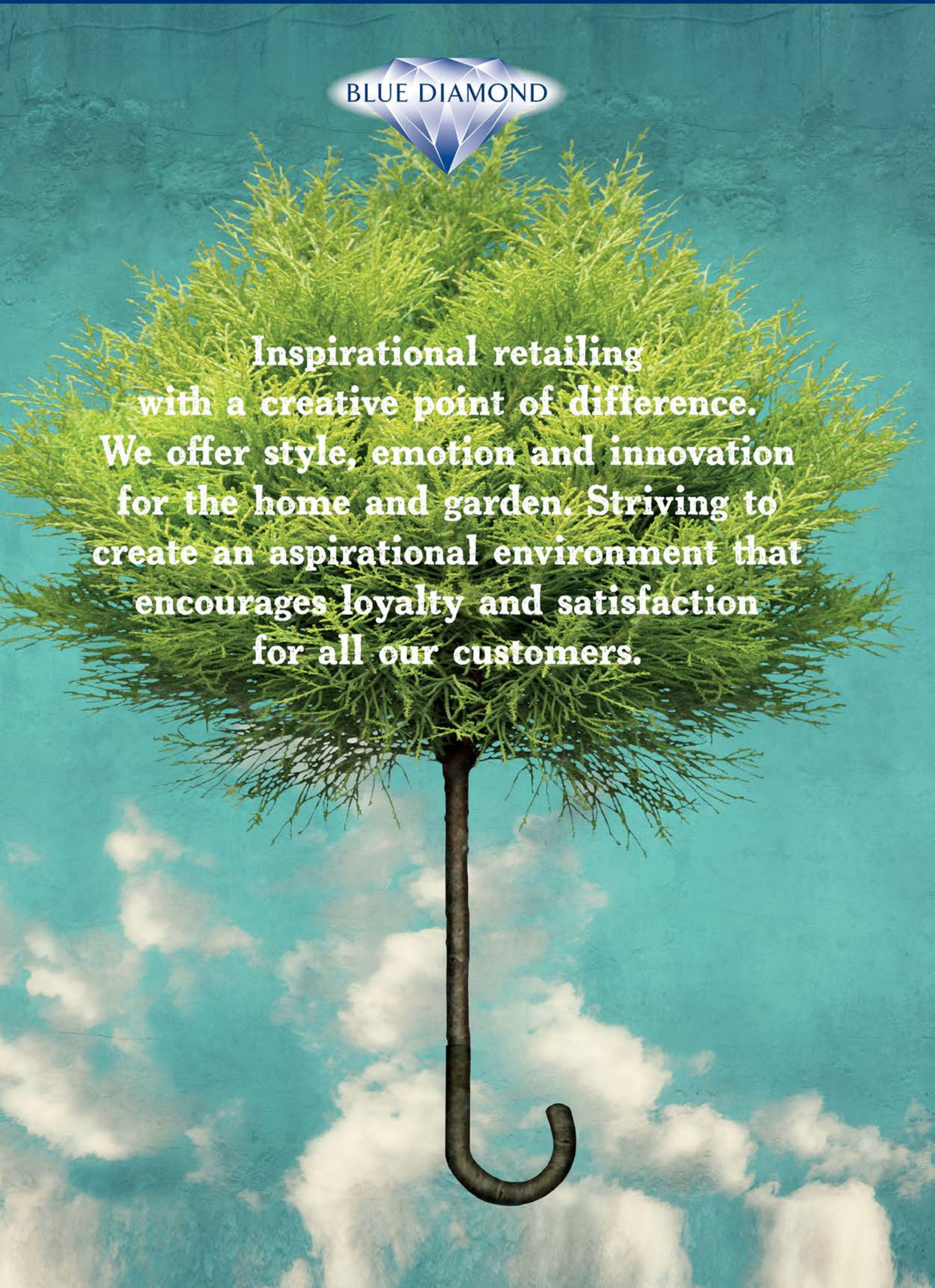
We just keep growing...

BLUE DIAMOND

Blue Diamond Limited

ANNUAL REPORT & CONSOLIDATED FINANCIAL STATEMENTS

2017


BLUE DIAMOND
Inspirational retailing
with a creative point of difference.
We offer style, emotion and innovation
for the home and garden. Striving to
create an aspirational environment that
encourages loyalty and satisfaction
for all our customers.

Blue Diamond Limited
ANNUAL REPORT & CONSOLIDATED FINANCIAL STATEMENTS
2017

BLUE DIAMOND LIMITED
(Incorporated in Guernsey, Channel Islands)

DIRECTORS
S. Burke (Chairman)
A. Roper (Managing Director)
R.J. Hemans (Finance Director)
S.J. Falla, MBE
Sir John Collins

COMPANY SECRETARY
R.J. Hemans

REGISTERED NUMBER
12307 (Guernsey)

REGISTERED OFFICE
Rue du Friquet
Castel
Guernsey
Channel Islands

INDEPENDENT AUDITOR
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Place du Pré
Rue du Pré
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Guernsey
GY1 3LL

BANKERS
The Royal Bank of Scotland
International Limited
(Trading as NatWest)
1 Glategny Esplanade
St. Peter Port
Guernsey
Channel Islands

LEGAL REPRESENTATIVES
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Les Banques
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100 Victoria Embankment
London
United Kingdom

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"We finished the year with net debt equal to one times EBITDA"

Simon Burke
CHAIRMAN

CHAIRMAN'S REPORT

In 2017 we achieved an 8% increase in profit before tax (7% excluding one-off items) and maintained a strong debt position in the year, which is a creditable result considering the wider environment.

In my half-year report to you, I indicated that we had seen some weakening of the retail market and pressure on the UK consumer as 2017 progressed, in line with industry reports. This continued through the second half of the year and resulted in a lower rate of growth for the business. Total sales growth was 6%, or 3% on a like-for-like basis. The UK enjoyed growth of 7% but the Islands were weaker than average, achieving a 2% sales increase. St Peter's was a strong performer, however, following its redevelopment, as were Redfields and Fryers, which both had excellent years. The Group outperformed the Garden Centre Association (GCA) again.

We had the benefit of a full-year contribution from Harlow and Coton, the latter showing very promising performance following its refurbishment in the Autumn. No new centres were acquired during 2017 because there were few put up for sale.

We held the improvement in margins recorded in the first half and this was an important contributor to the growth in profit.

Earnings per share increased by 2% despite the larger number of shares in issue. Adjusting for the one-off items earnings per share were broadly flat compared to last year. We are proposing a final dividend of 3.8p per share, bringing the total dividend for 2017 to 5.6p, an increase of 6%.

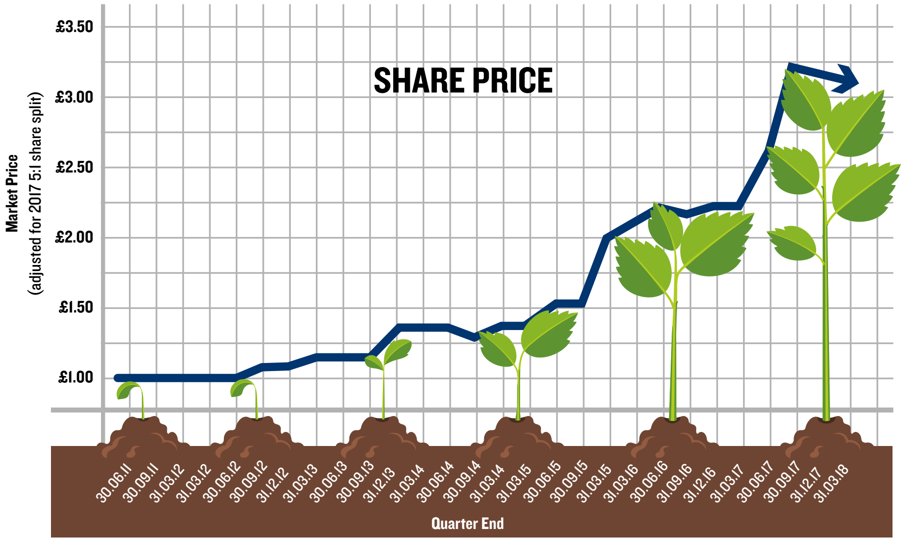
We finished the year with net debt equal to one times EBITDA, a further decrease on last year. The equivalent gearing is 18%, which compares with 27% in 2017.

We are continuing our strategy of expanding the business through a combination of new builds, extensions and acquisitions. This is necessarily a fluid approach and it is advantageous for us to be able to advance or delay the new builds and expansions, depending on the acquisition landscape.

Since the year-end there have been some important developments. Firstly, as most of you will be aware, weather conditions have been very unfavourable, especially in March. Also, the weakness of the general retail market is evident from the many media reports of difficulties in recent weeks. As a result, we have had a challenging start to the new financial year. We have nonetheless continued to trade ahead of the GCA, albeit below our plan. We aim to catch up as much as we can once Spring gets underway, but a cautious view on profit progression in 2018 would be appropriate.

