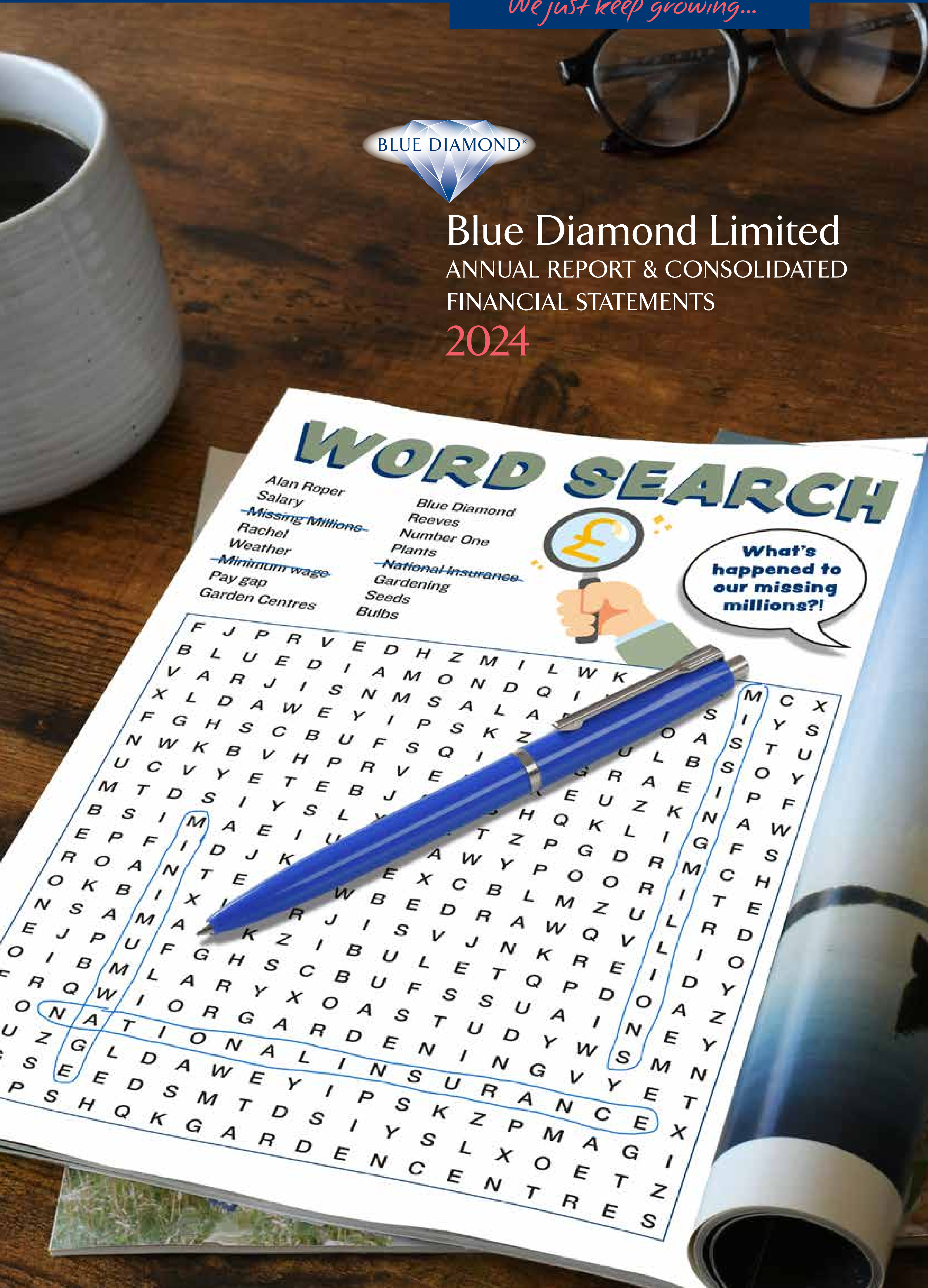
We just keep growing...

BLUE DIAMOND®

Blue Diamond Limited

ANNUAL REPORT & CONSOLIDATED FINANCIAL STATEMENTS 2024



Blue Diamond Limited

ANNUAL REPORT & CONSOLIDATED FINANCIAL STATEMENTS 2024

BLUE DIAMOND LIMITED
(Incorporated in Guernsey, Channel Islands)

DIRECTORS
S. Burke (Chairman)
A. Roper (Managing Director)
N McDonald (Finance Director)
T. Carey
D. Ummels
S. Crowder

COMPANY SECRETARY
N McDonald

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Channel Islands

REGISTERED NUMBER
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Buying and improving stores has been a major part of the creation of shareholder value in Blue Diamond over the past decade, and it remains central to our strategy for the future.

