We just keep growing...

BLUE DIAMOND®

Blue Diamond Limited

ANNUAL REPORT & CONSOLIDATED FINANCIAL STATEMENTS

2021

BLUE DIAMOND®

Inspirational retailing with a 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®

Blue Diamond Limited

ANNUAL REPORT & CONSOLIDATED FINANCIAL STATEMENTS 2021

BLUE DIAMOND LIMITED
(Incorporated in Guernsey, Channel Islands)

DIRECTORS

S. Burke (Chairman)
A. Roper (Managing Director)
R.J. Hemans (Finance Director)
T. Carey
D. Ummels
S. Crowder

COMPANY SECRETARY

R.J. Hemans

REGISTERED OFFICE

Rue du Friquet
Castel
Guernsey GY5 7SS
Channel Islands

REGISTERED NUMBER

12307 (Guernsey)

INDEPENDENT AUDITOR

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Arcadia House
Maritime Walk
Ocean Village
Southampton SO14 3TL

BANKERS

The Royal Bank of Scotland
International Limited
(Trading as NatWest International)
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Channel Islands

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Snowhill
Queensway B3 2WN

LEGAL REPRESENTATIVES

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Les Banques
St. Peter Port
Guernsey
Channel Islands

UNITED KINGDOM

Bristows LLP
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London
United Kingdom

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I have two key messages for shareholders this year:

- In 2021 we achieved an extraordinary result, but this was still significantly affected by the pandemic in terms of closures, trading and government financial support;
- Although we expect a fall in profit in 2022, we will nevertheless emerge from the pandemic period stronger, more profitable and with a much better balance sheet than we had in 2019.

The financial headlines for 2021 are that profit before tax was up 68% to £39.5m on sales up 27% to £255m. Our year end net debt was just £5.8m which is 0.1 times EBITDA and a gearing ratio of 4%.

We again had a disrupted year, with our restaurants closed between January and May, and the gradual loosening of Covid restrictions across the summer and autumn. We also had to contend with increasing challenges to our supply chain, especially in respect of products sourced from the Far East, as well as labour shortages especially in the restaurants.

Notwithstanding all of this, however, sales were very strong. Whilst the restaurants traded 28% up on 2020 and 25% down on pre-Covid levels, garden centre sales were consistently strong, being 27% up on 2020 and 57% up on pre-Covid based primarily on higher spend levels from our customers. Overall, this produced a 27% increase in sales. Alan has provided a fuller analysis of sales in his report below.

Gross margins overall improved slightly to 51.1%, with less discounting in the market and lower stock shrinkage. Restaurant margins benefited slightly from the government's VAT remission for hospitality during the year.

The magnified effect of this on net profit is, similarly to the second half of 2020, due to the fact that we have a relatively fixed cost base, meaning that a large proportion of the gross profit on the additional sales fell through to the net profit level.

We also benefited again from various forms of government financial support, primarily rates relief and furlough payments. These fell almost entirely in the first half of the year. In total we received £6.9m across all forms of Government financial support, and against this we calculate that the restaurant closures cost us £9.8m.

The strong trading generated the cash to carry out an extensive investment programme during the year. In particular, we started the much-postponed extension of our very successful Newbridge centre, and also continued the progressive improvements to the centres acquired from Wyevale in 2018 and 2019. We completed the purchase of the other 75% of our Orchard Park centre, and late in the year we acquired our 38th site at Mere Park in Staffordshire. Notwithstanding this, we ended the year with a debt level only marginally above that for 2020, and our leverage is at an historic low.

Turning to the future, we might have hoped that prospects for the economy and for our business would have become clearer by now. Instead, it seems that the business world is facing the greatest uncertainty seen for many years. I have already referred to some of the challenges faced by Blue Diamond during 2021, and these continue. High inflation, especially in energy costs, and the likely squeeze on consumers' disposable incomes, are likely to damage all retailers.

Moreover, we believe that 2022 will be the year in which a portion of the exceptional spending driven by Covid will fall away. We have prepared our 2022 budget on this basis and have made appropriate commercial decisions to support it. Trading results so far in the year have been in line with our expectations.

This leads us to forecast now that 2022 profits will be below the level achieved in 2021. However, we still anticipate that our profitability will be ahead of 2020, and therefore much better than pre-Covid levels. A key reason for this is that although during 2020 and 2021 the ups and downs of Covid inevitably dominated accounts of our trading, our underlying business was also being very considerably strengthened. In particular, many of the stores acquired from Wyevale have been transformed in terms of appearance, stock and management, and this has produced a very substantial increase in their profitability, which will be a lasting effect. Alongside this, our programme of continuous improvement and investment into our other centres has been producing good returns. There is further opportunity in both of these areas.

The market in potential acquisitions has been particularly active in the past 9 months, and we have reviewed numerous centres that were for sale. We continue to be highly selective, and since the year-end have concluded just one purchase, this being the Blackdown centre just outside Taunton. We plan a major redevelopment of this freehold centre in the summer.

We are also considering several other opportunities and I expect that we will conclude more acquisitions during 2022. We will keep our focus on quality sites that serve catchments for which the Blue Diamond offer is well suited. We will also be mindful of managing debt within conservative limits.

Thus, although we face numerous challenges from the wider economic situation, the strength of our business has been well demonstrated in the past two years, and we still have opportunity for growth by both acquisition and further improvement of our existing sites. Therefore, I remain very confident in the prospects for Blue Diamond.

We propose to continue the policy on dividend that I outlined in my last two reports, namely to base payments on what we believe to be sustainable levels of profitability. With this in mind, we are proposing a final dividend of 8.5 pence per share, making a total dividend for the year of 12 pence, an increase of 60% on 2020. As before, we will be offering the option of a scrip dividend, taken in the form of additional shares.

Claire Williams is having to focus on family matters, and did not seek to renew her contract when it expired at the end of 2021. I would like to thank her for her contribution to Blue Diamond over the past three years and to wish her well in the future. I was delighted to welcome to our board Susie Crowder, who joined in March. She will be well known to many shareholders, having held numerous roles in business and the community in Guernsey.

Finally, it was great to attend recently the annual Blue Diamond Awards, which resumed this year. This is where we celebrate our successes with colleagues from everywhere in the business, and in particular recognise the best of the work we have done in the past year. It was wonderful to see the pride shown by all in the company and its achievements, and the team spirit amongst everyone there. It reminded me how lucky we are to have such an exceptional group of individuals working with us. I say it every year, but they make Blue Diamond what it is and I thank them again for giving us another remarkable result.

Simon Burke - Chairman
28 April 2022

"...In 2021 the average spend had ballooned to £34.50, an increase of 33.7% over 2 years. This inflated spend was driven by consumers directing disposable income to their homes and gardens because Covid rules were restricting time spent on over activities, such as holidays. The net impact is that Covid probably generated an extra £22m of garden centre turnover in 2021. The year ended with Garden Centre turnover up by £49m (27%)."

Alan Roper - Managing Director

Perspective and context are important when evaluating our sales performance in 2021. One needs to understand the factors that powered the sales growth in order to challenge the sustainability of the recent sales boom. Therefore, what follows is an analysis of our like-for-like sales (LFL) performance - I have stripped out all our Wyevale acquisitions from the analysis.

Average spend per customer

From 2017 to 2019 average spend grew by approximately 3% a year. The average basket spend was £23.71 in 2017 and by 2019 the figure was £25.80, an increase of 9%. In 2021 the average spend had ballooned to £34.50, an increase of 33.7% over 2 years. This inflated spend was driven by consumers directing disposable income to their homes and gardens because Covid rules were restricting time spent on over activities, such as holidays. The net impact is that Covid probably generated an extra £22m of garden centre turnover in 2021. The year ended with Garden Centre turnover up by £49m (27%). Without Covid sales probably would have been up around 13%.

There is no question in my mind that this inflated average spend will deflate in 2022 as people return to their unencumbered routines, such as holidays.