In contrast, the opening of our new-build store at East Bridgford just before Easter has been an extraordinary success. The store itself is a new high-water mark, in terms of both scale and design, for Blue Diamond and for the industry. The response of customers has been dramatic, with sales exceeding all expectation and an unprecedented interest on social media. Alan gives more detail in his report.

In March, we reached agreement to acquire Orchard Park Garden Centre at Gillingham in Dorset and we expect to complete the transaction at the beginning of May. This is currently a small centre but with significant potential for expansion.



In summary, we expect to see some short-term turbulence in trading patterns, which we are well-positioned to handle but which may impact on the 2018 performance. In the longer-term, however, we remain confident in the prospects for Blue Diamond and we believe we have a leading and sustainable retail format. The success of East Bridgford has reinforced this view.

2017 was the final year of the three-year Long-Term Incentive Plan (LTIP) for our Executive Directors. I believe it is a just reward given the increase in performance and shareholder value at Blue Diamond over this time. A new LTIP has been initiated for the next three years.

Sadly, I have to report that Patricia Burnett has decided to step down from the Board for personal and family reasons. We valued Pat's insights and contribution during her time with us and wish her well for the future.

We have published our UK gender pay data, which indicates a difference of just 2% in median pay, something we are pleased with. We intend to remain fair and non-discriminatory in all our dealings with colleagues in the business.

As always, I wish to conclude by recognising the work and the contribution of those colleagues to our results. It was great to see the sense of team spirit at East Bridgford, with people from all over the business helping to set up the store and supporting the local team. This kind of passion and dedication in what we do is central to our success.

Simon Burke - Chairman
19 April 2018

"Profit before tax increased from £8.4m to £9.2m"

Alan Roper
MANAGING DIRECTOR

MANAGING DIRECTOR'S REPORT

I am pleased to state that in a challenging year profit before tax increased from £8.4m to £9.2m. This profit increase was predominantly delivered through customer average spend and gross margin growth. I focus primarily on these two areas in my report.

Average Spend
The current economic landscape means that like-for-like sales growth is hard to produce, so it is very satisfying to report that in 2017 average spend grew by 5.6% against a Garden Centre Association (GCA) average of 1.4%. The table below details our average spend per customer compared to the GCA.

GCA Average	**£20.75**
BD Average	**£23.19**

However, because of the economic back drop footfall was marginally down, which was compounded by snow falling in the weeks before Christmas. This suppressed footfall and Group sales by approximately £0.5m in December against expectations.

The overall outcome means sales were up 6% in 2017 compared to 10% in 2016 and like-for-like sales growth weakened from 8% in 2016 to 3% in 2017, yet we again outperformed the industry like-for-like growth of 2.7% as defined by the GCA. Fashion and Garden Leisure were two notable contributors to sales growth.

Each year in this report I restate the reasons behind our outperformance and I see no reason why this year I should not repeat the refrain of previous years.

"Proactively driving growth remains key, and each and every year we endeavour to understand where growth can be optimised within each product category and centre, and we focus on these areas. This separates our performance from the industry. We are in a low inflation, low-growth economy so we have to work much harder at growing sales."

The above focus leads to average customer spend growth consistently exceeding the industry average.

In a market where footfall is at best stagnant, coupled with economic headwinds and a hurricane called Brexit on the horizon, the challenge of generating like-for-like sales growth is clear. However, Blue Diamond has proven through past performance that it is well equipped to meet that challenge. The weather has bestowed a favourable trading climate upon the gardening season in recent years, although sales declines through adverse weather are always a threat, however infrequent. Last December illustrated this, as has trading in the first four months of 2018 as I write this report.

Gross Margin
Generating like-for-like growth in profits will have to be worked at as the ingredients that conspired to generate a steady flow of expansive consumer high street spending for the last twenty years continues to evaporate. For many retailers they are struggling to stand still. This situation will worsen particularly with Brexit only one year away.

A symptom of this unstable political and economic environment at the beginning of last year was the 25% depreciation of the pound against the US dollar. This flowed through to price increases on a broad spectrum of goods in the garden centres. Restaurants were also affected with dry good prices up 8% and dairy prices up 12% compared to 2016.

However, a proactive stance taken at the beginning of the year in raising retail prices and supplier negotiations (sharing the pain of currency devaluation) mitigated the impact on gross profit margin and when one couples these actions with increasing our percentage of direct purchases from Far East manufacturers we achieved a margin increase of 1%, raising the Group margin to 51%.

This margin is higher than either of the two larger garden centre groups.

With a weakening economy over the coming years almost a certainty, pressures on margin are likely to mount as the marketplace becomes more fiercely competitive as disposable incomes contract. Therefore, it is key that our supply chain allows us to apply more competitive pricing without suppressing margins.

Refurbishments and acquisitions
The continuing refurbishment of our existing centres based on the "Redfield's look" continued during 2017 with St Peters and Coton Garden Centres receiving the new look.

Acquisition opportunities have been scant in recent years and thus time has been spent looking for suitable land upon which to build a new centre. We currently have five sites in the pipeline at various stages of progression with three of the sites at the planning application stage. If planning is achieved on all the sites the potential turnover growth this realises is around £50m.

We opened our largest new build centre to date at East Bridgford near Nottingham in March 2018, which includes a playbarn and a farm shop complete with delicatessen and butcher. The centre is based on the new look format developed at Redfields with additional innovations in the retail space, restaurant and farm shop. It is, in effect, a 'Redfields plus' garden centre.

The centre has received universal praise from customers and the industry. The recent trading figures have surpassed all expectations and speak for themselves. The first month sales are over £1m, double the expected turnover.

The business over the years has developed a sound culture and attracted and developed many passionately engaged people who feel empowered to make a difference. To all these people we owe our continuing success and thanks.

Alan Roper

Alan Roper - Managing Director
19 April 2018

EAST BRIDGFORD:

Our groundbreaking flagship garden and home centre

QUITE POSSIBLY THE BEST GARDEN & HOME CENTRE IN THE UK

GARDEN & HOME
EST. 1904
BLUE DIAMOND®
EAST BRIDGFORD

East Bridgford Home & Garden is a £10m new build modelled on Redfields with many updated features conceived by Alan Roper. East Bridgford is the first new build to open in 2018 and the first complete new build in the garden centre industry in 2016. The on-site Farm Shop, yielding a plentiful supply of local, ethical and artisan food, follows Coton Orchard as the second centre in the group to receive this brand new design concept. Maloneys Butcher's Block, which is located within the Farm Shop, was born from a collaboration with a local butchers owned and run by Mike Maloney.










Two restaurants


Refurbishment to Playbarn Summer 2018


On-site Farm Shop selling local suppliers


Excellent AB1 demographic

OVER 95,000 SQ.FT OF FABULOUS SHOPPING

COTON ORCHARD:

Featuring a market leading 3,000 sq.ft farm shop

After joining the group in December 2016, Coton Orchard Garden Centre had a busy 2017, receiving a refurbishment to its restaurant and retail space along with the introduction of its market leading 3,000 sq.ft farm shop. Coton Orchard made Blue Diamond history by becoming the first centre to be fitted with the brand new concept Farm Shop in the group. The Farm Shop comprises of fruit and veg as well as a fully functioning butchers – The Butcher's Block & Delicatessen – which was formed in partnership with Stephen's Butcher Cambridge Limited in March 2017.

GROSVENOR:
Part one: £400k refurbishment

After 5 years within the group, Grosvenor received a £0.4m refurbishment.

Most notably, the Fashion department space grew by 53% with a completely new look. The Fashion, Home Fragrance and Bathroom all moved into priority high foot traffic locations within the centre. Indoor Plants department also relocated from the rear of the centre to the front, following on from the lead of Redfields' and Trentham's designs. The gardening section acquired improved fixtures and fittings and a large proportion of the centre received new flooring.

Looking forward to 2018, Grosvenor will continue its makeover with further refurbishments planned for its Home and Kitchen departments.

ST PETER'S:

£1m refurbishment to our first island centre

One of the first centres to join the group in 1989, St Peter's Garden Centre received an extensive refurbishment throughout the whole store which commenced in 2016 and completed in the summer of 2017.

The £1m refurbishment saw the restaurant's conservatory double in size, with its patio area extended into the Pots and Containers department, an increased seating capacity from approximately 124 to 164 and a play area for small children.

The Clothing and Fashion Accessories department was given more floor space and was the most successful department in their category across the group for the whole 12 months. The Indoor Plants department also moved from the back of the centre to the front. Every area of the centre received a full refurbishment in line with the group's aspiring look.

Additional works were also carried out in the Outdoor Plant department with the replacement of the canopy covers creating a much brighter and pleasing environment.