Following my cautious report to you in the summer, when our first-half sales and profit had been knocked back by the poor spring season, I am pleased to report that the second half was much better, with a 9% overall sales increase. This reassured us that the weak sales in the first half were indeed down to the weather, and that underlying this our core business is as strong as ever.

We ended the full year with like for like (LFL) sales at +2.9%, with +2.1% in Garden Centres and +9.1% in Restaurants. Total sales were up by 7%. This is again an outperformance of the market, with LFL centres +2.6% ahead of the GCA market. Performance was strong across all departments, with Clothing the best at +5.7% ahead of the market.

These are respectable sales figures, and yet they were not sufficient to maintain profit at last year's level, so profit before tax fell by 9.8% to £21.8m. The principal reason for this is the huge increase in employment costs that we have experienced, driven primarily by increases in the National Minimum Wage. Alan provides a detailed analysis of the impact of this on our business in his report overleaf.

In terms of other business measures, we made good progress. Margins improved in both garden centres and restaurants to a record overall level of 53.8%. Stock turn improved to 2.8 times and LFL stock levels were £3m down on the year. Tightening stock management in categories such as garden furniture also reduced the need for provisions and discounted selling.

Our year-end cash position was very consistent with 2023, with net debt at 1.06x EBITDA and gearing at 17%. Subsequent to the year-end, to support our growth ambitions we extended and renewed our banking facilities, increasing our borrowing capacity at the same margin and capital repayment terms as the previous facility.

Store acquisitions and performance

Buying and improving stores has been a major part of the creation of shareholder value in Blue Diamond over the past decade, and it remains central to our strategy for the future. The recent stress on profitability described above has made itself felt across our industry, and may have brought forward decisions to sell stores by long-term owners. This has provided good opportunities for quality store acquisitions in recent months, and we expect it to continue.

As previously reported, we are pleased with the performance of acquisitions made in 2023 and 2024. Recently we re-opened three sites previously operated by Dobbies, to very positive customer comment and strong early sales. Yarnton in Oxfordshire, acquired in January, is also trading well and has significant opportunity for growth. We have several discussions on other sites at various stages of maturity.

Share trading

Many shareholders have expressed concern during the year that the current market in the Company's shares is unsatisfactory, being too illiquid and generating a share price which does not fairly reflect the value of the business. Some aspects of the trading system have produced anomalous results and have created further dissatisfaction.

We have listened to shareholder feedback, and have been actively engaged in modifying the trading system to get a more balanced outcome from the monthly auctions. This work is continuing and we will keep investors informed about changes which might affect the way you place orders.

At the forthcoming AGM we will be putting two proposals to a vote, both of which are aimed at improving the market for our shares.

1 We will be asking for authority for the company to purchase its own shares. If this is passed, we intend to launch a share buyback programme, initially for up to £1 million over the next year. The shares bought back will be held in Treasury, and thus available for re-use, in particular to fund the scrip dividend.

2 We are proposing to abolish pre-emption rights, which mean that shares can only be offered to new shareholders after existing shareholders have declined to buy them. Up to now, because of this rule, new investors have been seriously restricted in buying our shares, and on many occasions have been unable to buy any, despite offering reasonable prices. As any new investor already has to be pre-approved by the board before being eligible to buy our shares, we do not see the need for this further barrier. We believe that removing it poses no risk to existing shareholders and will help to open up the market in our shares.

I hope that you will support both proposals. I assure you that we will continue to work on the share market until we are satisfied that it is operating in the best interests of all shareholders.

Dividend and outlook

Having left the interim dividend unchanged, the board is proposing a small increase of 5% in the final dividend for 2024, taking it to 1.75 pence per share. This should be seen as an indication of our confidence in the underlying strength and prospects of the business.

In terms of the outlook for 2025, you will already have noticed the much better spring weather of recent weeks. This has helped us to a very encouraging start to the year. Although we have been faced with a further major increase in employment costs because of the autumn budget, we have had time to prepare and so we are expecting to neutralise its impact.

Thank you

Finally, as always, I want to acknowledge that everything we achieve comes from the work of our colleagues. When I first visited a Blue Diamond store in 2015, I immediately saw that this was not like other garden centres. That difference is stronger than ever today and it comes from the combination of passion and professionalism of our people everywhere – whether at our award-winning RHS Chelsea show garden, on buying missions all over the world, on our social media posts, or just doing the everyday jobs instore. I am very proud to work with them all.

Simon Burke – Chairman
7 May 2025

The missing millions...