Footfall

From 2017 to 2019 our footfall grew by 9%, approximately 3% per annum. Between 2019 and 2021 footfall grew by just 1.6%.

Footfall will bounce back in 2022 but average spend will deflate. The impact of a deflating average spend will outweigh the growth in customer numbers and therefore I expect sales to be down in the garden centres in 2022.

Restaurants were closed for 5 months of the year in 2021, thus overall trade will be supported by the restaurants trading for 12 months during 2022.

Blue Diamond LFL sales in 2021 were ahead of the industry by 2.7% compared to 2019, which was the last full year of normal trade prior to Covid.

TRADING TRENDS FOR 2021

Blue Diamond (BD) versus industry (GCA) excluding Wyevale stores

GARDEN CENTRE SALES	% variance 2021 vs 2019
GCA Average	31.94
BD Average	34.68

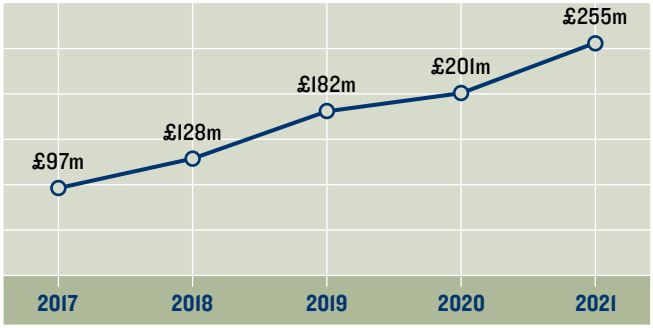
The table below, which is self-explanatory, details the growth in sales for the Group over the past 3 years.

YEAR END 2021 SALES

1st January–31st December 2021/2020/2019

	£ variance 2021 vs 2020	£ variance 2021 vs 2019	£ variance 2021 vs 2018
GROUP	25%	44%	68%
GROUP (excluding all Wyevale)	22%	35%	48%
WYEVALE (all)	30%	62%	112%
WYEVALE 9 (acquired Aug 2018)	27%	50%	115%
WYEVALE 7 (acquired Sept 2019)	35%	93%	105%

It is worth reflecting on the significant step-change in the size of the Group since the acquisition of the Wyevale stores, which started in August 2018. In four trading years, the Group has grown by 163%, from £97m to £255m. To achieve this remarkable growth whilst maintaining and improving core profitability (plus managing the challenges of Covid) is worth noting and my thanks go to all our employees who have been energized by the challenges and pulled together as a team to deliver this performance.



Cost pressures

We now import over 900 containers of product a year. The average shipping cost per container in 2022 was £8,000 higher than in 2021, an annual cost increase of £7.4m. Container costs in 2020 were only £2.5m, rising to over £10m in 2022. Despite this sizeable cost increase, we successfully passed this cost onto the consumer through retail price increases and grew the garden centre's gross margin by 0.8%. The latter was achieved by reducing the promotional activity we apply to products that sell in high volumes, which was possible because consumer demand for gardening products was so high.

Acquisition

In November last year, we purchased Mere Park Garden centre in Newport, Shropshire. The site is a valuable A1 retail site and is located in an area with strong ABI demographics. The acquisition will help address the balance of the property portfolio, which became weighted towards a higher percentage of leases following the Wyevale acquisitions. Strengthening the freehold base is a positive strategy to ensure we have a sustainable business in any given economic backdrop.

Capital expenditure programme

Our capital investment programme, which was suspended in 2020, was resumed in 2021 with £11.9m being deployed predominantly across the Wyevales to bring the quality of the stores to the Blue Diamond standard. In addition, we increased the retail footprint of our Newbridge Centre by 2,700m2.

Warehouse

Finally, the exponential growth has presented considerable challenges in managing our supply chain and we outgrew our third-party central distribution company. Therefore, I decided that securing our own central warehouse facility was our best option as it suits our entrepreneurial, operational style. The site is located near our centre at East Bridgford and was established last March. In a very short time, it has developed into a well-managed facility.

Alan Roper - Managing Director
28 April 2022

THE NEW BLUE DIAMOND WAREHOUSE

It's off to a flying start...

Located in Newton, 2.5 miles from our flagship East Bridgford garden centre, the warehouse has proved to be an invaluable asset for Blue Diamond. It benefits from a central position in the country and has good access to the main transport network. This forms the new hub for all our shopfloor stock and handles direct import goods from the far east, including furniture, seasonal goods, fashion, and selected gardening products.

Secured by the Blue Diamond Group in March 2021, it was formerly used by John Deere to store large agricultural vehicles and machinery parts.

Prior to that, both buildings were originally hangars forming part of RAF Newton. During WW2, RAF Newton was initially a base for bombers such as the Vickers Wellington. It then became a flying training school, providing basic and advanced training for Polish airmen serving with the RAF.

HOW THE STATS STACK UP

11,044.68m^3
of storage space

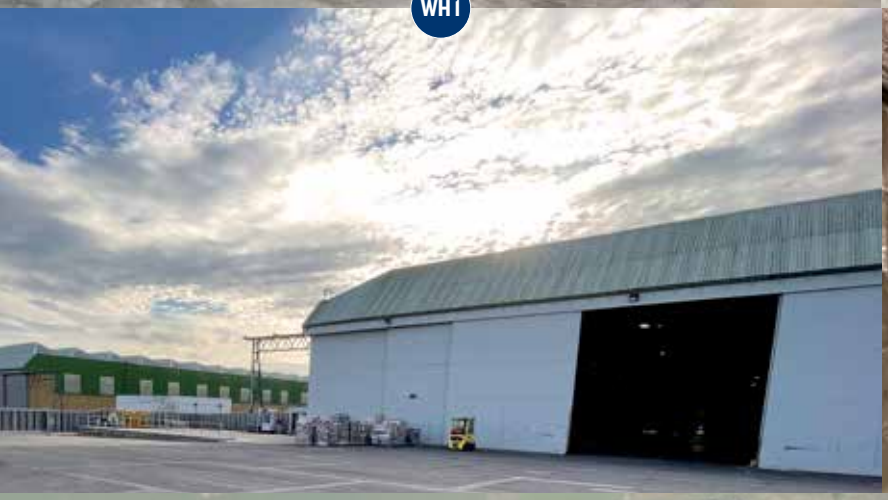
UP TO 8
shipping containers received daily

4
forklifts running 7 hours a day

OVER 1,000
pallets dispatched weekly, highest weekly total to-date 1,500!