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Fryer's Garden Centre

Newbridge Nurseries

STOCK MANAGEMENT
Jonathan Juleff - Trelawney

STOCK MANAGEMENT
Adam Cornford - Trelawney

HOME
Amanda Tudor - Trentham

CHRISTMAS
Matt Gouveia - Le Friquet

VISUAL MERCHANDISER
Louise Gandy - Grosvenor

FASHION
Ricarda Preston - Springfields

WILD ANIMALS
Christine Worth - Trelawney

GARDEN SUNDRIES, SEEDS & BULBS
Andrew Lloyd - 3 Shires

GARDEN FEATURES & CONTAINERS
Andrew Lloyd - 3 Shires

FURNITURE & OUTDOOR LEISURE
Dennis Risdon - Trelawney

SEASONAL PLANTS
Sue Feaver - 3 Shires

HARDY PLANTS
Peter Shirley - Fryer's

INDOOR PLANTS
Denise Varga - Grosvenor

PASTRY CHEF
Andy Brown - Café Théâtre

HEAD CHEF
John Waldron - Stooks Café

Directors' Report for the year ended 31 December 2017

The Directors submit their report and the audited financial statements of the Group for the year ended 31 December 2017. The Consolidated Financial Statements have been prepared on the basis set out in note 2 to the financial statements. The Company is incorporated in Guernsey.

Directors' responsibilities statement

The Directors are responsible for preparing the Directors' Report and the Consolidated Financial Statements for each financial year which give a true and fair of the affairs of the Group at the end of the year and of the profit or loss of the Group for that year and are prepared in accordance with applicable laws. In preparing these Consolidated 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;

• state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

• prepare the Consolidated 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 Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the Consolidated Financial Statements comply with the Companies (Guernsey) Law, 2008. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in Guernsey governing the preparation and dissemination of Consolidated Financial Statements and other information included in Directors' Reports may differ from legislation in other jurisdictions.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

Provision of information to auditor

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

• so far as each Director is aware, there is no relevant audit information of which the Group's auditor is unaware, and

• each 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 Group's auditor is aware of that information.

Principal activity

The principal activity of the Group is the operation of garden centres.

Results and dividends

The results of the Group for the year are set out in detail on pages 17 and 18.

A final dividend in respect of 2016 of 18p (3.6p post-share split) per share totalling £1,229,021 was paid to shareholders on 16 June 2017. An interim dividend for the year ended 31 December 2017 of 1.8p per share totalling £614,511 was paid on 5 December 2017.

The Directors have declared a final dividend for the year ended 31 December 2017 of 3.8p per share, which will be paid on 14 June 2018 to those shareholders on the register at 30 April 2018.

Directors

The Directors who served during the year and to date were:

S. Burke (Chairman)
A. Roper (Managing Director)
R.J. Hemans (Finance Director)
S.J. Falla, MBE
Sir John Collins
P.A. Alford Burnett

P.A. Alford-Burnett resigned as a director on 19 April 2018.

Post balance sheet events

The events affecting the Group since the year end are set out in note 31.

Independent auditor

A resolution to re-appoint BDO Limited as auditor will be proposed at the Annual General Meeting.

Approval

This report was approved by the Board on 19 April 2018 and signed on its behalf by:

R.J. Hemans
Director

Independent Auditor's Report to the Members of Blue Diamond Limited

Opinion

We have audited the Consolidated Financial Statements of Blue Diamond Limited (the "Group") for the year ended 31 December 2017, which comprise the Consolidated Profit & Loss Account, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards applying the Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Accounting Standards; and
- have been properly prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008.

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 Group in accordance with the ethical requirements 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

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 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 auditor's 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 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the Group; or
- the financial statements are not in agreement with the accounting records; or
- we have failed to obtain all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

Responsibilities of the Directors

As explained more fully in the Directors' responsibilities statement in the Directors' Report, 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 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.

Independent Auditor’s Report to the Members of Blue Diamond Limited (continued)

Auditor's responsibilities for the audit of the financial statements

This report is made solely to the Company’s members, as a body, in accordance with Section 262 of the Companies (Guernsey) Law, 2008. 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.

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.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council’s website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor’s report.

BDO Limited
Chartered Accountants
Place du Pré
Rue due Pré
St Peter Port
Guernsey

19 April 2018

Consolidated Profit and Loss Account

Year ended 31 December 2017

	Note	2017 £000	As restated 2016 £000
Turnover	5	**96,480**	91,295
Cost of sales		**(47,290)**	(45,660)
Gross profit		**49,190**	45,635
Administrative expenses		**(40,451)**	(37,229)
Other operating income		**552**	477
Reversal of revaluation deficit on freehold properties (net)	12	**306**	-
Group operating profit	5	**9,597**	8,883
Share of profit for the year in:			
- Associated undertakings	13	**190**	182
Profit on disposal of associated undertaking	13	**45**	179
Loss on financial derivatives		**(42)**	-
Profit on ordinary activities before interest		**9,790**	9,244
Interest receivable	7	**8**	9
Interest payable	8	**(624)**	(814)
Profit on ordinary activities before tax		**9,174**	8,439
Tax on profit on ordinary activities	9	**(1,308)**	(1,071)
Profit for the financial year		**7,866**	7,368
Earnings per share	25	**23.13p**	22.75p

All amounts relate to continuing operations.

The notes on pages 24 to 46 form part of these financial statements.

Consolidated Statement of Comprehensive Income

Year ended 31 December 2017

	Note	2017 £000	As restated 2016 £000
Profit for the financial year		**7,866**	7,368
Other comprehensive income			
Unrealised surplus on revaluation of freehold properties	12	**2,661**	-
Movement on deferred tax relating to revaluation of properties	21	**(176)**	170
Other comprehensive income for the year		**2,485**	170
Total comprehensive income for the year		**10,351**	7,538

The notes on pages 24 to 46 form part of these financial statements.

Consolidated Balance Sheet

As at 31 December 2017

	Note	2017 £000	2017 £000	As restated 2016 £000	As restated 2016 £000
Fixed assets					
Intangible fixed assets	11		**2,877**		2,326
Tangible fixed assets	12		**73,056**		66,150
Investments	13		**784**		760
			76,717		69,236
Current assets					
Stocks	14	**13,073**		11,807	
Debtors	15	**5,030**		5,031	
Cash and bank balances		**4,846**		2,651	
		22,949		19,489	
Creditors: amounts falling due within one year	16	**(14,670)**		(12,288)	
Net current assets			**8,279**		7,201
Total assets less current liabilities			**84,996**		76,437
Creditors: amounts falling due after more than one year	17		**(15,655)**		(17,469)
			69,341		58,968
Deferred tax	21		**(1,629)**		(1,369)
Other provisions	22		**(101)**		(141)
Net assets			**67,611**		57,458
Capital and reserves					
Share capital	23		**683**		665
Share premium			**3,868**		2,240
Capital reserve			**9,439**		9,439
Revaluation reserve			**13,699**		11,214
Profit and loss account			**39,922**		33,900
			67,611		57,458

The financial statements were approved and authorised for issue by the Board of Directors on 19 April 2018 and were signed on its behalf by:

R.J. Hemans
Director

The notes on pages 24 to 46 form part of these financial statements.

Consolidated Statement of Changes in Equity

Year ended 31 December 2017

	Share capital £000	Share premium account £000	Capital reserve £000	Revaluation reserve £000	Profit and loss account £000	Total equity £000
At 1 January 2017 (as previously stated)	**665**	**2,240**	**9,439**	**11,214**	**34,177**	**57,735**
Prior year adjustment (note 4)	-	-	-	-	(277)	(277)
At 1 January 2017 (as restated)	**665**	**2,240**	**9,439**	**11,214**	**33,900**	**57,458**
Comprehensive income for the year						
Profit for the year	-	-	-	-	7,866	7,866
Surplus on revaluation of freehold properties (note 12)	-	-	-	2,661	-	2,661
Movement in deferred tax relating to revaluation of properties (note 21)	-	-	-	(176)	-	(176)
Other comprehensive income for the year	-	-	-	**2,485**	-	**2,485**
Total comprehensive income for the year	-	-	-	2,485	7,866	10,351
Contributions by and distributions to shareholders						
Dividends (note 10)	-	-	-	-	(1,844)	(1,844)
Shares issued during the year (note 23)	18	1,628	-	-	-	1,646
Total transactions with shareholders	**18**	**1,628**	-	-	**(1,844)**	**(198)**
At 31 December 2017	**683**	**3,868**	**9,439**	**13,699**	**39,922**	**67,611**

The notes on pages 24 to 46 form part of these financial statements.

Consolidated Statement of Changes in Equity

Year ended 31 December 2016

	Share capital £000	Share premium £000	Capital reserve £000	Revaluation reserve £000	Profit and loss account £000	Total equity £000
At 1 January 2016 (as previously stated)	**642**	**21**	**9,439**	**11,044**	**28,291**	**49,437**
Prior year adjustment (note 4)	-	-	-	-	(238)	(238)
At 1 January 2016 (as restated)	**642**	**21**	**9,439**	**11,044**	**28,053**	**49,199**
Comprehensive income for the year						
Profit for the year (as restated)	-	-	-	-	7,368	7,368
Movement in deferred tax relating to revaluation of properties (note 21)	-	-	-	170	-	170
Other comprehensive income for the year	-	-	-	**170**	-	**170**
Total comprehensive income for the year	-	-	-	170	7,368	7,538
Contributions by distributions to shareholders						
Dividends (note 10)	-	-	-	-	(1,521)	(1,521)
Shares issued during the year	23	2,219	-	-	-	2,242
Total transactions with shareholders	23	2,219	-	-	**(1,521)**	**721**
At 31 December 2016	**665**	**2,240**	**9,439**	**11,214**	**33,900**	**57,458**

The notes on pages 24 to 46 form part of these financial statements.

