

Company registration number 00536274 (England and Wales)

AYLETT NURSERIES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2022

**Faulkner House
Victoria Street
St Albans
Hertfordshire
AL1 3SE**

**Rayner Essex LLP
Chartered Accountants**

AYLETT NURSERIES LIMITED

COMPANY INFORMATION

Directors Mr A W Wigglesworth
Mrs J A Wigglesworth
Mrs H E Aylett

Secretary Mr A Wigglesworth

Company number 00536274

Registered office North Orbital Road
St Albans
Hertfordshire
AL2 1DH

Auditor Rayner Essex LLP
Faulkner House
Victoria Street
St Albans
Hertfordshire
AL1 3SE

AYLETT NURSERIES LIMITED

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AYLETT NURSERIES LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 OCTOBER 2022

The directors present the strategic report for the year ended 31 October 2022.

Fair review of the business

The directors were satisfied with the level of sales and overall performance of the company considering the challenging conditions that arose from the remaining effects of the covid-19 pandemic as well as the inflationary pressures and uncertainty caused by the Russian invasion of Ukraine in early 2022. This made anticipating consumer demand and maintaining correct stock levels difficult. However, the continued enthusiasm for spending time outdoors and interest in the environment encouraged customers to visit the garden centre. The directors continue to take a cautious approach, aware of the supply chain logistic issues caused by the Ukraine war and Brexit, whilst taking all the opportunities to invest in the business, and ensure the Centre continues to be a draw to customers with excellent service, products and ambience.

Principal risks and uncertainties

The principle risks and uncertainties faced by the business include the following:

- weather conditions;
- plant health and biosecurity issues;
- operating in a competitive market;
- fluctuation in fuel and transportation costs;
- the continued impact of Brexit;
- supply chain network risk;
- the ongoing effects of the Covid-19 pandemic; and
- changes in regulations affecting the business.

Development and performance

The directors are satisfied with the financial position of the company at the end of the year.

Key performance indicators

As well as turnover, the Company uses profitability, stock turnover, and the employment costs as a percentage of sales as key performance indicators. Profitability was deemed to be acceptable for the needs of the business, and the gross profit margin was 47.58% (2021: 48.18%). The Directors are satisfied with the stable gross profit margin. Stock turnover has increased to 89 days (2021: 64 days), and the Directors continue to maintain a prudent approach to stock management and provisions, focusing particularly on increased lead times caused by supply chain logistic issues. Employment costs as a percentage of sales has increased to 27.50% (2021: 23.92%), which reflects the increase in staff numbers as well as the rising cost of employment during the year.

On behalf of the board

Mr A W Wigglesworth

Director

16 February 2023

AYLETT NURSERIES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2022

The directors present their annual report and financial statements for the year ended 31 October 2022.

Principal activities

The principal activity of the company continued to be that of Dahlia Growers and Garden Centre Proprietors.

Results and dividends

The results for the year are set out on page 7.

Interim ordinary dividends were paid amounting to £234,136 (2021: £536,981). The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr A W Wigglesworth
Mrs J A Wigglesworth
Mrs H E Aylett

Future developments

The Company continues to refine and develop its seasonal offerings to maximise opportunity. The uncertainty around consumer behaviour patterns make it difficult to quantify the effects on the business but the directors are aware of the potential issues involved.

Auditor

The auditor, Rayner Essex LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

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

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

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

AYLETT NURSERIES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Mr A W Wigglesworth
Director

16 February 2023

AYLETT NURSERIES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AYLETT NURSERIES LIMITED

Opinion

We have audited the financial statements of Aylett Nurseries Limited (the 'company') for the year ended 31 October 2022 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2022 and of its 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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 strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

AYLETT NURSERIES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) **TO THE MEMBERS OF AYLETT NURSERIES LIMITED**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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, 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 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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.

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

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with the directors and other management, and from our commercial knowledge and experience of the retail sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, employment and DEFRA regulations;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

AYLETT NURSERIES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF AYLETT NURSERIES LIMITED

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and relevant regulators

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

Antony Federer FCA FCCA CF
Senior Statutory Auditor
For and on behalf of Rayner Essex LLP

