We just keep growing...

BLUE DIAMOND®

Blue Diamond Limited

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 June 2025

CONTENTS

BLUE DIAMOND LIMITED

COMPANY INFORMATION
FOR THE SIX MONTHS ENDED 30 JUNE 2025

DIRECTORS:	A Roper (Managing Director) N McDonald (Finance Director) S Burke (Chairman) D Williams D Ummels S Crowder
COMPANY SECRETARY:	N McDonald
REGISTERED OFFICE:	Rue du Friquet Castel Guernsey Channel Islands GY5 7SS
REGISTERED NUMBER:	12307 (Guernsey)
INDEPENDENT AUDITOR:	BDO LLP Arcadia House Maritime Walk Ocean Village Southampton SO14 3TL
BANKERS:	The Royal Bank of Scotland International Limited (trading as NatWest International) 1 Glategny Esplanade St Peter Port Guernsey Channel Islands GY1 4BQ Barclays Bank plc PO Box 3333 1 Snowhill Snow Hill Queensway Birmingham B3 2WN
LEGAL REPRESENTATIVES	
GUERNSEY:	Carey Olsen Les Banques St Peter Port Guernsey Channel Islands
UNITED KINGDOM:	Bristows LLP 100 Victoria Embankment London United Kingdom

INTERIM MANAGEMENT STATEMENT

Blue Diamond Limited Interim Results 2025

Blue Diamond Limited (the 'Company') and its Subsidiaries ('Blue Diamond' or 'The Group'), the UKs leading Garden Centre retailer today announces its unaudited half year results for the 6 month period ended 30 June 2025.

Strong trading performance

- Overall sales increased by 18.3% to £191.6m, with both garden centers +18.4% and restaurants +18.3% performing well.
- Like For Like sales increased by 8.4% and are in-line with the Garden Centre Association as the entire market benefited from the unseasonally warm weather.
- PBT increased by 60% to £20.6m.
- Like For Like Stock is flat to last year despite the 8.4% sales growth, so stock turn has improved.
- Leverage remains strong with a Net Debt to EBITDA ratio of 0.9.
- EPS increases to 8.79p from 5.46p in 2024.

Operational efficiency

- We continue to drive a culture of operational efficiency across our estate through monitoring and benchmarking KPIs.
- The profit gap (the difference between bought in margin and selling margin) has improved by 0.8% generating a £1.3m improvement in gross profit and;
- Employee productivity (profit per full-time equivalent) has improved by 6.5%, generating a £1.8m fall in staff costs as a percentage of sales, despite the substantial increase in payroll costs since the Budget took effect in April.

Value Creation

- Finance facilities were renewed in the half on improved terms and provide additional cash to support our continued growth ambitions.
- 4 new centers were acquired in HY1 with an additional 2 being added in the last couple of months taking the group to 52 centres in total with a turnover approaching £400m.
- Yarnton, Harlestone Heath, Huntingdon, Worlds End were added in HY1. These along with Barton Grange were announced in the June trading statement.
- The latest addition to the group is Busy Bee on the Isle of Wight, joining the group in October. It's the largest centre on the island with a turnover in excess of £4.5m and presents a great opportunity for Blue Diamond to build on the success of the previous owners.
- We continue to deploy our strategy of acquiring and transforming centres alongside enhancing the existing portfolio with both workstreams delivering strong returns.

Full Year Outlook

- Demand has held up well so far in HY2 and we have maintained the gains made in HY1. We have good momentum heading into Christmas and we are well set to deliver a strong result for the full year.

Dividend

- As a result of the strong financial performance and positive outlook for 2025 the interim dividend has been increased to 1.30 pence per share, an increase of 18% on 2024. This will be paid in December.