Consolidated Statement of Cash Flows

Year ended 31 December 2017

Cash flows from operating activities	Note	2017 £000	As restated 2016 £000
Profit for the financial year		**7,866**	7,368
Adjustments for:			
Amortisation of intangible assets	11	**152**	102
Depreciation of tangible assets	12	**2,000**	1,838
Loss/(profit) on disposal of tangible assets		**10**	(3)
Share of profit before tax of associated companies		**(190)**	(182)
Profit on disposal of associated company	13	**(45)**	(179)
Reversal of revaluation deficit on freehold properties (net)	12	**(306)**	-
Loss on financial derivatives		**42**	-
Interest receivable	7	**(8)**	(9)
Interest payable	8	**624**	814
Taxation charge	9	**1,308**	1,071
(Increase)/decrease in stocks		**(1,266)**	751
Increase in debtors		**(296)**	(452)
Increase in creditors		**2,077**	1,660
Decrease in provisions		**(40)**	(40)
Corporation tax paid		**(1,372)**	(683)
Interest paid		**(651)**	(725)
Net cash generated from operating activities		**9,905**	11,331
Cash flows from investing activities			
Acquisition costs of business combinations	11	**(703)**	(5,950)
Cash acquired with business combinations		**-**	3
Proceeds from sale of tangible fixed assets		**148**	34
Purchases of tangible fixed assets		**(6,096)**	(3,424)
Dividends received from associate	13	**125**	125
Proceeds from sale of share in associate	13	**342**	180
Net cash used in investing activities		**(6,184)**	(9,032)
Cash flows from financing activities			
Proceeds from issue of ordinary shares	23	**1,646**	2,242
Repayment of bank loans		**(1,198)**	(2,187)
Capital element of finance leases repaid		**(130)**	(259)
Equity dividends paid	10	**(1,844)**	(1,521)
Net cash used in financing activities		**(1,526)**	(1,725)
Net increase in cash and bank balances		**2,195**	574
Cash and bank balances at the beginning of the year		**2,651**	2,077
Cash and bank balances at the end of the year		**4,846**	2,651

The notes on page 24 to 46 form part of these financial statements.

Notes to the Financial Statements

Year ended 31 December 2017

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Notes to the Financial Statements

Year ended 31 December 2017

1. GENERAL INFORMATION

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 nature of the Group's operations and its principal activities are set out in the Directors' Report.

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The 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 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and the Companies (Guernsey) Law 2008.

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

Parent company financial statements

These financial statements do not include the separate financial statements of the Parent Company as they are presented separately and can be obtained from the Group's registered office.

The following principal accounting policies have been consistently applied:

2.2 Basis of consolidation

The Consolidated Financial Statements present the results of Blue Diamond Limited and its subsidiaries (the "Group") as if they formed 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 Consolidated 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 Profit and Loss Account from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Turnover

Turnover comprises revenue from garden centres and is measured at the fair value of the consideration received or receivable for goods provided in the normal course of business, net of returns, Value Added Tax, other sales taxes and discounts. Sales of goods are recognised at the point of sale to the customer when the Group has transferred the significant risks and rewards of ownership to the buyer.

2.4 Other operating income

Other operating income includes concession rental income, which is recognised in the Consolidated Profit and Loss Account over the period of the lease.

Notes to the Financial Statements (continued)

Year ended 31 December 2017

2. ACCOUNTING POLICIES (continued)

2.5 Foreign currency translation

Functional and presentational currency

The Group'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 Profit and Loss Account except when deferred in other comprehensive income as qualifying cash flow hedges.

2.6 Pensions

The Group participates in defined contribution pension schemes for both its Channel Island and United Kingdom 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.

Contributions to these schemes are charged to the Consolidated Profit and Loss Account in the year in which they become payable. Amounts not paid are shown in accruals as a liability in the Consolidated Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.7 Finance costs

Finance costs are charged to the Consolidated Profit and Loss Account over the term of the debt using the effective interest rate 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.

2.8 Intangible assets - Goodwill

Goodwill represents the amount by which the purchase consideration for the acquisition of a business exceeds the fair value to the Group of the separable net assets acquired. Negative goodwill represents the amount by which the fair value of the separable net assets of a business acquired exceeds the purchase consideration. Goodwill is initially recognised at cost and is subsequently measured at cost less accumulated amortisation and impairment, if applicable.

Goodwill amortisation is calculated by applying the straight-line method to its estimated useful life. Goodwill is being amortised to ‘administrative expenses’ over 20 years.

Estimates of the useful economic life of goodwill are based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and other assumptions that market participants would consider in respect of similar businesses.

Notes to the Financial Statements (continued)

Year ended 31 December 2017

2. ACCOUNTING POLICIES (continued)

2.9 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.

At each reporting date the Group assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Land is not depreciated. Depreciation on other assets 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:

Freehold buildings	- 40 - 50 years
Leasehold improvements	- 10 - 35 years, limited to lease term
Motor vehicles	- 4 years
Furniture, fixtures and equipment	- 3 - 10 years
Computer equipment	- 3 - 4 years

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 Profit and Loss Account.

2.10 Revaluation of tangible fixed assets

Freehold properties are carried at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in Other Comprehensive Income unless losses exceed the previously recognised gains in which case the excess losses are recognised in the Consolidated Profit and Loss Account. Any reversals of such losses are also recognised in the Consolidated Profit and Loss Account.

The Directors consider that the Group's freehold buildings used as trading properties are maintained in such a high state of repair that their residual value is at least equal to their net book value. As a result, the corresponding depreciable amount would not be material and therefore no depreciation expense is charged in the Consolidated Profit and Loss Account.

Notes to the Financial Statements (continued)

Year ended 31 December 2017

2. ACCOUNTING POLICIES (continued)

2.11 Associates

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operating and financial policy decisions but not control.

In the Consolidated Financial Statements, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investor's share of the profit or loss, other comprehensive income and equity of the associate. The Consolidated Profit and Loss Account includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the Consolidated Balance Sheet, the interests in associated undertakings are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition. Any premium on acquisition is dealt with in accordance with the Group’s goodwill policy.

2.12 Stocks

Stocks, which comprise retail goods for resale, are stated at the lower of cost and net realisable value after making due provision for damaged, obsolete or slow moving items.

Cost is calculated using the weighted average method and includes all costs incurred in bringing each product to its present location and condition. Net realisable value represents the estimated selling price less costs to be incurred in marketing, selling and distribution.

2.13 Supplier income

The price that the Group pays suppliers for goods is determined through negotiations with suppliers regarding both the list price and a variety of rebates and discounts. The principal categories of rebate income are in the form of volume and marketing rebates.

Volume rebates are earned on purchases from the supplier and are recognised over the period set out in the supplier agreement.

Marketing rebates include promotions, mark downs and marketing support provided by suppliers. Marketing rebates are agreed with suppliers for specific products.

Rebate income is recognised when the Group has contractual entitlement to the income, the income can be estimated reliably, and when it is probable the income will be received. Rebate income recognised is recorded against cost of sales and stocks, which is adjusted to reflect the lower purchase cost for the goods on which a rebate is earned. Depending on the agreement with suppliers, rebate invoices are either received in cash from the supplier or netted off against payments made to suppliers. Rebates receivable at the year-end are presented as trade debtors.

2.14 Financial instruments

With the exception of derivative instruments, the Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities such as trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments, such as loans and other accounts receivable and payable, are initially measured at the present value of the future payments and subsequently at amortised cost using the effective interest rate method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

2. ACCOUNTING POLICIES (continued)

2.14 Financial instruments (continued)

However, if the arrangements of a short-term instrument constitute a financing transaction, such as 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 and subsequently, at the present value of the future payments discounted at the market rate of interest for a similar debt instrument.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Consolidated Balance Sheet when there is an 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.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the Consolidate Profit and Loss Account in finance costs or income as appropriate. The Group does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.15 Cash and bank balances

Cash and bank balances represent cash in hand, current and deposits accounts with financial institutions repayable without penalty on notice of not more than 24 hours. Cash and bank balances are disclosed net of bank overdrafts that are subject to the right of offset and form an integral part of the Group’s cash management strategy.

2.16 Leases

Rentals payable or receivable under operating leases are charged or credited to the Consolidated Profit and Loss Account on a straight-line basis over the lease term.

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the Consolidated Profit and Loss Account over the shorter of estimated useful economic life and the term of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the Consolidated Profit and Loss Account over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital element reduces the amounts payable to the lessor.