WH 2

WH I



WH 2

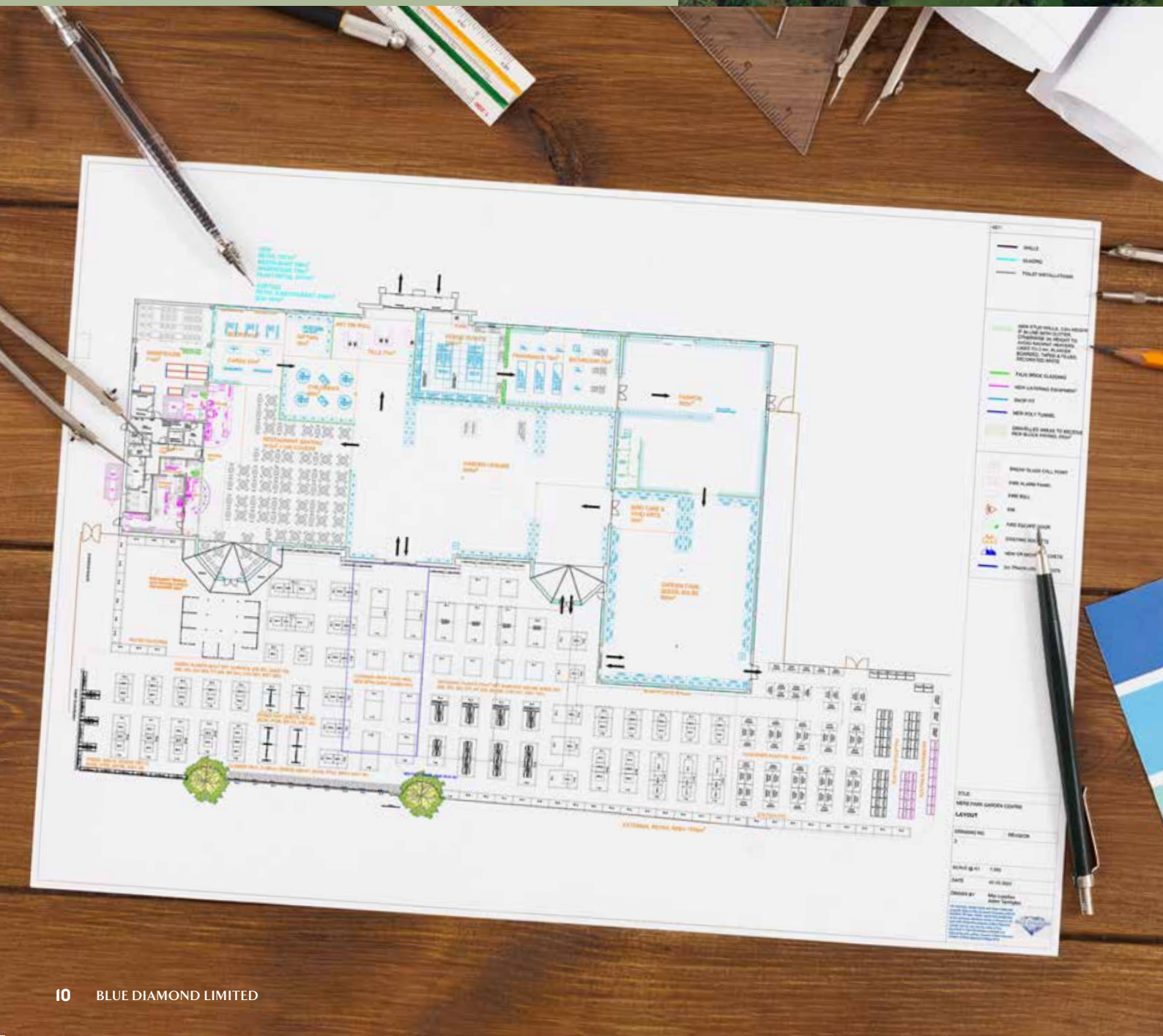
PARTY IN THE PARK!

Big plans to celebrate as Mere Park joins the group

In November last year, we purchased Mere Park Garden Centre in Newport, Shropshire. The site is a valuable AI retail destination and is located in an area with strong ABI demographics – a great fit for Blue Diamond. Pam Shaw is the GCOM for Mere Park and is looking forward to seeing the transformations our classic Blue Diamond make-over will bring to the site, starting this summer.

Mere Park at a glance:

- Heated retail area: 2,409m^2
- Covered retail area: 640m^2
- External retail area: 1,935m^2
- Restaurant: 491m^2 with 264 covers
- Various concessions in external buildings and onsite



1

REFURB AND REBUILD REVIEW

1. Weybridge Garden Centre
- NEW Kipling Pâtisserie
- NEW 'The Parlour' restaurant
- General refurbishment

2. Cadbury Garden Centre
- NEW houseplant and home area
- NEW 'The Park' restaurant
- NEW Kipling Pâtisserie

3. Sanders Garden Centre
- NEW Kipling Pâtisserie
- Refurbishments for fashion, home and kitchen areas

4. Newbridge Nurseries
- NEW building

2

3

4

Directors' Report for the year ended 31 December 2021

The Directors submit their report and the audited financial statements of the group for the year ended 31 December 2021. 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 in accordance with applicable law and generally accepted accounting practice.

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

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies 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.

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 page 16.

A final dividend for the year ended 31 December 2019 of 4.7p per share totalling £1,621,500 was paid on 7 May 2021.

A final dividend for the year ended 31 December 2020 of 5.5p per share totalling £1,897,500 was paid on 15 June 2021.

An interim dividend for the year ended 31 December 2021 of 3.5p per share totalling £1,210,958 was paid on 31 December 2021.

The Directors have also declared a final dividend for the year ended 31 December 2021 of 8.5p per share, which will be paid on 14 June 2022 to those shareholders on the register at 31 May 2022.

Going concern
The financial statements have been prepared on the going concern basis as the Directors have prepared detailed budgets for a period of at least 12 months from the date of signing the accounts which show that the Company is expected to be able to meet all its liabilities as they fall due. However, it is acknowledged that the global and UK outbreak of COVID-19 has had a profound impact on the global and UK economy and businesses.

As a result of the market uncertainty due to the ongoing impact of COVID-19 the possible effect on available cash during the next 12 months trading has been modelled under a range of assumptions and sensitivities. As part of this, the Directors have produced a detailed going concern stress test for the Group. The conclusion of stress test is that the Group could sustain a material loss of turnover over the course of the 12 months following date of the financial statements, without exceeding current banking facilities. Even then the Group has multiple options available to remain a going concern, including but not limited to cost reductions, scaling back its uncommitted capital expenditure programme and cancelling or reducing the interim and final dividends.

The Group, and the companies which are wholly owned, is expected to remain in a strong financial position during the forecast period from the date of signing the accounts. The Directors are confident of being able to trade for a period of at least 12 months from the approval of the financial statements and have therefore concluded that it is appropriate for the financial statements to be prepared on the going concern basis. Following the Group's refinancing on 31 March 2021, the Company has access to £60m of borrowing facilities until at least 31 March 2024.

Post balance sheet events

On 7 January 2022 the Group acquired the entire issued share capital of Blackdown Garden Centre Limited, for £4.25m plus net current assets at the date of completion, which are currently unknown but not expected to exceed £0.2m.

On 28 April 2022 the Directors proposed a final dividend for the year ended 31 December 2021 of 8.5p per share. The dividend has not been accrued in these financial statements because the dividend was declared after the balance sheet date.

Auditors

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

Directors

The directors shown below have held office during the whole of the period from 1 January 2021 to the date of this report.

A Roper	(Managing Director)
R J Hemans	(Finance Director)
S Burke	(Chairman)
J Collins	(retired 15 June 2021)
C L Williams	(resigned 31 December 2021)
T Carey	
D Ummels	
S Crowder	(appointed 1 March 2022)

On behalf of the board:

R. J. Hemans
Director

28 April 2022

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

Opinion on the financial statements
In our opinion the financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008.

We have audited the financial statements of Blue Diamond Limited ("the Group") for the year ended 31 December 2021 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Consolidated Statement of Changes in Equity, the 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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

Other information
The directors are responsible for the other information. The other information comprises the information included in the annual report and financial statements, 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies (Guernsey) Law, 2008 reporting
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 directors
As explained more fully in the Directors' responsibilities statement within the Report of the Directors, 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 Group or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Evaluation of management incentives, including the extent to which remuneration is influenced by the financial performance of the Company, and opportunities for fraudulent manipulation of the financial statements such as management override. This evaluation involved a particular focus on the judgements and estimates such as the inventory provision and considering the impact of these judgements and estimates on the financial performance including the impact on profit before tax;
- Discussion with management regarding known or suspected instances of non-compliance with laws and regulations or fraud;
- Obtaining an understanding of controls designed to prevent and detect irregularities and fraud;
- Review of board meeting minutes for any evidence of fraud or non-compliance with laws and regulations; and
- Assessment of journal entries to accounts that were considered to carry a greater risk of fraud as part of our planned audit approach including manual journals posted to revenue and journals posted by senior management.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

Use of our report

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.