Simon Burke
Chairman
29 October 2025

BLUE DIAMOND LIMITED

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Notes	**Six months ended 30 June 2025 £'000**	Six months ended 30 June 2024 £'000	Year ended 31 December 2024 £'000
TURNOVER	3	**191,590**	162,003	332,364
Cost of sales		**(84,888)**	(72,980)	(153,274)
GROSS PROFIT		**106,702**	89,023	179,090
Distribution costs		**(89)**	(78)	(175)
Administrative expenses		**(87,467)**	(77,036)	(159,308)
		19,146	11,909	19,607
Other operating income		**3,211**	2,542	5,604
GROUP OPERATING PROFIT	3	**22,357**	14,451	25,211
Share of loss for the year in associated undertaking		**(-)**	(-)	(17)
PROFIT BEFORE INTEREST		**22,357**	14,451	25,194
Interest receivable and similar income		**15**	5	9
Interest payable and similar expenses		**(1,888)**	(1,605)	(3,407)
PROFIT BEFORE TAXATION		**20,551**	12,851	21,796
Taxation on profit	2	**(5,138)**	(3,309)	(5,847)
PROFIT FOR THE FINANCIAL PERIOD/YEAR		**15,413**	9,542	15,949
EARNINGS PER SHARE	6	**8.79p**	5.46p	9.12p
OTHER COMPREHENSIVE INCOME				
Unrealised surplus on revaluation of freehold properties		**-**	264	4,593
Movement in deferred tax relating to revaluation of freehold properties		**-**	-	(1,813)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD/YEAR		**-**	264	2,780
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR		**15,413**	9,806	18,729
Profit attributable to:				
Owners of the parent		**15,413**	9,806	18,729

All amounts relate to continuing operations.

The notes on pages 7 to 13 form part of these financial statements

BLUE DIAMOND LIMITED (REGISTERED NUMBER: 12307)

INTERIM CONSOLIDATED BALANCE SHEET
30 JUNE 2025

	Notes	**30 June 2025 £'000**	**30 June 2025 £'000**	30 June 2024 £'000	30 June 2024 £'000	31 December 2024 £'000	31 December 2024 £'000
FIXED ASSETS							
Intangible assets	7		**19,628**		**15,495**		18,395
Tangible fixed assets	8		**239,884**		**217,540**		235,863
Investments	9		**-**		**17**		-
			259,512		**233,052**		254,258
CURRENT ASSETS							
Stocks		**61,792**		59,223		52,393	
Debtors		**19,087**		21,542		20,906	
Cash at bank and in hand		**24,269**		8,801		12,365	
		105,148		89,566		85,664	
CREDITORS							
Amounts falling due within one year		**(43,739)**		(63,401)		(70,044)	
NET CURRENT ASSETS			**61,409**		26,165		15,620
TOTAL ASSETS LESS CURRENT LIABILITIES			**320,921**		259,217		269,878
CREDITORS							
Amounts falling due after more than one year			**(60,667)**		(25,006)		(22,353)
PROVISIONS FOR LIABILITIES			**(25,285)**		(19,200)		(25,285)
NET ASSETS			**234,969**		215,011		222,240
CAPITAL AND RESERVES							
Called up share capital	10		**703**		700		701
Share premium			**8,131**		7,521		7,750
Revaluation reserve			**62,775**		60,259		62,775
Capital reserve			**9,439**		9,439		9,439
Retained earnings			**153,921**		137,092		141,575
TOTAL EQUITY			**234,969**		215,011		222,240

The financial statements were approved by the Board of Directors and authorised for issue on 29 October 2025. They were signed on its behalf by:

.....
N McDonald - Director

The notes on pages 7 to 13 form part of these financial statements

BLUE DIAMOND LIMITED

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Called up share capital £'000	Retained earnings £'000	Share premium £'000	Revaluation reserve £'000	Capital reserve £'000	Total equity £'000
Balance at 1 January 2025	**701**	**141,575**	**7,750**	**62,775**	**9,439**	**222,240**
Changes in equity						
Profit for the year	**-**	**15,413**	**-**	**-**	**-**	**15,413**
Surplus on revaluation of freehold properties	**-**	**-**	**-**	**-**	**-**	**-**
Total comprehensive income	**-**	**15,413**	**-**	**-**	**-**	**15,363**
Dividends (note 5)	**2**	**(3,067)**	**381**	**-**	**-**	**(2,684)**
Balance at 30 June 2025	**703**	**153,921**	**8,131**	**62,775**	**9,439**	**234,969**
Balance at 1 January 2024	698	130,344	7,158	59,995	9,439	207,634
Changes in equity						
Profit for the year	-	9,542	-	-	-	9,542
Surplus on revaluation of freehold properties	-	-	-	264	-	264
Total comprehensive income	-	9,542	-	264	-	9,806
Dividends (note 5)	2	(2,794)	363	-	-	(2,429)
Balance at 30 June 2024	700	137,092	7,521	60,259	9,439	215,011
Balance at 1 January 2024	698	130,344	7,158	59,995	9,439	207,634
Changes in equity						
Profit for the year	-	15,949	-	-	-	15,949
Surplus on revaluation of freehold properties	-	-	-	4,593	-	4,593
Movement in deferred tax relating to revaluation of freehold properties	-	-	-	(1,813)	-	(1,813)
Total comprehensive income	-	15,949	-	2,780	-	18,729
Dividends (note 5)	3	(4,718)	592	-	-	(4,123)
Balance at 31 December 2024	701	141,575	7,750	62,775	9,439	222,240

The notes on pages 7 to 13 form part of these financial statements

BLUE DIAMOND LIMITED

INTERIM CONSOLIDATED CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Six months Ended 30 June 2025 £'000	Six months ended 30 June 2024 £'000	Year ended 31 December 2024 £'000
Cash flows from operating activities			
Profit for the financial year	**15,413**	9,542	15,949
Adjustments for:			
Amortisation of intangible assets	**542**	130	893
Depreciation of tangible assets	**4,721**	3,931	8,564
Loss/ (profit) on disposal of tangible assets	**-**	-	(5)
Amortisation of lease incentives	**-**	-	(111)
Foreign exchange (gains)/ losses	**-**	-	(1)
Interest receivable	**(15)**	(5)	(9)
Interest payable	**1,888**	1,605	3,407
Taxation charge	**5,138**	3,309	5,847
(Increase)/decrease in stocks	**(8,367)**	(4,867)	2,912
Decrease/(increase) in debtors	**1,819**	(7,039)	(974)
Increase/(decrease) in creditors	**(1,297)**	16,430	5,846
Corporation tax paid	**(4,196)**	(1,914)	(5,205)
Interest received	**15**	5	9
Interest paid	**(1,888)**	(1,605)	(3,407)
Net cash generated from operating activities	**13,773**	19,522	33,715
Cash flows from investing activities			
Purchases of tangible fixed assets	**(8,228)**	(9,138)	(13,295)
Sale of tangible fixed assets	**-**	-	555
Business combinations – FGC Holdings Limited group	**-**	-	(24,851)
Cash acquired with – FGC Holdings Limited group	**-**	-	11,209
Business combinations – Willington	**-**	-	(3,113)
Business combinations – Yarnton Nurseries LLP	**(2,774)**	-	-
Cash acquired with – Yarnton Nurseries LLP	**61**	-	-
Business combinations - Worfield Nursery	**-**	-	(230)
Goodwill on Worfield Nursery	**-**	(300)	-
Net cash used in investing activities	**(10,941)**	(9,438)	(29,725)
Cash flows from financing activities			
Payments/(receipts) to/from revolving credit facility	**(25,853)**	(4,500)	7,853
Debt issue costs	**-**	(44)	-
Loan drawdown	**39,689**	-	-
Repayment of bank loans	**(1,250)**	(625)	(2,500)
Equity dividends paid	**(2,684)**	(2,429)	(4,123)
Net cash generated/ (used) in financing activities	**9,902**	(7,598)	1,230
Net increase in cash and cash equivalents	**12,734**	2,486	5,220
Cash and cash equivalent at the beginning of the period/year	**11,535**	6,315	6,315
Cash and cash equivalents at the end of the period/year	**24,269**	8,801	11,535

BLUE DIAMOND LIMITED

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2025

1. BASIS OF PREPARATION

Blue Diamond Limited is a private company limited by shares and registered in Guernsey under the Companies (Guernsey) Law, 2008. The address of the registered office is given on the Company Information page and the Group's principal activity is the operation of garden centres.