Notes to the Financial Statements (continued)

Year ended 31 December 2017

2. ACCOUNTING POLICIES (continued)

2.17 Onerous leases

Where the unavoidable costs of a lease exceed the economic benefit expected to be received from it, a provision is made for the present value of the obligations under the lease.

2.18 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Profit and Loss Account, except that a charge attributable to an item of income or 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 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.

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 timing differences relate to 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.

2.19 Dividends

Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the Shareholders at the Annual General Meeting.

2.20 Reserves

The Group's reserves are as follows:

Share premium
The share premium account includes the premium on issue of equity shares, net of any issue costs.

Capital reserve
The capital reserve represents profits on the disposal of fixed property assets and capital dividends received. These profits are transferred to the capital reserve from the Consolidated Profit and Loss Account in the period in which the profits are recognised.

Revaluation reserve
The revaluation reserve represents the unrealised revaluation gains on freehold land and buildings, net of the movement in deferred tax.

Profit and loss account
The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

Notes to the Financial Statements (continued)

Year ended 31 December 2017

3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing these Consolidated Financial Statements, the Directors have made the following key judgments and estimates:

Goodwill

Goodwill arising on the acquisition of garden centres and restaurants is amortised over 20 years because these are long term investments that are expected to last up to 20 years. They are reviewed annually for any signs of impairment. No impairment of goodwill is required because the recoverable amounts exceed their carrying amounts based on management's assessment of market conditions and financial and operating performances.

Tangible fixed assets

Freehold buildings are not depreciated because the residual value of the properties at the end of their useful life is expected to be higher than their current value. The Group spends significant amounts on their maintenance and refurbishment. If there was an indication of a permanent reduction in their carrying value then an impairment would be recognised. Freehold land is considered to have an unlimited useful life and is therefore not depreciated.

Tangible fixed assets, other than properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Freehold land and buildings are revalued based on advice from an expert and an assessment of market conditions and the financial and operating performances of the underlying businesses. Key inputs into the property valuations included the financial performance of the garden centres, the overall potential for the property and business, location, catchment, local demographics, competition, planning, plot size, market conditions, benchmarking and physical inspection of the properties.

Freehold land at Les Baissieres in Guernsey with a carrying amount of £265,000 has not been revalued because there is limited comparable information and the future value of the site depends on the States of Guernsey's planning policy. The carrying amount is the historic cost of the land.

Stocks

Determining stock provisioning involves estimating the realisable value of the stocks held by the Group. Calculating the recoverable, realisable value of stocks requires a degree of estimation in terms of the likely demand and prices for individual stock items. Management monitor demand very closely and continue to ensure that any changes in the market are appropriately reflected in their assessments.

4. PRIOR YEAR ADJUSTMENTS

As the result of a change to the application of the Group's accounting policy on supplier income (see note 2.13) and a revision to the estimated provision for obsolete stocks, the Directors' have recognised a prior year adjustment.

Previously, the value of supplier income relating to stocks that were on hand at the financial year end was taken directly to profit. With the change to the application of the accounting policy, the value of stocks on hand at the financial year end was adjusted to reflect the attributable credits from supplier income. Included in the prior year adjustment was the reclassification of an amount included in accruals to the provision for obsolete stocks as at 31 December 2016.

The Directors identified that amortisation of goodwill prior to 2017 relating to Brown & Green (Farm Shops) Limited and Chester Garden Centre Limited was understated by £35,270 and decided to recognise the correction to the goodwill as a prior year adjustment.

The prior year adjustments have resulted in a net decrease to the 'Profit and loss account' at 1 January 2016 of £238,108 and a decrease in the profit for the year ended 31 December 2016 of £38,416. At 31 December 2016 the prior year adjustments resulted in a decrease in goodwill of £35,270, a decrease in stocks of £534,488, a decrease to UK corporation tax payable of £57,512 and a decrease in accruals of £235,682.

Notes to the Financial Statements (continued)

Year ended 31 December 2017

4. PRIOR YEAR ADJUSTMENTS (continued)

Previously, cash and bank overdraft balances were disclosed separately, but given the right of set-off the Group has with NatWest cash balances are now disclosed net of bank overdrafts and the prior year disclosure has been adjusted. At 31 December 2016 'Creditors: amounts falling due within one year' decreased by £3,929,750 and 'Cash and bank balances' decreased by the same amount due to the reclassification.

5. TURNOVER AND GROUP OPERATING PROFIT

Turnover and Group operating profit are stated after charging/(crediting):	**2017 £000**	**As restated 2016 £000**
Amortisation of goodwill	**179**	130
Amortisation of negative goodwill	**(27)**	(28)
Depreciation of tangible fixed assets	**2,000**	1,838
Loss/(profit) on disposal of fixed assets	**10**	(3)
Fees payable to the Group's Auditor		
- Audit of the Group's Consolidated Financial Statements	**30**	30
- Audit of the subsidiary companies	**60**	60
- Other non-audit services	**36**	13
Foreign exchange losses	**64**	-
Operating leases expense	**4,300**	3,938
Defined contribution pension cost	**226**	204
Rental income in other operating income	**(525)**	(408)

The Group acquired three concessions at Coton Orchard Garden Centre during the year, and their results are included in the Group's results from the dates of acquisition and are disclosed in the table below under 'Acquired'. An analysis of the Group's results from continuing activities including acquisitions is given below:

	2017 Continuing £000	**2017 Acquired £000**	**2017 Total £000**	**As restated 2016 Total £000**
Turnover	**96,120**	**360**	**96,480**	91,295
Cost of sales	**(47,156)**	**(134)**	**(47,290)**	(45,660)
Gross profit	**48,964**	**226**	**49,190**	45,635
Administrative expenses	**(40,337)**	**(114)**	**(40,451)**	(37,229)
Other operating income	**552**	**-**	**552**	477
Reversal of revaluation deficit on freehold property	**306**	**-**	**306**	-
Group operating profit	**9,485**	**112**	**9,597**	8,883

5. TURNOVER AND GROUP OPERATING PROFIT (continued)

Geographic analysis

By class of geographical area:	United Kingdom 2017 £'000	United Kingdom 2016 £'000	Channel Islands 2017 £'000	Channel Islands 2016 £'000	Group 2017 £'000	Group As restated 2016 £'000
Turnover	**80,974**	76,041	**15,506**	15,254	**96,480**	91,295
Profit before interest and taxation						
Regional profit	**12,282**	10,496	**3,525**	3,406	**15,807**	13,902
Profit on disposal of associated undertaking	**-**	-	**45**	179	**45**	179
Group costs	**-**	-	**-**	-	**(6,062)**	(4,837)
Group profit before interest and tax	**12,282**	10,496	**3,570**	3,585	**9,790**	9,244
Total assets less current liabilities						
Net assets	**55,739**	51,582	**21,190**	20,165	**76,929**	71,747
Unallocated assets and liabilities	**-**	-	**-**	-	**8,067**	4,690
	55,739	51,582	**21,190**	20,165	**84,996**	76,437

The geographical analysis is presented to show the profit before interest and taxation and total assets less current liabilities attributable to each geographic segment. 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.

6. EMPLOYEES

	2017 £000	2016 £000
Staff costs were as follows:		
Wages and salaries	**22,546**	20,801
Social security costs	**1,420**	1,272
Cost of defined contribution pension scheme	**226**	204
	24,192	22,277

Notes to the Financial Statements (continued)

Year ended 31 December 2017

6. EMPLOYEES (continued)

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

	2017 Number	2016 Number
Management	**77**	64
Retail	**1,771**	1,709
	1,848	1,773

Pensions - United Kingdom employees
Group employees in the United Kingdom may be eligible to join a Group Personal Pension Plan operated by Aviva. This is a defined contribution pension scheme whereby funding is based on a fixed percentage of salary and the assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charged in these financial statements includes contributions payable by Group companies to the scheme in the year ended 31 December 2017 amounting to £69,183 (2016: £72,658). The Group also joined the National Employment Savings Trust ("NEST") in February 2015, which is a pension scheme set up by the UK Government and into which the Group pays contributions on behalf of its employees. The pension costs charged in these financial statements includes contributions payable by Group companies to NEST in the year amounting to £63,537 (2016: £55,644).

Pensions - Channel Islands employees
The Group's Channel Islands employees may be eligible to join a defined contribution scheme operated by Zurich Assurance plc. The funding is based upon a fixed percentage of salary and the assets of the scheme are held separately from those of the Group in an independently administered fund. The total amount of pension contributions payable by Group companies to the Channel Islands scheme in the year ended 31 December 2017 was £48,792 (2016: £35,383). In addition, during the year the Group paid contributions of £44,472 (2016: £40,665) into the personal pension schemes of two (2016: two) Directors of the Group.