17 February 2023

Chartered Accountants
Statutory Auditor

Faulkner House
Victoria Street
St Albans
Hertfordshire
AL1 3SE

AYLETT NURSERIES LIMITED

STATEMENT OF COMPREHENSIVE INCOME **FOR THE YEAR ENDED 31 OCTOBER 2022**

	Notes	2022 £	2021 £
Turnover	3	7,854,425	8,126,167
Cost of sales		(4,119,967)	(4,210,789)
Gross profit		3,734,458	3,915,378
Administrative expenses		(3,475,843)	(2,882,240)
Other operating income		1,814	116,864
Operating profit	4	260,429	1,150,002
Interest receivable and similar income	7	719	88
Interest payable and similar expenses	8	(1,085)	(2,306)
Profit before taxation		260,063	1,147,784
Tax on profit	9	(46,614)	(228,412)
Profit for the financial year		213,449	919,372

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

AYLETT NURSERIES LIMITED

BALANCE SHEET

AS AT 31 OCTOBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	11		5,259,625		5,226,368
Current assets					
Stocks	12	1,065,222		764,339	
Debtors	13	45,027		35,745	
Cash at bank and in hand		863,381		1,268,755	
		1,973,630		2,068,839	
Creditors: amounts falling due within one year	14	(911,066)		(989,847)	
Net current assets			1,062,564		1,078,992
Total assets less current liabilities			6,322,189		6,305,360
Creditors: amounts falling due after more than one year	15		(24,603)		(1,775)
Provisions for liabilities			(109,892)		(95,204)
Net assets			6,187,694		6,208,381
Capital and reserves					
Called up share capital	19		10,050		10,050
Profit and loss reserves			6,177,644		6,198,331
Total equity			6,187,694		6,208,381

The financial statements were approved by the board of directors and authorised for issue on 16 February 2023 and are signed on its behalf by:

Mrs J A Wigglesworth
Director

Company Registration No. 00536274

AYLETT NURSERIES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 OCTOBER 2022

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
Balance at 1 November 2020		10,050	5,815,940	5,825,990
Year ended 31 October 2021:				
Profit and total comprehensive income for the year		-	919,372	919,372
Dividends	10	-	(536,981)	(536,981)
Balance at 31 October 2021		10,050	6,198,331	6,208,381
Year ended 31 October 2022:				
Profit and total comprehensive income for the year		-	213,449	213,449
Dividends	10	-	(234,136)	(234,136)
Balance at 31 October 2022		10,050	6,177,644	6,187,694

AYLETT NURSERIES LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 OCTOBER 2022

		2022		2021	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	26	190,491		1,239,500	
Interest paid		(1,085)		(2,306)	
Income taxes paid		(150,647)		(103,153)	
Net cash inflow from operating activities		<u>38,759</u>		<u>1,134,041</u>	
Investing activities					
Purchase of tangible fixed assets		(236,453)		(533,059)	
Interest received		719		88	
Net cash used in investing activities		<u>(235,734)</u>		<u>(532,971)</u>	
Financing activities					
Repayment of borrowings		-		(41,874)	
Repayment of bank loans		-		(250,000)	
Payment of finance leases obligations		25,737		(20,474)	
Dividends paid		(234,136)		(536,981)	
Net cash used in financing activities		<u>(208,399)</u>		<u>(849,329)</u>	
Net decrease in cash and cash equivalents		<u>(405,374)</u>		<u>(248,259)</u>	
Cash and cash equivalents at beginning of year		1,268,755		1,517,014	
Cash and cash equivalents at end of year		<u><u>863,381</u></u>		<u><u>1,268,755</u></u>	

AYLETT NURSERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2022

1 Accounting policies

Company information

Aylett Nurseries Limited is a private company limited by shares incorporated in England and Wales. The registered office is North Orbital Road, St Albans, Hertfordshire, AL2 1DH.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

In adopting the going concern basis for preparing the financial statements, the directors have considered the business activities and the company's principle risks and uncertainties. The company meets its day-to-day working capital requirements through use of its cash and banking facilities.

In assessing the appropriateness of the going concern assumption, the directors have prepared forecasts for the company. In the modelled forecast scenarios the directors are satisfied that the company can continue to operate within its current cash and other facilities.

1.3 Turnover

Turnover represents the value, net of value added tax and discounts, of goods provided to customers.

Retail revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (at the point of sale), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Freehold	2% on cost
Plant & machinery	15% - 25% on cost
Fixtures, fittings & equipment	15% - 33.33% on cost
Motor vehicles	15% - 25% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

AYLETT NURSERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2022

1 Accounting policies

(Continued)

1.5 Impairment of fixed assets

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

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

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

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Cash and cash equivalents

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

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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.