These Interim Condensed Consolidated Financial Statements have been prepared on a going concern basis, under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 104, 'Interim Financial Reporting' issued by the Financial Reporting Council. They do not include all disclosures that would be required in a complete set of financial statements and should be read in conjunction with the 2024 Annual Report.

The Interim Consolidated Income Statement of Comprehensive Income, Interim Consolidated Balance Sheet, Interim Consolidated Statement of Changes in Equity, Interim Consolidated Cash Flow Statement and Notes to the Interim Consolidated Financial Statements are unaudited and not reviewed pursuant to the guidance issued by the Financial Reporting Guidance.

The Interim Condensed Consolidated Financial Statements were approved by the Board of Directors on 29 October 2025.

2. GROUP TAX

The tax charge applicable to the results for the six months ended 30 June 2025 and for the six months ended 30 June 2024 is calculated by multiplying profit before tax by a rate of tax estimated by the Directors. The estimated rate of tax is based on the assumption tax was payable at 25% in the UK, 20% in Guernsey and 20% in Jersey. The movement in the deferred tax liability at the balance sheet dates, included in provisions for liabilities, is estimated using similar assumptions based on the results for the year ended 31 December 2024.

3. TURNOVER AND GROUP OPERATING PROFIT

The first half results reflect the acquisitions, Harlestone Heath Garden Centre and Huntingdon Garden Centre in January 2025, and Yarnton Nurseries LLP Limited and Worlds End Garden Centre in February 2025. Their results are disclosed in the table below under 'Acquired'. An analysis of the Group's results from continuing activities including acquisitions is given below:

	2025 Continuing £	2025 Acquired £	2025 Total £	2024 Total £
Turnover	182,920	8,670	191,590	162,003
Cost of sales	(81,110)	(3,778)	(84,888)	(72,980)
Gross profit	101,810	4,892	106,702	89,023
Distribution costs	(86)	(3)	(89)	(78)
Administrative expenses	(84,901)	(2,566)	(87,467)	(77,036)
Other operating income	2,971	240	3,211	2,542
Group operating profit	**19,794**	**2,563**	**22,357**	14,451

BLUE DIAMOND LIMITED

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE SIX MONTHS ENDED 30 JUNE 2025

4. SEGMENT ANALYSIS

Geographic analysis

	United Kingdom			Channel Islands			Group		
	30 June 2025	**30 June 2024**	**31 December 2024**	**30 June 2025**	**30 June 2024**	**31 December 2024**	**30 June 2025**	**30 June 2024**	**31 December 2024**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Turnover	**182,400**	153,209	314,438	**9,190**	8,794	17,926	**191,590**	162,003	332,364
Profit before interest and taxation									
Regional profit	**29,036**	19,293	37,520	**1,945**	1,780	3,489	**30,981**	21,073	41,009
Group costs	**-**	-	-	**-**	-	-	**(8,624)**	(6,622)	(15,815)
Group profit before interest and taxation	**29,036**	19,293	37,520	**1,945**	1,780	3,489	**22,357**	14,451	25,194
Total assets less current liabilities									
Net assets	**N/A**	N/A	247,760	**N/A**	N/A	36,220	**N/A**	N/A	283,980
Unallocated assets and liabilities	**N/A**	N/A	N/A	**N/A**	N/A	N/A	**N/A**	N/A	(14,102)
Total assets less current liabilities	**N/A**	N/A	247,760	**N/A**	N/A	36,220	**N/A**	N/A	269,878

The geographic analysis is presented to disclose the profit before interest and taxation and total assets less current liabilities attributable to each geographic area. The Directors believe that this presentation best enables the users of the financial statements to assess the performance of each region as it reflects the profit before financing costs and capital employed in each geographic area. Unallocated assets and liabilities consist of assets and liabilities at the Group's head office in Guernsey and certain assets that cannot be allocated to a segment.

A geographic analysis of total assets less current liabilities has been provided only for the year ended 31 December 2024.