BDO LLP
Chartered Accountants
Southampton

28 April 2022

Consolidated Statement of Comprehensive Income

Year ended 31 December 2021

	Notes	2021 £000	2021 £000	2020 £000	2020 £000
Turnover	4		**255,454**		201,181
Cost of sales			**(124,975)**		(100,916)
Gross profit			**130,479**		100,265
Distribution costs			**(207)**		(549)
Administrative expenses			**(98,420)**		(86,544)
			31,852		13,172
Reversal of revaluation deficit on freehold properties			**-**		957
Other operating income	7		**8,172**		10,265
Group operating profit	5		**40,024**		24,394
Share of profit for the year in joint venture and associated undertaking	14	**103**		603	
Profit on disposal of fixed asset investment	14	**40**	**143**	-	603
			40,167		24,997
Interest receivable and similar income	8		**1**		2
Interest payable and similar expenses	9		**(665)**		(1,450)
Profit before taxation			**39,503**		23,549
Taxation on profit	10		**(7,794)**		(5,689)
Profit for the financial year			**31,709**		17,860
Earnings per share	26		**91.76p**		51.76p
Other comprehensive income					
Unrealised surplus on revaluation of freehold properties	13		**8,565**		30,457
Movement in deferred tax relating to revaluation of freehold properties	23		**(3,089)**		(3,499)
Other comprehensive income for the year			**5,476**		26,958
Total comprehensive income for the year			**37,185**		44,818
Profit attributable to: Owners of the parent			**37,185**		44,818

The notes on pages 21 to 45 form part of these financial statements.

Consolidated Balance Sheet

As at 31 December 2021

	Notes	2021 £000	2021 £000	2020 £000	2020 £000
Fixed assets					
Intangible assets	12		**4,455**		2,654
Tangible fixed assets	13		**154,092**		133,602
Investments	14		**436**		4,093
			158,983		140,349
Current assets					
Stocks	15	**40,443**		27,117	
Debtors	16	**12,792**		10,327	
Cash at bank and in hand	17	**25,739**		32,308	
		78,974		69,752	
Creditors					
Amounts falling due within one year	18	**(35,180)**		(72,058)	
Net current assets/(liabilities)			**43,794**		(2,306)
Total assets less current liabilities			**202,777**		138,043
Creditors					
Amounts falling due after more than one year	19		**(30,631)**		(2,886)
Provisions for liabilities	23		**(10,405)**		(6,515)
Net assets			**161,741**		128,642
Capital and reserves					
Called up share capital	24		**693**		690
Share premium			**5,656**		5,015
Revaluation reserve			**41,606**		36,130
Capital reserve			**9,439**		9,439
Retained earnings			**104,347**		77,368
Total equity			**161,741**		128,642

The financial statements were approved by the Board of Directors and authorised for issue on 28 April 2022 and were signed on its behalf by:

R. J. Hemans
Director

The notes on pages 21 to 45 form part of these financial statements.

Consolidated Statement of Changes in Equity

Year ended 31 December 2021

	Called up share capital £000	Retained earnings £000	Share premium £000
Balance at 1 January 2020	690	60,198	5,015
Changes in equity			
Profit for the year	-	17,860	-
Surplus on revaluation of freehold properties (note 13)	-	-	-
Movement in deferred tax relating to revaluation of freehold properties (note 23)	-	-	-
Total comprehensive income	-	17,860	-
Dividends (note 11)	-	(690)	-
Balance at 31 December 2020	690	77,368	5,015
Changes in equity			
Profit for the year	-	31,709	-
Surplus on revaluation of freehold properties (note 13)	-	-	-
Movement in deferred tax relating to revaluation of freehold properties (note 23)	-	-	-
Total comprehensive income	-	31,709	-
Dividends (note 11)	3	(4,730)	641
Balance at 31 December 2021	693	104,347	5,656

The notes on pages 21 to 45 form part of these financial statements.

Consolidated Statement of Changes in Equity (continued)

Year ended 31 December 2021

	Revaluation reserve £000	Capital reserve £000	Total equity £000
Balance at 1 January 2020	9,172	9,439	84,514
Changes in equity			
Profit for the year	-	-	17,860
Surplus on revaluation of freehold properties (note 13)	30,457	-	30,457
Movement in deferred tax relating to revaluation of freehold properties (note 23)	(3,499)	-	(3,499)
Total comprehensive income	26,958	-	44,818
Dividends (note 11)	-	-	(690)
Balance at 31 December 2020	36,130	9,439	128,642
Changes in equity			
Profit for the year	-	-	31,709
Surplus on revaluation of freehold properties (note 13)	8,565	-	8,565
Movement in deferred tax relating to revaluation of freehold properties (note 23)	(3,089)	-	(3,089)
Total comprehensive income	5,476	-	37,185
Dividends (note 11)	-	-	(4,086)
Balance at 31 December 2021	41,606	9,439	161,741

The notes on pages 21 to 45 form part of these financial statements.

Consolidated Cash Flow Statement

Year ended 31 December 2021

	Notes	2021 £000	2020 £000
Cash flows from operating activities			
Profit for the financial year		**31,709**	17,860
Adjustments for:			
Amortisation of intangible assets	12	**247**	172
Depreciation of tangible assets	13	**6,538**	5,535
Loss on disposal of tangible assets		**14**	19
Profit on disposal of fixed asset investment		**(40)**	-
Amortisation of lease incentives		**(126)**	(116)
Reversal of revaluation deficit on freehold properties		**-**	(957)
Foreign exchange losses		**(57)**	139
Share of profit before tax of joint venture and associated undertaking	14	**(103)**	(603)
Interest receivable	8	**(1)**	(2)
Interest payable	9	**665**	1,450
Taxation charge	10	**7,794**	5,689
Increase in stocks		**(12,322)**	(418)
Increase in debtors		**(2,295)**	(517)
(Decrease)/increase in creditors		**(1,283)**	7,808
(Decrease)/increase in provisions		**(121)**	108
Lease incentives received		**-**	2,131
Corporation tax paid		**(6,593)**	(2,825)
Interest received		**1**	2
Interest paid		**(665)**	(1,230)
Net cash generated from operating activities		**23,362**	34,245
Cash flows from investing activities			
Purchases of tangible fixed assets		**(11,899)**	(4,355)
Dividends received from investments		**100**	-
Business combinations – Milton Park		**(1,958)**	-
Business combinations – Mere Park		**(6,108)**	-
Acquisition of investment in joint venture		**-**	(197)
Proceeds on disposal of fixed asset investment		**36**	-
Repayments from joint venture and associated undertaking		**54**	999
Net cash used in investing activities		**(19,775)**	(3,553)
Cash flows from financing activities			
Debt issue costs		**(192)**	-
Repayment of bank loans		**(2,916)**	(625)
Capital element of finance leases repaid		**(3)**	(42)
Equity dividends paid		**(4,086)**	(690)
Net cash used in financing activities		**(7,197)**	(1,357)
Net (decrease)/increase in cash and cash equivalents		**(3,610)**	29,335
Cash and cash equivalents at the beginning of the year		**27,625**	(1,710)
Cash and cash equivalents at the end of the year		**24,015**	27,625
Cash flows from financing activities:			
Bank and cash equivalents	17	**25,739**	32,308
Bank overdrafts	17	**(1,724)**	(4,683)
		24,015	27,625

The notes on pages 21 to 45 form part of these financial statements.

Notes to the Consolidated Financial Statements

Year ended 31 December 2021

INDEX OF NOTES

Notes to the Consolidated Financial Statements

Year ended 31 December 2021

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 Report of the Directors.

2. ACCOUNTING POLICIES

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).

Going concern

The financial statements have been prepared on the going concern basis as the Directors have prepared detailed budgets for a period of at least 12 months from the date of signing the accounts which show that the Company is expected to be able to meet all its liabilities as they fall due. However, it is acknowledged that the global and UK outbreak of COVID-19 has had a profound impact on the global and UK economy and businesses.

As a result of the market uncertainty due to the ongoing impact of COVID-19 the possible effect on available cash during the next 12 months trading has been modelled under a range of assumptions and sensitivities. As part of this, the Directors have produced a detailed going concern stress test for the Group. The conclusion of stress test is that the Group could sustain a material loss of turnover over the course of the 12 months following date of the financial statements, without exceeding current banking facilities. Even then the Group has multiple options available to remain a going concern, including but not limited to cost reductions, scaling back its uncommitted capital expenditure programme and cancelling or reducing the interim and final dividends.