7. INTEREST RECEIVABLE

	2017 £000	2016 £000
Interest on loans receivable	**5**	5
Bank interest receivable	**3**	2
Interest on tax	**-**	2
	8	9

8. INTEREST PAYABLE

	2017 £000	2016 £000
Bank interest and finance charges	**608**	787
Finance leases and hire purchase contracts	**12**	26
Other interest payable	**4**	1
	624	814

Notes to the Financial Statements (continued)

Year ended 31 December 2017

9. TAXATION	2017 £000	As restated 2016 £000
Provision for UK tax		
Current tax on profits for the year	**1,257**	1,192
Adjustments in respect of previous periods	**(74)**	(40)
	1,183	1,152
Group's share of associates' tax	**41**	38
Total current tax	**1,224**	1,190
Provision for deferred tax		
	114	115
Origination and reversal of timing differences	**5**	(138)
Changes to tax rates	**(35)**	(96)
Adjustments in respect of previous periods		
Total deferred tax	**84**	(119)
Taxation on profit on ordinary activities	**1,308**	1,071

Factors affecting tax charge for the year
The tax assessed for the year differs from the standard rate of corporation tax in Guernsey of 0% (2016:0%).
The differences are explained below:

	2017 £000	As restated 2016 £000
Profit before tax	**9,174**	8,439
Profit multiplied by standard rate of corporation tax in Guernsey of 0% (2016: 0%)	**-**	-
Effects of:		
UK corporation tax on UK taxable profits at 19.25% (2016: 20%)	**1,356**	1,270
Share of associates' tax	**41**	38
Expenses not deductible for tax purposes	**74**	37
Effect of change in rate	**5**	(138)
Capital gains	**(59)**	-
Adjustments to tax charge in respect of prior periods	**(109)**	(136)
Total tax charge for the year	**1,308**	1,071

The Group's Guernsey and Jersey taxable profits are chargeable to income tax at the standard rate of 0%. The current rate of UK corporation tax of 19% will reduce to 17% with effect from 1 April 2020. The rates have been substantively enacted at the financial year end and are reflected in these Consolidated Financial Statements.

Notes to the Financial Statements (continued)

Year ended 31 December 2017

10. DIVIDENDS

	2017 £000	2016 £000
Ordinary shares		
Final 2016 dividend of 18p (3.6p post-share split) per share (2016: 16p per share)	**1,229**	974
Interim 2017 dividend of 1.8p (9p pre-share split) per share (2016: 8.5p per share)	**615**	547
	1,844	1,521

On 19 April 2018 the Directors proposed a final dividend of 3.8p per ordinary share. The dividend has not been accrued in these Consolidated Financial Statements because the dividend was declared after the balance sheet date.

11. INTANGIBLE ASSETS

	Goodwill £000	Negative goodwill £000	Total £000
Cost			
At 1 January 2017	**3,031**	(544)	**2,487**
Acquisitions through business combinations	**703**	-	**703**
At 31 December 2017	**3,734**	(544)	**3,190**
Amortisation			
At 1 January 2017 - previously stated	**339**	(213)	**126**
Prior year adjustment (note 4)	**38**	(3)	**35**
At 1 January 2017 - as restated	**377**	(216)	**161**
Charge for the year	**179**	(27)	**152**
At 31 December 2017	556	(243)	313
Net book value			
At 31 December 2017	**3,178**	(301)	**2,877**
At 31 December 2016 - as restated	**2,654**	(328)	**2,326**

The goodwill brought forward at the beginning of the year relates to the 2007 acquisition of the business trade and net assets of 3Shires Garden Centre, together with the goodwill on the acquisitions of Chatsworth Garden Centre Limited and Chester Garden Centre Limited that were acquired in 2012, Trelawney Garden Centre acquired in 2014, Brown and Green (Farm Shops) Limited acquired in 2015, Harlow Garden Nurseries and Coton Orchard Garden Centre acquired in 2016.

Notes to the Financial Statements (continued)

Year ended 31 December 2017

11. INTANGIBLE ASSETS (continued)

During the year, the Group acquired the trade and assets of three concessions in Coton Orchard Garden Centre. The concession held by Eleganze Limited, a clothing retailer, was acquired in January 2017. The concession held by Stephen's Butcher Cambridge Limited, a butcher, was acquired in March 2017. The concession held by Massarella Restaurants Limited, a restaurant, was acquired in September 2017. The total cash consideration paid for the three concessions was £702,745 (including expenses of £21,000). The Group acquired tangible fixed assets as part of the acquisition with a carrying value of £60,000. The Directors considered that the fair value of those assets to be £nil due to the refurbishment planned at the garden centre after the acquisitions. £702,745 therefore also represents the cost of goodwill arising on the acquisitions, which will be amortised over 20 years for the reasons given in note 3.

At 31 December 2017, the carrying amount of goodwill attributable to Coton Orchard Garden Centre, following the acquisition of the three concessions in 2017 and the garden centre in 2016 is £1,058,000 (2016: £389,000). The remaining amortisation period of this goodwill is 20 years. At 31 December 2017, the carrying amount of goodwill in relation to Trelawney Garden Centre, which is also individually material, is £860,000 (2016: £911,000), with a remaining amortisation period of 17 years.

The negative goodwill brought forward at the beginning of the year relates to the acquisitions of the business trade and net assets of Derby Garden Centre and Matlock Garden Centre in 2008, Fermoys Garden Centre and Farm Shop acquired in 2013 and Newbridge Nurseries acquired in 2015.

Notes to the Financial Statements (continued)

Year ended 31 December 2017

12. TANGIBLE FIXED ASSETS

	Freehold Land & Buildings £000	Leasehold Improvements £000	Motor Vehicles £000	Furniture, Fixtures & Equipment £000	Computer Equipment £000	Total £000
Cost or valuation						
At 1 January 2017	51,762	10,432	343	14,788	1,971	79,296
Additions	904	2,705	39	2,210	238	6,096
Disposals	(140)	-	(31)	(288)	(546)	(1,005)
Transfers	(329)	-	-	(100)	100	(329)
Revaluations	2,968	-	-	-	-	2,968
At 31 December 2017	55,165	13,137	351	16,610	1,763	87,026
Depreciation						
At 1 January 2017	-	2,658	242	8,718	1,528	13,146
Charge for the year	-	447	62	1,241	250	2,000
Disposals	-	-	(31)	(270)	(546)	(847)
Transfers	-	(322)	-	(88)	81	(329)
At 31 December 2017	-	2,783	273	9,601	1,313	13,970
Net book value						
At 31 December 2017	55,165	10,354	78	7,009	450	73,056
At 31 December 2016	51,762	7,774	101	6,070	443	66,150

The net book value of land and buildings may be further analysed as follows:	2017 £000	2016 £000
Freehold land and buildings - garden centres	54,900	51,497
Freehold land (note 3)	265	265
	55,165	51,762

The carrying values are based on valuations as at 31 December 2017 carried out by an independent, professionally qualified valuer. The valuations were undertaken in accordance with the Royal Institute of Chartered Surveyors' Appraisal and Valuation Manual on an open market value for existing use basis. Details on the assumptions made and the key sources of estimation uncertainty are given in note 3.

12. TANGIBLE FIXED ASSETS (continued)

If land and buildings had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2017 £000	2016 £000
Historic cost	**41,200**	40,764
Revaluation losses recognised in the Consolidated Profit and Loss Account	**(957)**	(1,263)
Revaluation gains recognised in the revaluation reserve	**14,922**	12,261
Carrying value at the end of the year	**55,165**	51,762

The net revaluation surplus for the year of £2,967,000 is allocated by recognising a net surplus of £306,000 in the Consolidated Profit and Loss Account and a surplus of £2,661,000 directly in the revaluation reserve. The surplus allocated to the Consolidated Profit and Loss Account comprises of a reversal of a revaluation deficit previously recognised of £467,000 net of a revaluation deficit of on a property of £161,000. The revaluation reserve as at 31 December 2017 is stated net of cumulative deferred tax adjustments of £1,223,000 (2016: £1,047,000).

The Group has provided first legal charges in favour of The Royal Bank of Scotland International Limited (trading as NatWest) over its freehold land and buildings with a carrying value of £35,300,000 (2016: £31,815,000), promissory notes to the value of £4,000,000 (2016: £4,000,000) and a bond to the value of £6,000,000 (2016: £6,000,000) as security for the Group's bank loan and overdraft facilities (note 18).

Finance leases

The net book value of equipment and vehicles for the Group includes an amount of £173,127 (2016: £299,822) in respect of assets held under finance leases (note 19).

Such assets are generally classified as finance leases as the rental period amounts to the estimated useful economic life of the assets concerned and often the Group has the right to purchase the assets outright at the end of the minimum lease term by paying a nominal amount.

Notes to the Financial Statements (continued)

Year ended 31 December 2017

13. FIXED ASSET INVESTMENTS

	Associated undertakings £000	Unlisted investments £000	Total £000
Cost			
At 1 January 2017	756	4	760
Dividend received	(125)	-	(125)
Share of associate's profit for the year after tax	149	-	149
At 31 December 2017	780	4	784
Net book value			
At 31 December 2017	780	4	784
At 31 December 2016	756	4	760

The Group owns 50% of the issued share capital of John Le Sueur and Company Limited, a company registered in Jersey, with the principal activity of investment holding and a financial year end of 30 September each year.