BLUE DIAMOND LIMITED

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE SIX MONTHS ENDED 30 JUNE 2025

5. DIVIDENDS

	Six months ended 30 June 2024 £000	Six months ended 30 June 2024 £000	Year ended 31 December 2024 £000
Ordinary shares			
Final 2024 dividend of 1.75p per share (2023: 1.6p per share)	**3,067**	2,794	2,793
Interim 2024 dividend of 1.1p per share (2023: 1.1p per share)	**-**	-	1,925
	3,067	**2,794**	4,718

A final dividend for the year ended 31 December 2024 of 1.75p per share totalling £3,066,854 was paid on 13 June 2025. £2,683,610 was paid in cash and £383,244 in the form of a scrip dividend. The Directors have also declared an interim dividend for the year ended 31 December 2025 of 1.3p per share (2024: 1.1p per share). This will be paid on 5 December 2025 to those shareholders on the register at 28 November 2025.

6. EARNINGS PER SHARE

	30 June 2025 Profit for the year	**30 June 2025 Earnings per share**	**30 June 2024 Profit for year**	**30 June 2024 Earnings per share**	**31 December 2024 Profit for year**	**31 December 2024 Earnings per share**
	£000	**p**	**£000**	**p**	**£000**	**p**
Basic earnings per share	**15,413**	**8.79**	9,542	5.46	15,949	9.12

Earnings per share is calculated by dividing the profit for the financial period/year attributable to the members of Blue Diamond Limited by the weighted average number of ordinary shares in issue, which was 175,295,844. (30 June 2024: 174,967,985; 31 December 2024: 174,821,993).

7. INTANGIBLE ASSETS

	Goodwill £'000	**Negative goodwill £'000**	**Totals £'000**
COST			
At 1 January 2025	**21,954**	**(544)**	**21,410**
Arising on business combinations	**1,775**	**-**	**1,775**
At 30 June 2025	**23,729**	**(544)**	**23,185**
AMORTISATION			
At 1 January 2025	**3,445**	**(430)**	**3,015**
Charge for the year	**556**	**(14)**	**542**
At 30 June 2025	**4,001**	**(444)**	**3,557**
NET BOOK VALUE			
At 30 June 2025	**19,728**	**(100)**	**19,628**
At 30 June 2024	15,636	(141)	15,495
At 31 December 2024	18,509	(114)	18,395

BLUE DIAMOND LIMITED

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE SIX MONTHS ENDED 30 JUNE 2025

8. **TANGIBLE FIXED ASSETS**

	Freehold land and buildings £'000	Leasehold improvements £'000	Motor vehicles £'000
COST			
At 1 January 2025	**172,311**	**38,045**	**1,977**
Additions	-	**172**	**213**
Acquired in business combinations	-	**201**	**3**
Disposals	**-**	**-**	**-**
At 30 June 2025	**172,311**	**38,418**	**2,193**
DEPRECIATION			
At 1 January 2025	**20**	**12,151**	**1,033**
Charge for the year	**-**	**1,268**	**67**
Disposals		**-**	**-**
Revaluation adjustments		**-**	**-**
At 30 June 2025	**20**	**13,419**	**1,100**
NET BOOK VALUE			
At 30 June 2025	**172,311**	**24,999**	**1,093**
At 30 June 2024	154,572	26,389	372
At 31 December 2024	172,291	25,894	944

	Furniture, fixtures and equipment £'000	Computer equipment £'000	Totals £'000
COST			
At 1 January 2025	**70,268**	**6,326**	**288,926**
Additions	**7,601**	**242**	**8,228**
Acquired in business combinations	**305**	**5**	**514**
Disposals	**-**	**-**	**-**
At 30 June 2025	**78,174**	**6,573**	**297,668**
DEPRECIATION			
At 1 January 2025	**34,934**	**4,926**	**53,063**
Charge for the year	**3,073**	**313**	**4,721**
Disposals	**-**	**-**	**-**
Revaluation adjustments	**-**	**-**	**-**
At 30 June 2025	**38,007**	**5,239**	**57,784**
NET BOOK VALUE			
At 30 June 2025	**40,167**	**1,334**	**239,884**
At 30 June 2024	34,898	1,309	217,540
At 31 December 2024	35,334	1,400	235,863

The carrying values are based on valuations previously carried out as at 31 December 2024 by an independent professionally qualified valuer. Please refer to notes 3 and 13 of the 2024 Annual Report for further information.