The Group, and the companies which are wholly owned, is expected to remain in a strong financial position during the forecast period from the date of signing the accounts. The Directors are confident of being able to trade for a period of at least 12 months from the approval of the financial statements and have therefore concluded that it is appropriate for the financial statements to be prepared on the going concern basis. Following the Group's refinancing on 31 March 2021, the Company has access to £60m of borrowing facilities until at least 31 March 2024.

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:

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 Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

Notes to the Consolidated Financial Statements (continued)

Year ended 31 December 2021

2. ACCOUNTING POLICIES (continued)

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.

Other operating income

Other operating income includes concession rental income, which is recognised in the Consolidated Statement of Comprehensive Income over the period of the lease.

Government grant

Grants are accounted under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure within Other Operating Income.

During the year, income received from the Coronavirus Job Retention Scheme has been accounted for in accordance with the above.

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 Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

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 Statement of Comprehensive Income 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.

Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income 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.

Year ended 31 December 2021

2. ACCOUNTING POLICIES (continued)

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.

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 Statement of Comprehensive Income.

Notes to the Consolidated Financial Statements (continued)

Year ended 31 December 2021

2. ACCOUNTING POLICIES (continued)

Revaluation of tangible fixed assets

Freehold properties initially recognised at cost and subsequently carried at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Fair values are determined from market-based evidence obtained by independent professionally qualified valuers every three years. The Directors carry out desktop reviews of the fair values in between the independent valuations to ensure that the amounts do not differ materially from that which would have been determined using independent valuations at the reporting date.

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 Statement of Comprehensive Income. Any reversals of such losses are also recognised in the Consolidated Statement of Comprehensive Income.

Associates and joint ventures

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 less dividends, other comprehensive income and equity of the associate. The Consolidated Statement of Comprehensive Income 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.

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.

Supplier rebates

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 costs of sales. Rebates receivable at the year-end are presented as trade debtors.

Year ended 31 December 2021

2. ACCOUNTING POLICIES (continued)

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.

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 Consolidated Statement of Comprehensive Income in finance costs or income as appropriate. The Group does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

Cash and bank balances

Cash and bank balances represent cash in hand, current and deposits accounts with financial institutions with maturities of not more than three months and have insignificant risk of change in value. 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.

Leases

Rentals payable or receivable under operating leases are charged or credited to the Consolidated Statement of Comprehensive Income on a straight-line basis over the lease term.

Operating lease incentives received to enter into lease agreements are released to the Consolidated Statement of Comprehensive Income over the term of the lease. The unamortised balance is recognised in creditors.

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 Statement of Comprehensive Income 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 Statement of Comprehensive Income 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 Consolidated Financial Statements (continued)

Year ended 31 December 2021

2. ACCOUNTING POLICIES (continued)

Sale and leaseback

When a sale and leaseback transaction results in an operating lease, and it is clear that the transaction is established at fair value, any profit or loss is recognised immediately. If the sale price is below fair value, any profit or loss is recognised immediately unless the loss is compensated for by future lease payments at below market price. In that case any such loss is amortised in proportion to the lease payments over the period for which the asset is expected to be used. If the sale price is above fair value, the excess over fair value is amortised over the period for which the asset is expected to be used.

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.

Provisions

A provision is recognised when the company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligation.

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.

Current and deferred taxation

The tax charge for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except that a charge attributable to an item of income 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 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:

1. 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;
2. Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
3. 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.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when declared by the Board of Directors.

Year ended 31 December 2021

2. ACCOUNTING POLICIES (continued)

Administrative expenses

Administrative expenses include all wages and salaries.

The Group benefited from £2.7m of rates discounts from UK Local Authorities in 2021 as part of the relief offered to retail and hospitality businesses to mitigate the impact of Covid-19.

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 Statement of Comprehensive Income 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.

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

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

Tangible fixed assets
Tangible fixed assets, other than freehold land, are depreciated over their useful lives considering 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 is considered to have an unlimited useful life and is therefore not depreciated.

Freehold land and buildings were revalued in 2020 and updated in 2021 via a desktop review performed by an independent 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.

There are a number of estimates considered as part of the valuation process including assessing the garden centre market as a whole and the availability of comparable data within the market, the useful economic life of each property and considering expected future consumer spending habits and trends which may have an impact on the valuation of the properties.

Notes to the Consolidated Financial Statements (continued)

Year ended 31 December 2021

3. SIGNIFICANT JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Tangible fixed assets (continued)

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. SEGMENT ANALYSIS

By geographical area	UK		CI		GROUP	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Turnover	**235,874**	182,939	**19,580**	18,242	**255,454**	201,181
Profit before interest and taxation						
Regional profit	**46,330**	29,460	**5,101**	4,290	**51,431**	33,750
Reversal of revaluation deficit on freehold properties	**-**	79	**-**	878	**-**	957
Group costs	**-**	-	**-**	-	**(11,264)**	(9,710)
Group profit before interest and tax	**46,330**	29,539	**5,101**	5,168	**40,167**	24,997
Segment total assets less current liabilities						
Segment net assets	**158,558**	110,424	**35,514**	32,762	**194,072**	143,186
Unallocated assets and liabilities	**N/A**	N/A	**N/A**	N/A	**8,705**	(5,143)
Total assets less current liabilities	**158,558**	110,424	**35,514**	32,762	**202,777**	138,043

Year ended 31 December 2021

5. GROUP OPERATING PROFIT

Group operating profit is stated after charging/(crediting):

	2021 £000	2020 £000
Amortisation of goodwill	**272**	200
Amortisation of negative goodwill	**(25)**	(28)
Depreciation of tangible fixed assets	**6,538**	5,535
(Profit)/loss on sale of other tangible fixed assets	**(26)**	19
Fees payable to the Group's Auditor		
- Audit of the Group's Consolidated Financial Statements	**60**	60
- Audit of the subsidiary companies	**85**	85
Foreign exchange losses	**57**	139
Operating lease expense	**16,172**	14,216
Defined contribution pension cost	**887**	695
Rental income in other operating income	**(3,844)**	(3,881)
Government grants in other operating income	**(4,269)**	(6,338)

6. EMPLOYEES

	2021 £000	2020 £000
Wages and salaries	**51,466**	46,324
Social security costs	**3,288**	2,866
Other pension costs	**898**	695
	55,652	49,885
The average number of employees during the year was as follows:		
Management	**114**	106
Retail	**3,554**	3,377
	3,668	3,483

Notes to the Consolidated Financial Statements (continued)

Year ended 31 December 2021

6. EMPLOYEES (continued)

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 2021 amounting to £136,872 (2020: £125,369).

The Group also pays contribution to the National Employment Savings Trust ("NEST"), which is a pension scheme set up by the UK Government. The pension costs charged in these financial statements includes contributions payable by Group companies to NEST in the year amounting to £625,517 (2020: £485,657).

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 2021 was £42,429 (2020: £16,289). In addition, during the year the Group paid contributions of £82,208 (2020: £67,879) into the personal pension scheme of two (2020: two) Directors of the Group.