The Group owned 45% of the issued share capital in David Dumosch Limited, a company registered in Jersey, up to the date of its disposal on 11 November 2016. The principal activity of the Group's former associate was agricultural and horticultural merchants and produce handlers and its financial year end was 31 October of each year. The Group received £342,011 of the consideration in February 2017 and a final payment of £45,000 was received in February 2018.

Subsidiary undertakings
Blue Diamond Limited holds 100% of the ordinary share capital in the following subsidiary undertakings, all of which are wholly owned and included in these consolidated financial statements, with the same financial year end:

Directly held
B.D. Properties Limited (Guernsey) - Property and investment holding
Blue Diamond Trading Limited (Guernsey) - Investment holding
MGCL Limited (England) - Dormant
Fryer's Nurseries Limited (England) - Dormant

Indirectly held:
Blue Diamond UK Limited (England) - Garden centre retailer
Brown & Green (Farm Shops) Limited (England) - Farm shop retailer
Chatsworth Garden Centre Limited (England) - Garden centre retailer
Chester Garden Centre Limited (England) - Garden centre retailer
Fruit Export Company Limited (Guernsey) - Garden centre retailer
Newbridge Nurseries Limited (England) - Dormant
Goodies Limited (Guernsey) - Gift retailer
Blue Diamond UK Properties Limited (England) - Property investment
Olympus Sportswear (Guernsey) Limited (Guernsey) - Sportswear and equipment retailer
St. Peters Furniture Centre Limited (Jersey) - Dormant
St. Peters Garden Centre Limited (Jersey) - Garden centre retailer

Notes to the Financial Statements (continued)

Year ended 31 December 2017

14. STOCKS

	2017 £000	As restated 2016 £000
Goods for resale	**13,073**	11,807

Goods for resale are disclosed net of a provision for slow-moving and obsolete stock of £263,000 (2016: £292,000). An impairment credit of £29,000 (2016: £45,000) was recognised in cost of sales against stock as a movement in the provision.

15. DEBTORS

	2017 £000	2016 £000
Trade debtors	**2,232**	1,947
Prepayments	**1,507**	1,492
Other debtors	**1,043**	1,344
Associated company loan: John Le Sueur and Company Limited	**248**	248
	5,030	5,031

The loan due from John Le Sueur and Company Limited is unsecured, repayable on demand and is subject to interest at 1.5% above one-month sterling LIBOR per annum.

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £000	As restated 2016 £000
Trade creditors	**8,465**	6,169
Accruals and other creditors	**2,505**	1,525
Other taxes and social security	**1,854**	2,462
Bank loans (note 18)	**1,200**	1,299
Corporation tax	**557**	746
Obligations under finance leases (note 19)	**47**	87
Financial instrument - at fair value	**42**	-
	14,670	12,288

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

	2017 £000	2016 £000
Bank loans (note 18)	**15,562**	16,661
Accruals and other creditors	**-**	625
Obligations under finance leases (note 19)	**93**	183
	15,655	17,469

Notes to the Financial Statements (continued)

Year ended 31 December 2017

18. LOANS

The maturity of sources of debt finance are due as follows:	2017 £000	2016 £000
In one year or less	**1,200**	1,299
In more than one year but not more than two years	**4,342**	1,299
In more than two years but not more than five years	**11,220**	15,362
	16,762	17,960

The bank loans and overdrafts bear interest at commercial rates linked to LIBOR and the Bank of England Base Rate as agreed with The Royal Bank of Scotland International Limited (trading as NatWest). The overall position is as follows:

One term loan is repayable in sixty monthly instalments, which commenced on 31 January 2017. Each monthly instalment is calculated using a fifteen-year capital and interest repayment programme with a final lump sum payment due on 31 December 2021. A second term loan is repayable in thirty-nine monthly instalments which commenced on 31 October 2016. Each monthly instalment is calculated using a fifteen-year capital and interest repayment programme with a final lump sum payment due on 31 December 2019.

The Group's working capital revolving facility of £4,500,000 is committed until 31 December 2019 and the overdraft facilities are reviewed annually. A further £3,000,000 working capital facility is committed until 31 October 2018.

On 30 December 2016 the Group entered into a five year fixed interest rate swap of £7m with NatWest, which expires on 31 December 2021. The swap is non-amortising and fixes the one month LIBOR element of the interest payable on the term loans at 0.88%. Interest payable on the loans is made up of the floating one month LIBOR rate and a fixed bank margin. At the end of each month NatWest credits the actual one month LIBOR rate to the Group and then debits the fixed rate of 0.88%. The Board decided to take out this swap to take advantage of low interest rates and to reduce the Group's interest rate risk.

The bank loans and overdrafts are secured by way of first legal charges, bonds and promissory notes over certain of the Group's properties as disclosed in note 12. The Group has also provided a cross guarantee as detailed in note 28.

Analysis of changes in net debt	**As restated 1 January 2017 £000**	**Cash flows £000**	**Non-cash movements £000**	**31 December 2017 £000**
Cash and bank balances	2,651	**2,195**	**-**	4,846
Obligations under finance leases	(270)	**130**	**-**	(140)
Bank loans due within one year	(1,299)	**1,198**	**(1,099)**	(1,200)
Bank loans due after more than one year	(16,661)	**-**	**1,099**	(15,562)
	(15,579)	**3,523**	**-**	(12,056)

19. FINANCE LEASES

Minimum lease payments under finance leases fall due as follows:	2017 £000	2016 £000
Within one year	**47**	87
Between one to two years	**93**	91
Between two to five years	**-**	92
	140	270

Assets secured under these agreements are disclosed in note 12.

20. FINANCIAL INSTRUMENTS

	2017 £000	As restated 2016 £000
Financial assets		
Financial assets measured at amortised cost	**8,369**	6,190
Financial liabilities		
Financial liabilities measured at amortised cost	**(27,872)**	(26,549)
Financial derivatives measured at fair value through profit or loss	**(42)**	-
	(27,914)	(26,549)

Financial assets measured at amortised cost comprise cash and cash equivalents, trade debtors, other debtors and amounts owed by associated undertakings.

Financial liabilities measured at amortised cost comprise bank loans, trade creditors and other creditors. Financial derivatives measured at fair value through profit or loss comprise of foreign currency forward contracts.

21. DEFERRED TAXATION

	2017 £000	2016 £000
At beginning of year	**(1,369)**	(1,658)
(Charged)/credited to profit	**(84)**	119
(Charged)/credited to other comprehensive income	**(176)**	170
At end of year	**(1,629)**	(1,369)

The provision for deferred taxation is made up of:	2017 £000	2016 £000
Accelerated capital allowances	**(490)**	(406)
Revaluation gains on freehold properties	**(1,139)**	(963)
	(1,629)	(1,369)

Notes to the Financial Statements (continued)

Year ended 31 December 2017

22. OTHER PROVISIONS

	Onerous lease £000
At 1 January 2017	141
Utilised in year	(40)
At 31 December 2017	101

The onerous lease provision will unwind by 30 April 2022 and is disclosed net of rent receivable from sub-letting the site.

23. SHARE CAPITAL

	2017 £000	**2016 £000**
Authorised		
6,800,000 ordinary shares of £0.10 each	**-**	680
100,000 unclassified shares of £0.10 each	**-**	10
34,500,000 ordinary shares of £0.02 each	**690**	-
	690	690
Allotted, called up and fully paid		
6,654,668 ordinary shares of £0.10 each	**-**	665
34,139,480 ordinary shares of £0.02 each	**683**	-
	683	665

In February 2017, there was an open offer of shares priced at £9.50 to new investors, and existing shareholders were given the chance to participate. 173,228 (866,140 post-split) shares were accepted and gross proceeds were £1,645,666. There remain 360,520 (72,104 pre-split) authorised but unissued shares that the Board may consider selling at the market price in the future. The proceeds will be used to take advantage of opportunities to acquire new garden centres and to invest in the redevelopment and refurbishment of the Group's existing centres.

On 15 June 2017 at the Annual General Meeting, Shareholders approved the proposal to split each share of 10 pence in both the authorised and issued share capital of the Company into 5 new shares of 2 pence each.

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

	2017 Shares in Issue No.	**2017 Share Capital £**	**2016 Shares in Issue No.**	**2016 Share Capital £**
At 1 January 2017	6,654,668	**665,467**	**6,416,910**	641,691
New shares issued in the year	173,228	**17,323**	**237,758**	23,776
Share split	27,311,584	**-**	**-**	-
At 31 December 2017	34,139,480	**682,790**	**6,654,668**	665,467

24. PARENT COMPANY PROFIT FOR THE YEAR

The Company has not presented its own statement of comprehensive income in these financial statements. The profit after tax of the Parent Company for the year was £324,790 (2016: £6,740,623).

The profit for the year ended 31 December 2016 was stated after a dividend received of £6,000,000 from subsidiaries and a profit on disposal of the Company's investment in associated undertaking, David Dumosch Limited, of £483,761.