AYLETT NURSERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. 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 a 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.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

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

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

AYLETT NURSERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

1 Accounting policies

(Continued)

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

The company operates a direct contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

1.13 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

AYLETT NURSERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2022

1 Accounting policies

(Continued)

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

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

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

A significant area for judgement and estimation is the requirement for a stock provision. This is calculated based upon stock reports which approximate the natural wastage of organic product.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2022	2021
	£	£
Turnover analysed by class of business		
Dahlia growers and garden centre proprietors	7,854,425	8,126,167
	<u>7,854,425</u>	<u>8,126,167</u>

	2022	2021
	£	£
Turnover analysed by geographical market		
UK	7,854,425	8,126,167
	<u>7,854,425</u>	<u>8,126,167</u>

	2022	2021
	£	£
Other significant revenue		
Interest income	719	88
	<u>719</u>	<u>88</u>

4 Operating profit

	2022	2021
	£	£
Operating profit for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	8,750	8,250
Depreciation of owned tangible fixed assets	203,196	169,111
	<u>211,946</u>	<u>177,361</u>

AYLETT NURSERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2022

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022 Number	2021 Number
Administration	11	11
Distribution	4	1
Sales & marketing	101	93
Total	116	105

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	1,953,587	1,762,689
Social security costs	152,295	129,547
Pension costs	53,936	51,397
	2,159,818	1,943,633

6 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	50,852	50,646

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2021 - 3).

7 Interest receivable and similar income

	2022 £	2021 £
Interest income		
Interest on bank deposits	719	88
Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss	719	88

AYLETT NURSERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2022

8	Interest payable and similar expenses	2022	2021
		£	£
	Interest on financial liabilities measured at amortised cost:		
	Other interest on financial liabilities	96	719
	Other finance costs:		
	Interest on finance leases and hire purchase contracts	989	1,587
		<u>1,085</u>	<u>2,306</u>
		<u><u>1,085</u></u>	<u><u>2,306</u></u>

AYLETT NURSERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 OCTOBER 2022**

9 Taxation

	2022	2021
	£	£
Current tax		
UK corporation tax on profits for the current period	31,926	150,647
	<u> </u>	<u> </u>
Deferred tax		
Origination and reversal of timing differences	14,688	77,765
	<u> </u>	<u> </u>
Total tax charge	<u>46,614</u>	<u>228,412</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022	2021
	£	£
Profit before taxation	260,063	1,147,784
	<u> </u>	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	49,412	218,079
Tax effect of expenses that are not deductible in determining taxable profit	3,142	851
Permanent capital allowances in excess of depreciation	(20,628)	(102,649)
Depreciation on assets not qualifying for tax allowances	-	34,366
Movement in deferred tax	14,688	77,765
	<u> </u>	<u> </u>
Taxation charge for the year	<u>46,614</u>	<u>228,412</u>

10 Dividends

	2022	2021
	£	£
Final paid	234,136	536,981
	<u> </u>	<u> </u>

AYLETT NURSERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 OCTOBER 2022**

11 Tangible fixed assets

	Land and buildings Freehold	Plant & machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost or valuation					
At 1 November 2021	4,959,513	1,195,203	298,823	161,701	6,615,240
Additions	-	189,823	869	45,761	236,453
Disposals	-	-	-	(9,540)	(9,540)
At 31 October 2022	4,959,513	1,385,026	299,692	197,922	6,842,153
Depreciation and impairment					
At 1 November 2021	267,008	697,736	288,405	135,723	1,388,872
Depreciation charged in the year	38,144	127,066	9,441	28,545	203,196
Eliminated in respect of disposals	-	-	-	(9,540)	(9,540)
At 31 October 2022	305,152	824,802	297,846	154,728	1,582,528
Carrying amount					
At 31 October 2022	4,654,361	560,224	1,846	43,194	5,259,625
At 31 October 2021	4,692,505	497,467	10,418	25,978	5,226,368

The carrying value of land and buildings comprises:

	2022 £	2021 £
Freehold	212,101	212,101

On transition to HRS 102 the existing revaluation, undertaken during the year ended 31 October 2014, was considered to be fair value and taken as cost going forward. During June 2022 the company had its freehold land and buildings revalued by Sanderson Weatherall. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties. The valuation put the total value of freehold land and buildings at £7,060,000. This represented an increase in carrying value at the time of £2,176,775 if the company was not using the cost model.