7. OTHER OPERATING INCOME

	2021 £000	2020 £000
Government grant income	**4,269**	6,338
Concession rents receivable	**3,844**	3,881
Other	**59**	46
	8,172	10,265

8. INTEREST RECEIVABLE AND SIMILAR INCOME

	2021 £000	2020 £000
Interest on loans receivable	**-**	1
Bank interest receivable	**1**	1
	1	2

9. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021 £000	2020 £000
Interest on payable on loan from joint venture company	**-**	5
Bank interest and finance charges	**661**	1,439
Finance leases and hire purchase contracts	**4**	6
	665	1,450

Year ended 31 December 2021

10. TAXATION

	2021 £000	2020 £000
Provision for current tax		
Current tax on UK profits for the year	**6,171**	3,697
Current tax on Jersey retail profits for the year	**538**	473
Current tax on Guernsey retail profits for the year	**179**	2
Adjustments in respect of previous periods	**(23)**	524
	6,865	4,696
Group's share of joint venture and associated undertaking current tax	**27**	202
Total current tax	**6,892**	4,898
Provision for deferred tax		
Origination and reversal of timing differences	**340**	145
Changes to tax rates	**590**	230
Adjustments in respect of previous periods	**(28)**	394
Group's share of joint venture and associated undertaking deferred tax	**-**	22
Total deferred tax	**902**	791
Taxation on profit	**7,794**	5,689

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% (2020: 0%). The differences are explained below:

	2021 £000	2020 £000
Profit before tax	**39,503**	23,549
Profit multiplied by standard rate of corporation tax in Guernsey of 0% (20% rate payable on retailers as threshold reached)	**185**	-
Effects of:		
UK corporation tax on UK taxable profits at 19% (2020: 19%)	**6,828**	3,786
Jersey corporation tax on retail profits at 20% (2020: 20%)	**600**	535
Share of joint venture and associated undertaking tax	**27**	224
Expenses not deductible for tax purposes	**220**	51
Non-taxable income	**(246)**	(259)
Effect of change in rate	**590**	230
Fixed asset differences	**65**	160
Deferred tax not recognised	**(424)**	44
Adjustments to tax charge in respect of prior periods	**(51)**	918
Total tax charge for the year	**7,794**	5,689

Notes to the Consolidated Financial Statements (continued)

Year ended 31 December 2021

10. TAXATION (continued)

The Group's Guernsey taxable profits are chargeable to income tax at the standard rate of 20% (2020: 0%) and the Group's Jersey retail profits are taxable at 20% (2020: 20%). The Finance Act 2021 was substantially enacted in May 2021 and has increased the corporation tax rate from 19% to 25% with effect from 1 April 2023. The deferred taxation balances have been measured using the rates expected to apply in the reporting periods when the timing differences reverse. For further information on deferred tax balances see note 23.

11. DIVIDENDS

	2021 £000	2020 £000
Ordinary shares		
Final 2019 dividend of 4.7p per share	1,621	-
Final 2020 dividend of 5.5p per share	1,898	-
Interim 2021 dividend of 3.5p per share (2020: 2p per share)	1,211	690
	4,730	690

A final dividend for the year ended 31 December 2019 of 4.7p per share totalling £1,621,500 was paid on 7 May 2021.

A final dividend for the year ended 31 December 2020 of 5.5p per share totalling £1,897,500 was paid on 15 June 2021. £1,541,870 was paid in cash and £355,630 in the form of a scrip dividend.

An interim dividend for the year ended 31 December 2021 of 3.5p per share totalling £1,210,958 was paid on 31 December 2021. £921,945 was paid in cash and £289,013 in the form of a scrip dividend.

The Directors have also declared a final dividend for the year ended 31 December 2021 of 8.5p per share, which will be paid on 14 June 2022 to those shareholders on the register at 31 May 2022.

12. INTANGIBLE FIXED ASSETS

	Goodwill £000	Negative goodwill £000	Totals £000
Cost			
At 1 January 2021	3,996	(544)	3,452
Arising on business combinations (note 32)	2,048	-	2,048
At 31 December 2021	6,044	(544)	5,500
Amortisation			
At 1 January 2021	1,121	(323)	798
Charge for the year	272	(25)	247
At 31 December 2021	1,393	(348)	1,045
Net book value			
At 31 December 2021	4,651	(196)	4,455
At 31 December 2020	2,875	(221)	2,654

At 31 December 2021, individually material carrying amounts of goodwill are attributable to Coton Orchard Garden Centre of £839,000 (2020: £894,000), with a remaining amortisation period of 16 years, Trelawney Garden Centre of £670,000 (2020: £721,000), with a remaining amortisation period of 13 years, and Milton Park Garden Centre of £1,929,000 with a remaining amortisation period of 19 years.

Year ended 31 December 2021

13. TANGIBLE FIXED ASSETS

	Freehold land and buildings £000	Leasehold improvements £000	Motor vehicles £000
Cost			
At 1 January 2021	98,680	26,105	746
Additions	1,831	2,019	240
Acquired in business combination	5,763	576	2
Disposals	-	-	(33)
Revaluation	7,470	-	-
At 31 December 2021	113,744	28,700	955
Depreciation			
At 1 January 2021	-	5,811	450
Charge for the year	1,095	1,327	144
Disposals	-	-	(27)
Revaluation adjustments	(1,095)	-	-
At 31 December 2021	-	7,138	567
Net book value			
At 31 December 2021	113,744	21,562	388
At 31 December 2020	98,680	20,294	296

	Furniture, fixtures and equipment £000	Computer equipment £000	Totals £000
Cost			
At 1 January 2021	29,267	3,909	158,707
Additions	7,542	267	11,899
Acquired in business combination	220	16	6,577
Disposals	(19)	-	(52)
Revaluation	-	-	7,470
At 31 December 2021	37,010	4,192	184,601
Depreciation			
At 1 January 2021	16,154	2,690	25,105
Charge for the year	3,378	594	6,538
Disposals	(12)	-	(39)
Revaluation adjustments	-	-	(1,095)
At 31 December 2021	19,520	3,284	30,509
Net book value			
At 31 December 2021	17,490	908	154,092
At 31 December 2020	13,113	1,219	133,602

Notes to the Consolidated Financial Statements (continued)

Year ended 31 December 2021

13. TANGIBLE FIXED ASSETS (continued)

The net book value of land and buildings may be further analysed as follows:

	2021 £000	2020 £000
Freehold land and buildings - garden centres	**112,813**	97,750
Freehold land	**930**	930
	113,743	98,680

The carrying values adopted in these financial statements for the year ended 31 December 2021 were based upon desktop valuations undertaken by an external, professionally qualified third party valuer, Knight Frank LLP. Management have reviewed these valuations and consider it appropriate to recognise these valuations at 31 December 2021.

The valuations were undertaken in accordance with the requirements of the latest editions of RICS Valuations – Global Standards (which incorporate the International Valuation Standards) and the UK National supplement and FRS 102 The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (and any other regulatory requirements).

The valuation of each property was as an owner-occupied property and valued to fair value assuming the property would be sold as part of the continuing business.

Details of the assumptions made and the key sources of estimation uncertainty are given in note 3.

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

	2021 £000	2020 £000
Historic costs	**66,016**	58,422
Accumulated depreciation	**(1,846)**	(751)
	64,170	57,669

The revaluation reserve as at 31 December 2021 is stated net of cumulative deferred tax adjustments of £7,195,000 (2020: £4,722,000). There were no revaluation gains realised during the year as a result of the sale of freehold properties (2020: £nil). The net revaluation surplus for the year of £8,565,000 (2020: £30,457,000) is comprised of a net surplus of £nil (2020: £957,000) recognised in the Consolidated Statement of Comprehensive Income and a surplus of £8,565,000 (2020: £29,500,000) recognised in other comprehensive income and the revaluation reserve.

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 £99,513,000 (2020: £84,450,000), promissory notes to the value of £4,000,000 (2020: £4,000,000) and a bond to the value of £10,200,000 (2020: £10,200,000) as security for the Group's bank loan and overdraft facilities (note 20).

Sale and leaseback

There were no sale and leasebacks entered into during year.

Finance leases

The net book value of equipment and vehicles for the Group includes an amount of £nil (2020: £3,454) in respect of assets held under finance leases (note 21). 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.

Year ended 31 December 2021

14. FIXED ASSET INVESTMENTS

	Joint venture £000	Associated undertaking £000	Unlisted investments £000	Totals £000
Cost				
At 1 January 2021	3,552	537	4	4,093
Other adjustments	61	-	-	61
Share of profit for the period after tax	104	(1)	-	103
Acquisition of full shareholding in joint venture	(3,717)	-	-	(3,717)
Dividend received	-	(100)	-	(100)
Disposal	-	-	(4)	(4)
At 31 December 2021	-	436	-	436
Net book value				
At 31 December 2021	-	436	-	436
At 1 January 2021	3,552	537	4	4,093

Associate undertaking

John Le Sueur and Company Limited
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.

