries Limited was £158,085 (2016: £191,208).

Walberton Nursery LLP
(Under the control of a director)
Sales made to Walberton Nursery LLP during the year amounted to £181,707 (2016: £121,607).
Purchases from Walberton Nursery LLP during the year amounted to £2,103,489 (2016: £1,907,804). At the balance sheet date the amount due to Walberton Nursery LLP was £432,556 (2016: £373,573).

Notes to the financial statements
For the year ended 31 August 2017

27. Related party transactions continued

Company:

Key management personnel

The directors of the group have defined key management as the directors of the company and it's subsidiaries. Key management personnel salaries and other short term benefits totalled £327,097 (2016: £419,762)

Summary of transactions with subsidiaries

The company has taken advantage of the exemption in FRS 102 paragraph 33.1A from disclosing transactions with 100% owned subsidiary companies.

Summay of transactions with other related parties

Farplants Limited
(Under common control)
During the year the company continued to provide Farplants Limited with an interest free loan. At the balance sheet date the amount due from Farplants Limited was £103,749 (2016: £103,749).

Walberton Nursery LLP
(Under the control of a director)
During the year the company paid rent to Walberton Nursery LLP totalling £1,300 (2016: £1,300). At the balance sheet date the amount due to Walberton Nursery LLP was £Nil (2016: £Nil) in respect of rent due.

28. Controlling party

Farplants Group Limited is the most senior entity in the group and is controlled by the directors of the company.