If revalued assets were stated on a historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2022 £	2021 £
Cost	1,417,335	1,417,335
Accumulated depreciation	(153,536)	(134,344)
Carrying value	1,263,799	1,282,991

AYLETT NURSERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 OCTOBER 2022**

12 Stocks

	2022	2021
	£	£
Finished goods and goods for resale	1,065,222	764,339
	<u> </u>	<u> </u>

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

13 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	7,996	6,593
Prepayments and accrued income	37,031	29,152
	<u> </u>	<u> </u>
	<u>45,027</u>	<u>35,745</u>

14 Creditors: amounts falling due within one year

	2022	2021
	£	£
	Notes	
Obligations under finance leases	16	12,286
Trade creditors		645,393
Corporation tax		150,647
Other taxation and social security		109,824
Other creditors		12,809
Accruals and deferred income		58,888
		<u> </u>
		<u>911,066</u>

15 Creditors: amounts falling due after more than one year

	2022	2021
	£	£
	Notes	
Obligations under finance leases	16	1,775
		<u> </u>

16 Finance lease obligations

	2022	2021
	£	£
Future minimum lease payments due under finance leases:		
Within one year	15,195	12,286
In two to five years	24,603	1,775
	<u> </u>	<u> </u>
	<u>39,798</u>	<u>14,061</u>

AYLETT NURSERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

16 Finance lease obligations

(Continued)

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

17 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2022 £	Liabilities 2021 £
Balances:		
Accelerated capital allowances	109,892	95,204
	<u>109,892</u>	<u>95,204</u>
Movements in the year:		2022 £
Liability at 1 November 2021		95,204
Charge to profit or loss		14,688
		<u>109,892</u>
Liability at 31 October 2022		<u>109,892</u>

The deferred tax liability set out above relates to accelerated capital allowances that are expected to mature within the useful economic life of the assets they relate to.

18 Retirement benefit schemes

	2022 £	2021 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	53,936	51,397
	<u>53,936</u>	<u>51,397</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

19 Share capital

	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital				
Issued and fully paid				
A Ordinary of £1 each	3,760	3,760	3,760	3,760
B Ordinary of £1 each	2,815	2,815	2,815	2,815
C Ordinary of £1 each	1,275	1,275	1,275	1,275
D Ordinary of £1 each	2,200	2,200	2,200	2,200
	<u>10,050</u>	<u>10,050</u>	<u>10,050</u>	<u>10,050</u>

AYLETT NURSERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2022

19 Share capital

(Continued)

The A, B, C and D Ordinary £1 shares rank pari passu.

20 Reserves

The profit and loss reserve contains £4,231,820 in relation to previous revaluations that have been transferred from the revaluation reserve to the profit and loss reserve on transition to FRS 102. This amount is not distributable.

21 Financial commitments, guarantees and contingent liabilities

Outstanding charges are held by Lloyds Bank Plc and the director's pension fund.

Lloyds Bank Plc has a debenture containing fixed charges and a floating charge over the property and assets of the business.

The directors' pension fund's fixed charge over the freehold property was released during the year.

AYLETT NURSERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2022

22 Operating lease commitments

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

	2022 £	2021 £
Within one year	6,901	14,944
Between two and five years	5,046	11,743
	<u>11,947</u>	<u>26,687</u>

23 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Interest paid 2022 £	2021 £
Other related parties	-	719
	<u>-</u>	<u>719</u>

Other information

During 2017 the company borrowed £200,000 from the directors' pension fund at an interest rate of 2.5%. The amount paid in interest in the year in relation to this loan was Nil (2021: £719). The loan was fully repaid in 2021. The directors are beneficiaries of the pension fund.

24 Directors' transactions

Dividends totalling £182,550 (2021 - £450,345) were paid in the year in respect of shares held by the company's directors.

At the balance sheet date, the company owed director H E Aylett £813 (2021: £813), J A Wigglesworth £15,969 (2021: £1,219) and A W Wigglesworth £26,075 (2021: £1,675).

25 Ultimate controlling party

There is no ultimate controlling party.

AYLETT NURSERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 OCTOBER 2022**

26 Cash generated from operations

	2022	2021
	£	£
Profit for the year after tax	213,449	919,372
Adjustments for:		
Taxation charged	46,614	228,412
Finance costs	1,085	2,306
Investment income	(719)	(88)
Depreciation and impairment of tangible fixed assets	203,196	169,111
Movements in working capital:		
Increase in stocks	(300,883)	(182,730)
(Increase)/decrease in debtors	(9,282)	24,676
Increase in creditors	37,031	78,441
Cash generated from operations	<u>190,491</u>	<u>1,239,500</u>

27 Analysis of changes in net funds

	1 November 2021	Cash flows	31 October 2022
	£	£	£
Cash at bank and in hand	1,268,755	(405,374)	863,381
Obligations under finance leases	(14,061)	(25,737)	(39,798)
	<u>1,254,694</u>	<u>(431,111)</u>	<u>823,583</u>

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