Joint venture

Milton Park (Dorset) Limited
On 1 April 2021 the Company exercised the call option to purchase the remaining 75% of the share capital of Milton Park (Dorset) Limited for £1,808,000, including interest. On the same date the trade and net assets of Milton Park (Dorset) Limited were transferred to Blue Diamond UK Limited, a subsidiary indirectly held by Blue Diamond Limited, leaving Milton Park (Dorset) Limited dormant and converting it to a subsidiary undertaking.

Notes to the Consolidated Financial Statements (continued)

Year ended 31 December 2021

14. FIXED ASSET INVESTMENTS (continued)

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	**Incorporated**	**Principal activity**
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	Dormant
Chatsworth Garden Centre Limited	England	Dormant
Chester Garden Centre Limited	England	Garden centre retailer
Fruit Export Company Limited	Guernsey	Garden centre retailer
Newbridge Nurseries Limited	England	Dormant
Goodies Limited	Guernsey	Dormant
Blue Diamond UK Properties Limited	England	Property investment
Olympus Sportswear (Guernsey) Limited	Guernsey	Dormant
St. Peter's Furniture Centre Limited	Jersey	Dormant
St. Peter's Garden Centre Limited	Jersey	Garden centre retailer
Milton Park (Dorset) Limited	England	Dormant

15. STOCKS

	2021 £000	2020 £000
Goods for resale	**40,443**	27,117

Goods for resale are disclosed net of a provision for slow moving and obsolete stock of £848,195 (2020: £507,057). An impairment reversal of £341,138 (2020: £52,526) was recognised in cost of sales against stock as a movement in the provision.

Year ended 31 December 2021

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £000	2020 £000
Trade debtors	**5,348**	5,744
Prepayments	**3,897**	3,067
Other debtors	**3,547**	1,462
Amount due from associated company	**-**	54
	12,792	10,327

The amounts due from the associated company is unsecured, repayable on demand and is subject to interest at 1.5% above one-month sterling LIBOR per annum. The amount was repaid in full on 1 March 2021.

Trade debtors are stated after provisions for impairment of £nil (2020: £nil).

17. CASH AND CASH EQUIVALENTS

	2021 £000	2020 £000
Cash at bank and in hand	**25,739**	32,308
Less: bank overdrafts (note 18)	**(1,724)**	(4,683)
	24,015	27,625

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £000	2020 £000
Amount due on purchase of Joint Venture Company	**-**	1,764
Trade creditors	**16,484**	15,583
Bank overdrafts (note 17)	**1,724**	4,683
Lease incentives (note 19)	**116**	116
Bank loans (note 20)	**2,500**	32,895
Accruals and other creditors	**5,647**	6,270
Amounts due to Joint Venture Company	**-**	818
Other taxes and social security	**5,269**	6,765
Corporation tax	**3,440**	3,161
Obligations under finance leases (note 21)	**-**	3
	35,180	72,058

Notes to the Consolidated Financial Statements (continued)

Year ended 31 December 2021

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

	2021 £000	2020 £000
Bank loans (note 20)	**27,288**	-
Lease incentive	**2,760**	2,886
Accruals and other creditors	**583**	-
	30,631	2,886

The lease incentives are amortised over the terms of the leases. The amounts falling due in over 5 years total £2,305,000.

20. LOANS

	2021 £000	2020 £000
The maturities of sources of debt finance are due as follows:		
In one year or less	**2,500**	32,895
In more than one year but not more than two years	**2,500**	-
In more than two years but not more than five years	**24,788**	-
	29,788	32,895

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) and Barclays Bank plc. The overall position is as follows:

The Group has one £32m term loan, which is repayable quarterly over fifteen years, and a revolving credit facility of £28m. Both facilities are available for three years with the option of two one-year extensions. The Group has also negotiated a £10m accordion facility, which provides additional flexibility to develop and invest in the business.

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 13. The Group has also provided a cross guarantee as detailed in note 27.

Year ended 31 December 2021

21. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Non-cancellable operating leases	
	2021 £000	2020 £000
Within one year	**14,665**	13,966
Between one and five years	**56,436**	53,114
In more than five years	**277,843**	273,307
	348,944	340,387

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

	2021 £000	2020 £000
Within one year	**2,991**	3,000
Between one and five years	**5,207**	4,395
In more than five years	**657**	545
	8,855	7,940

Minimum lease payments under finance leases fall due as follows:

	2021 £000	2020 £000
Within one year	**-**	3

22. FINANCIAL INSTRUMENTS

	2021 £000	2020 £000
Financial assets		
Financial assets measured at amortised cost	**32,010**	39,568
Financial derivatives measured at fair value through profit and loss	**-**	-
	32,010	39,568

	2021 £000	2020 £000
Financial liabilities		
Financial liabilities measured at amortised cost	**(52,697)**	(60,252)
Financial derivatives measured at fair value through profit and loss	**-**	-
	(52,697)	(60,252)

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

Notes to the Consolidated Financial Statements (continued)

Year ended 31 December 2021

23. PROVISIONS FOR LIABILITIES

	2021 £000	2020 £000
Deferred tax	**10,372**	6,361
Dilapidation provision	**-**	95
Onerous lease	**33**	59
	10,405	6,515

Deferred tax		
At beginning of year	**6,361**	2,093
Charged to profit	**902**	769
On business combination	**20**	-
Charged to other comprehensive income	**3,089**	3,499
At end of year	**10,372**	6,361
The provision for deferred taxation is made up of:		
Accelerated capital allowances	**2,653**	1,583
Revaluation gains on freehold properties	**7,892**	4,789
Other short term timing differences	**(173)**	(11)
	10,372	6,361

Dilapidation provision

	2021 £000	2020 £000
At beginning of year	**95**	-
Charged to profit	**(95)**	95
At end of year	**-**	95

Onerous lease

	2021 £000	2020 £000
At beginning of year	**59**	46
Utilised in year	**-**	-
(Credited)/charged to profit	**(26)**	13
At end of year	**33**	59

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

Year ended 31 December 2021

24. CALLED UP SHARE CAPITAL

	2021 £000	2020 £000
Authorised 38,000,000 (2020: 38,000,000) ordinary shares of £0.02 each	**760**	760

	2021 £000	2020 £000
Allotted, called up and partly paid 34,645,401 (2020: 34,500,000) ordinary shares of £0.02 each	**693**	690

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

	2021 Shares in issues No.	2021 Share capital £
At 1 January 2021	**34,500,000**	**690,000**
Scrip dividend relating to 2020 final dividend	**98,786**	**1,976**
Scrip dividend relating to 2021 final dividend	**46,615**	**932**
At 31 December 2021	**34,645,401**	**692,908**

25. PARENT COMPANY RESULT 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 £4,657,804 (2020: loss of £640,721).

26. EARNINGS PER SHARE

	Profit for year 2021 £000	Earnings per share 2021 P	Profit for year 2020 £000	Earnings per share 2020 P
Basic earnings per share	**31,709**	**91.76**	17,860	51.76

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 34,557,194 (2020: 34,500,000).

27. CONTINGENT LIABILITIES

The Company and its subsidiaries (note 14) 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 £30,125,000 (2020: £33,041,673).

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

Notes to the Consolidated Financial Statements (continued)

Year ended 31 December 2021

28. CAPITAL COMMITMENTS

On 17 December 2021 the Group exchanged contracts to acquire 100% of the share capital of Blackdown Garden Centre Limited for £4.25m plus net current assets at the date of completion, which are currently unknown but not expected to exceed £0.2m. The transaction completed on 7 January 2022.