25. EARNINGS PER SHARE

	Profit for the year 2017 £000	Earning per share pre-split 2017 p	Earning per share post-split 2017 p	As restated Profit for the year 2016 p	As restated Earnings per share pre-split 2016 p	As restated Earnings per share post-split 2016 p
Basic earnings per share	7,866	115.64	23.13	7,368	113.75	22.75
Adjusted eanings per share	7,515	110.48	22.10	7,189	110.99	22.20

Basic earnings per share is calculated by dividing the profit for the financial year attributable to the members of Blue Diamond Limited by the weighted average number of ordinary shares in issue during the year, which was 34,011,674 (2016: 32,386,634 after the share split (note 23). Earnings per share for the year ended 31 December 2016 disclosed in the Consolidated Profit and Loss Account is restated to reflect the changes in the number of shares created by the share split in 2017.

Adjusted basic earnings per share is calculated by deducting the profit on disposal of David Dumosch Ltd and the reversal of revaluation deficit on freehold property from the earnings attributable to ordinary shareholders and dividing by the weighted average number of ordinary shares in issue during the year.

On 15 June 2017 at the Annual General Meeting, Shareholders approved the proposal to split each share of 10 pence in both the authorised and issued share capital of the Company into 5 new shares of 2 pence each.

26. CAPITAL COMMITMENTS

The Group is committed to capital expenditure for the development of Bridgford Garden Centre under the terms of its agreement for lease. The total development is expected to cost £4,900,000, with £3,300,000 expenditure remaining to be spent at the year end. All remaining expenditure is to be funded through the Group's existing bank facilities and is to be incurred within one year of the financial year end. No contracts were entered into before the financial year end relating to the works to be undertaken.

Notes to the Financial Statements (continued)

Year ended 31 December 2017

27. COMMITMENTS UNDER OPERATING LEASES

The future minimum lease payments due under the Group's non-cancellable operating leases are payable as follows:

	2017 £000	2016 £000
Not later than 1 year	**4,446**	4,330
Later than 1 year and not later than 5 years	**16,554**	17,115
Later than 5 years	**67,211**	69,842
	88,211	91,287

The future minimum lease payments receivable by the Group under non-cancellable operating leases are receivable as follows:

	2017 £000	2016 £000
Not later than 1 year	610	**656**
Later than 1 year and not later than 5 years	1,568	**1,837**
Later than 5 years	788	**1,291**
	2,966	**3,784**

28. CONTINGENT LIABILITIES

The Company and its subsidiaries (note 13) are party to a composite cross guarantee agreement for the loan and overdraft facilities of the Group with The Royal Bank of Scotland International Limited (trading as NatWest). At the year end the liabilities covered by the guarantee totalled £24,373,127 (2016: £25,599,673).

B. D. Properties Limited, a subsidiary company, has guaranteed the bank borrowings of John Le Sueur and Company Limited (note 13), in the sum of £250,000.

In the opinion of the Directors, no liability to the Group is expected to arise as a result of these guarantees.

29. RELATED PARTY TRANSACTIONS AND CONTROLLING PARTY

In the preparation of these financial statements the Directors have taken advantage of the exemption under FRS 102 and have not disclosed the details of related party transactions with wholly owned subsidiaries of Blue Diamond Limited.

The following transactions took place between the Group and its associated companies during the year:

	2017 £000	2016 £000
Interest receivable	5	5
Dividends receivable	125	125
Rent paid	(200)	(200)

Notes to the Financial Statements (continued)

Year ended 31 December 2017

29. RELATED PARTY TRANSACTIONS AND CONTROLLING PARTY (continued)

Key management personnel, of which there were 22 in 2017 (2016: 22), includes all Directors and a number of senior managers who together have authority and responsibility for planning, directing and controlling the activities of the Group. The total compensation (including salaries, pensions, national insurance and bonuses) payable to key management personnel for services provided to the Group during the year was £2,655,398 (2016: £2,266,377).

Included in Creditors: amounts due within one year (note 16) is an amount of £1,241,010 (2016: £275,000) and Creditors: amounts due after more than one year (note 17) is an amount of £nil (2016: £625,000) due to key management personnel, of which £945,000 (2016: £625,000) is the amount so far accrued in respect of the long-term incentive plan (LTIP) for Executive Directors, which is based on Group performance targets for the years ending 31 December 2015, 2016 and 2017, and is payable in April 2018.

Total dividends paid to Directors while in office amounted to £26,768 (2016: £20,538). The Directors received dividends in aggregate on the same terms as the other shareholders. The Directors in office at each financial year end held the following number of ordinary shares of 2p each (2016: restated from 10p shares to 2p shares):

	2017 No.	As restated 2016 No.
Simon Burke	40,750	36,250
Alan Roper	281,155	281,155
Richard Hemans	57,000	50,000
Stuart Falla, MBE	69,855	69,855
Sir John Collins	47,940	47,940
Patricia Alford-Burnett	5,000	5,000
	501,700	**490,200**

The issued share capital of the Company is owned by numerous parties and therefore, in the opinion of the Directors, there is no ultimate controlling party of the Company as defined by FRS102 Related Party Disclosures. The register of shareholders and their holdings (including the Directors' beneficiary interests) in the ordinary shares of Blue Diamond Limited is available for inspection at the registered office of the Company.

30. PARENT COMPANY GUARANTEE – EXEMPTION FROM AUDIT FOR SUBSIDIARY COMPANIES

In accordance with section 479A of the UK Companies Act 2006 (the 'Act'), the Group has given a guarantee to the following subsidiary companies in respect of the year ended 31 December 2017, which means they are exempt from the requirements of the Act relating to the audit of individual company accounts. The guarantee effectively means that the Group will discharge all outstanding liabilities of the subsidiary companies at 31 December 2017 should the subsidiary be unable to satisfy them.

Company	Registered Number
Blue Diamond UK Properties Limited	01413241
Brown & Green (Farm Shops) Limited	07343669
Chatsworth Garden Centre Limited	01513341
Chester Garden Centre Limited	01391377
Newbridge Nurseries Limited	00744452
Fryer's Nurseries Limited	00418800

31. POST BALANCE SHEET EVENT

On 19 April 2018 the Directors proposed a final dividend of 3.8p per ordinary share. The dividend has not been accrued in these Consolidated Financial Statements because the dividend was declared after the balance sheet date.

CONTACT DETAILS:

3 SHIRES
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Newent
Gloucestershire
GL18 1DL
Tel: 01531 820941

BLUE DIAMOND
Garden & Home
at East Bridgford
Fosse Way
East Bridgford
Nottingham
NG13 8LA
Tel: 01949 20055

BRAMBRIDGE PARK
Garden Centre
Kiln Lane
Brambridge
Eastleigh
Hampshire SO50 6HT
Tel: 01962 713707

CHATSWORTH
Garden Centre
Calton Lees
Beeley
Matlock
Derbyshire DE4 2NX
Tel: 01629 734004

COTON ORCHARD
Garden Centre
Cambridge Road
Coton
Cambridge
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Tel: 01954 210234

DERBY
Garden & Home
Alfreton Road
Little Eaton
Derby
DE21 5DB
Tel: 01332 831666

EVESHAM
Home & Garden
The Valley
Evesham
Worcestershire
WR11 4DS
Tel: 01386 761888

FERMOY'S
Garden Centre &
Farm Shop
Totnes Road
Ipplepen
Newton Abbot
Devon TQ12 5TN
Tel: 01803 813504

FRYER'S
Garden Centre & Nursery
Manchester Road
Knutsford
Cheshire
WA16 0SX
Tel: 01565 755455

GROSVENOR
Garden Centre
Wrexham Road
Belgrave
Chester
CH4 9EB
Tel: 01244 625200

HARLOW
Garden Centre
Canes Lane (A414)
Hastingwood
Near Harlow
Essex
CM17 9LD
Tel: 01279 419039

LE FRIQUET
Home of Garden and
Living
Rue du Friquet
Castel
Guernsey
GY5 7SS
Tel: 01481 259220

MATLOCK
Garden Centre
Nottingham Road
Tansley
Matlock
Derbyshire
DE4 5FR
Tel: 01629 580500

NEWBRIDGE
Nurseries
Billingshurst Road
Broadbridge Heath
Horsham
West Sussex
RH12 3LN
Tel: 01403 272686

REDFIELDS
Home of Garden and Living
Redfields Lane
Church Crookham
Fleet
Hampshire
GU52 0AB
Tel: 01252 624444

SPRINGFIELDS
Home & Garden
Springfields Outlet Village
Camel Gate
Spalding
Lincolnshire PE12 6ET
Tel: 01775 760949

ST. PETERS
Garden Centre
Avenue de la Reine
Elizabeth II
St Peter
Jersey
JE3 7BP
Tel: 01534 745903

TRELAWNEY
Garden Centre
Sladesbridge
Wadebridge
Cornwall
PL27 6JA
Tel: 01208 893030

TRENTHAM
Home & Garden
Stone Road
Trentham
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