No depreciation has been charged on freehold buildings during the period and are valued at their valuation at 31 December 2024, which the Directors consider to be fair value at 30 June 2025.

BLUE DIAMOND LIMITED

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE SIX MONTHS ENDED 30 JUNE 2025

9. INVESTMENTS

	Associated undertaking £000
Cost	
At 1 January 2025	-
Share of loss for the period after tax	-
At 30 June 2025	-
At 30 June 2024	17
At 31 December 2024	-

10. CALLED UP SHARE CAPITAL

	30 June 2025 £'000	30 June 2024 £'000	31 December 2024 £'000
Authorised			
190,000,000 ordinary shares of £0.004 each	**760**	760	760
(30 June 2024: 190,000,000; 31 December 2024: 190,000,000)			
Allotted, called up and partly paid			
175,674,618 ordinary shares of £0.004 each	**703**	700	701
(30 June 2024: 174,967,985; 31 December 2024: 175,248,791)			

The movement in the issued shares for the period is as follows:

	2025 Shares in issue No.	**2025 Share Capital £**
At 1 January 2025	175,248,791	700,995
Scrip dividend relating to 2024 final dividend	425,827	1,703
At 30 June 2025	**175,674,618**	**702,698**

BLUE DIAMOND LIMITED

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE SIX MONTHS ENDED 30 JUNE 2025

11. ANALYSIS OF CHANGES IN NET DEBT

	31 December 2024 £000	Cash flows £000	Acquired with Subsidiaries £000	Non-cash Movements £000	Other Movements £000	30 June 2025 £000
Cash at bank and in hand	12,365	15,046	-	-	-	27,411
Bank overdrafts	(830)	(2,312)	-	-	-	(3,142)
Revolving credit facility	(25,853)	25,853	-	-	-	-
Bank loans due within one year	(2,500)	1,250	-	(1,250)	-	(2,500)
Bank loans due in more than one year	(19,936)	(39,689)	-	1,250	-	(58,375)
	(36,754)	148	-	-	-	(36,606)

The bank loans and overdrafts bear interest at commercial rates linked to SONIA and the Bank of England Base Rate as agreed with The Royal Bank of Scotland Limited [trading as NatWest] and Barclays Bank plc. The overall position is as follows: The group has one £62m term loan, which is repayable quarterly over 25 years and a revolving credit facility of £38m. Both facilities were extended in 2025 and run until the 31st March 2028.
The bank loans and overdrafts are secured by way of first legal charges, bonds and promissory notes over certain of the groups properties.

12. POST BALANCE SHEET EVENTS

On 31st January 2025 the Group acquired Yarnton Nurseries LLP, which operates Yarnton Home and Garden Centre. The Company also took over three sites from Dobbies (Harlestone Heath in Northampton, Huntingdon in Cambridgeshire and Worlds End in Aylesbury. Following a period of closure to undergo a full refurbishment, Harlestone Heath opened 11th March, Huntingdon opened 10th April and Worlds End opened 21st July. On July 25th 2025 the Group completed the acquisition of Barton Grange Garden Centre and Garden centre Plants and on October 2nd 2025 it acquired the trade and assets of Busy Bees Garden Centre in the Isle of Wight.

BLUE DIAMOND LIMITED

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE SIX MONTHS ENDED 30 JUNE 2025

12. BUSINESS COMBIMATIONS

On 31st January 2025 the Group completed the acquisition of Yarnton Nurseries LLP whose principal activity is that of the operation of a retail garden centre. In calculating the goodwill arising on acquisition, the fair value of net assets acquired have been assessed and no adjustments have been considered necessary.

	Book value £000	Fair value adjustments £000	Fair value £000
Fixed assets			
Tangible fixed assets	**514**	-	**514**
Current assets			
Stocks	**1,032**	-	**1,032**
Debtors	**91**	-	**91**
Cash and bank balances	**61**	-	**61**
Creditors: amounts falling			
due within one year	**(699)**	-	**(699)**
Net assets	**999**	-	**999**
Goodwill			**1,775**
Total purchase consideration (Including expenses of £287,867)			**2,774**

The useful economic life of goodwill has been estimated to be 20 years.