29. RELATED PARTY DISCLOSURES

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:

	2021 £000	2020 £000
Interest receivable	**-**	1
Interest payable	**-**	(5)
Rent paid	**(200)**	(200)

Key management personnel, of which there were 23 in 2021 (2020: 29), 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 £3,750,007 (2020: £3,331,178).

Included in Creditors: amounts due within one year (note 18) is an amount of £1,700,000 (2020: £2,350,000) and Creditors: amounts due after more than one year (note 19) is an amount of £583,000 (2020: £nil) due to key management personnel, of which £583,000 (2020: £1,300,000) is the amount so far accrued in respect of the long-term incentive plan (LTIP) for executive directors and four senior managers, which is based on Group performance targets for the years ending 31 December 2021, 2022 and 2023, and is payable in April 2024.

Total dividends paid to Directors while in office amounted to £87,841 (2020: £11,861). 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 (2020: 2p shares):

	2021 No.	2020 No.
Simon Burke	**105,635**	96,467
Alan Roper	**290,235**	284,264
Richard Hemans	**150,000**	110,000
Tom Carey	**132,646**	77,865
Claire Williams	**3,000**	3,000
David Ummels	**19,814**	10,000
	701,330	581,596

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.

Year ended 31 December 2021

30. ANALYSIS OF CHANGES IN NET DEBT

	1 January 2021 £000	Cash flows £000	Non-cash movements £000	31 December 2021 £000
Cash and bank equivalents	27,625	(3,704)	94	24,015
Obligations under finance leases	(3)	3	-	-
Bank loans due within one year	(32,895)	3,107	27,288	(2,500)
Bank loans due after more than one year	-	-	(27,288)	(27,288)
	(5,273)	(594)	94	(5,773)

31. POST BALANCE SHEET EVENTS

On 7 January 2022 the Group acquired the entire issued share capital of Blackdown Garden Centre Limited, for £4.25m plus net current assets at the date of completion, which are currently unknown but not expected to exceed £0.2m.

On 28 April 2022 the Directors proposed a final dividend for the year ended 31 December 2021 of 8.5p per share. The dividend has not been accrued in these financial statements because the dividend was declared after the balance sheet date.

32. BUSINESS COMBINATIONS

On 1 April 2021 the Company exercised the call option to purchase the remaining 75% of the share capital of Milton Park. (Dorset) Limited. 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	775	-	775
Current assets			
Stocks	694	-	694
Debtors	1,034	-	1,034
Cash and bank balances	94	-	94
Creditors: amounts falling due within one year	(882)	-	(882)
Net assets	1,715	-	1,715
Goodwill			2,002
Total purchase consideration			3,717

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

Notes to the Consolidated Financial Statements (continued)

Year ended 31 December 2021

32. BUSINESS COMBINATIONS (continued)

The results of Milton Park (Dorset) Limited since acquisition are as follows:

	£000
Turnover	3,076
Result for the year	722

On 3 November 2021 the Group completed the acquisition of the business of Mere Park Garden Centre, 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	**5,802**	**-**	**5,802**
Current assets			
Stocks	**310**	**-**	**310**
Cash and bank balances	**4**	**-**	**4**
Creditors: amounts falling due within one year	**(50)**	**-**	**(50)**
Net assets	**6,066**	**-**	**6,066**
Goodwill			**46**
Total purchase consideration (including expenses of £85,308)			**6,112**

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

The results of Mere Park Garden Centre Limited since acquisition are as follows:

	£000
Turnover	328
Result for the year	138

Gloucestershire
3 SHIRES
Garden Centre
Ledbury Road
Newent GL18 1DL

Oxfordshire
BICESTER AVENUE
Garden Centre
Oxford Road
Bicester OX25 2NY

Somerset
BLACKDOWN
Garden Centre
West Buckland,
Wellington,
Nr. Taunton TA21 9HY

Nottinghamshire
BLUE DIAMOND
Garden and Home
at East Bridgford
Fosse Way
Nottingham NG13 8LA

Hampshire
BRAMBRIDGE PARK
Garden Centre
Kiln Lane
Brambridge
Eastleigh SO50 6HT

Cambridgeshire
COTON ORCHARD
Garden Centre
Cambridge Road
Coton CB23 7PJ

Derbyshire
DERBY
Garden and Home
Alfreton Road
Little Eaton
Derby DE21 5DB

Devon
ENDSLEIGH
Garden Centre
Ivybridge
Plymouth PL21 9JL

Worcestershire
EVESHAM
Home and Garden
The Valley
Evesham WR11 4DS

Devon
FERMOY'S
Garden Centre
and Farm Shop
Totnes Road
Newton Abbot TQ12 5TN

Essex
HARLOW
Garden Centre
Canes Lane (A414)
Hastingwood
Nr. Harlow CM17 9LD

Herefordshire
HEREFORD
Garden Centre
Kings Acre Road
Hereford HR4 0SE

Guernsey
LE FRIQUET
Home of Garden
and Living
Rue du Friquet
Castel GY5 7SS

Greater London
LOWER MORDEN
Garden Centre
Lower Morden Lane
Morden SM4 4SJ

Derbyshire
MATLOCK
Garden Centre
Nottingham Road
Tansley
Matlock DE4 5FR

Gloucestershire
NAILSWORTH
Garden Centre
Avening Road
Nailsworth GL6 0BS

West Sussex
NEWBRIDGE
Nurseries
Billingshurst Road
Broadbridge Heath
Horsham RH12 3LN

Dorset
ORCHARD PARK
Garden Centre
Shaftesbury Road
Gillingham SP8 5JG

Shropshire
PERCY THROWER'S
Garden Centre
Thrower Road
Shrewsbury SY2 6QW

Hampshire
RAKE
Garden Centre
London Road
Rake
Petersfield GU33 7JH

Lincolnshire
SPRINGFIELDS
Garden Centre
Springfields Outlet Village
Camel Gate
Spalding PE12 6ET

Jersey
ST. PETER'S
Garden Centre
Avenue de la Reine
Elizabeth II
St Peter JE3 7BP

Cornwall
TRELAWNEY
Garden Centre
Sladesbridge
Wadebridge PL27 6JA

Staffordshire
TRENTHAM
Home and Garden
Stone Road, Trentham
Stoke-on-Trent ST4 8JG

Kent
TUNBRIDGE WELLS
Garden Centre
Eridge Road
Tunbridge Wells TN4 8HR

Cheshire
BRIDGEMERE
Garden Centre
London Road (A51)
Nr. Nantwich CW5 7QB

Somerset
CADBURY
Garden Centre
Smallway
Congresbury BS49 5AA

Kent
CANTERBURY CHARTHAM
Garden Centre
Stour Business Park
Ashford Road
Nr. Canterbury CT4 7HF

South Wales
CARDIFF
Garden Centre
Newport Road
St. Mellons
Cardiff CF3 2WJ

Derbyshire
CHATSWORTH
Garden Centre
Calton Lees
Beeley
Matlock DE4 2NX

Cheshire
FRYER'S
Garden Centre
Manchester Road
Knutsford WA16 0SX

Cheshire
GROSVENOR
Garden Centre
Wrexham Road
Belgrave
Chester CH4 9EB

Warwickshire
MELBICKS
Garden Centre
Chester Road
Coleshill
Birmingham B46 3HX

Shropshire
MERE PARK
Garden Centre
Stafford Road,
Newport TF10 9BY

Hampshire
REDFIELDS
Home of Garden and Living
Redfields Lane
Church Crookham
Fleet GU52 0AB

Somerset
SANDERS
Garden Centre
Bristol Road
Brent Knoll
Burnham-on-Sea TA9 4HJ

Surrey
WEYBRIDGE
Garden Centre
Crockford Bridge Farm
New Haw Road
Nr. Weybridge KT15 2BU

Wiltshire
WILTON HOUSE
Garden Centre
Salisbury Road
Wilton
Salisbury SP2 0BJ

Worcestershire
WORCESTER
Garden Centre
Droitwich Road (A38)
Worcester WR3 7SW

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