Since 2021, businesses have faced constant challenges. First, the pandemic initially devastated trade, only to bounce back to uncharted heights, which more than doubled the number of container imports to 1000. The associated global demand for products increased container rates by £11,000 per container. The £11m of additional import cost had to be quickly passed onto the consumer and was one reason global inflation took root for a period. Then, in 2022, the last Tory government announced a 10% increase in the minimum wage, followed by another 10% increase in 2023. The inflationary wage impact on this company was acute, as all hourly paid employees not on the minimum wage had their pay gap to the minimum wage maintained. The inflationary wave then spread to all salaried employees from supervisors to Managers.

Understanding the impact of this wage inflation is critical; you can't maintain and improve a business's profitability if you don't fully understand its DNA, the building blocks. Extrapolating the inflationary increase and expressing this as profit erosion is perceivably challenging, given that our business has doubled in size since 2019. But not so.

I benchmark staff costs by measuring sales/employee to maintain staff cost efficiencies. Since 2019, sales per employee have risen, indicating that our staff costs, measured as a turnover percentage, have risen entirely due to inflation.

In 2019, staff costs expressed as a percentage of turnover for the garden centres were 16.9% and for the restaurants, 38.9%. In 2024, these moved to 18.8% and 43.3% respectively. Therefore, wage inflation has added £5.1m to the cost of running the garden centres and £2.8m to running the restaurants.

Our like-for-like sales increase of 3% is +2.6% ahead of the industry (GCA).

Wage inflation has wiped away £7.9m of profits. Had wage inflation not been triggered by two 10% minimum wage increases since 2022, our year-end profit before tax of £21.8m would have been £29.7m. But wage cost inflation doesn't end there. In April of this year, the government increased the minimum wage by a further 6.7% and increased employer NI contributions. This equates to an increase in staff costs of £4.6m per annum; £3.5m of this impact will be incurred this year.

In summary, £12.5m of profit per annum has been wiped out by 3 years of government intervention on wage costs.

We are best in class when we benchmark ourselves against the industry on average spend, costs, turnover/M2 and profitability. However, this does not prevent us from benchmarking our businesses' operating profit and closing the profit gap between the best operating profit (expressed as a percentage of turnover) garden centre and the worst.

The profit optimisation levers are staff costs, net margin, and overheads. Optimising wage and margin performance delivers the highest profit contribution. Over the next year or two, I plan to increase profit by £4m by optimising these profit levers. A further profit gain of £2m is available through operational supply chain restructuring.

2024 trade

When assessing sales performance, it's worth noting that the 2024 gardening season was a wet one and thus had a substantial depressing effect on sales. Rainfall in March 2024 was 142% above average, April was the 6th wettest on record, May's rainfall was 141% above average, June was below average, but July was 136% above average. Like-for-like sales were strong in all departments except the gardening departments, which experienced a drop in sales. If one factors out the footfall increase last year, in real terms, plants were down 5%, gardening down 1% and garden leisure (furniture and BBQ) down 17%. The profit impact for garden leisure was mitigated due to a more substantial net margin. If we had seen a modest 5% increase in gardening sales, this would have delivered an additional £3m in profit last year.

The table below shows that non-gardening sales were stronger; thus, the sales increase of 7% in 2024 was significantly handicapped by the weather. On the flip side, at the time of writing this report in April, gardening sales were significantly up in March: gardening was up 38%, plants up 30%, and garden leisure up 64% because it was the sunniest March on record and one of the driest. The more extreme our weather becomes, the more variables there are

BPI = Best Practice Indicator	Profit BPI % 2024 vs 2023	Profit £ 2024 vs 2023	Customers % 2024 vs 2023	Sales BPI % 2024 vs 2023	Sell value % 2024 vs 2023
CHRISTMAS	10%	1,201,652	3%	1%	3%
FASHION	12%	2,506,700	3%	11%	14%
FOOD	7%	685,425	3%	8%	10%
GARDEN LEISURE	-4%	-183,680	3%	-16%	-14%
GARDENING	-1%	410,147	3%	-1%	2%
HOME AND PAPER PRODUCTS	4%	1,303,784	3%	4%	7%
PLANTS	-5%	-782,806	3%	-4%	-2%
SEEDS AND BULBS	8%	344,936	3%	5%	7%
VOUCHERS	22%	572,523	3%	13%	16%
WILD ANIMAL	7%	254,507	3%	3%	6%

in trade from year to year. Our like-for-like sales increase of 3% is +2.6% ahead of the industry (GCA). Our gross margin grew by 1.3% despite the impact on margin of reducing our aged stock by £3.3m.

Industry outlook

The mainstream media have rushed to judge the industry following Dobbies Garden Centre Group closing some stores and Homebase going into administration. I even read an article by an ill-informed journalist spouting nonsense in the FT.

When one considers the profit erosion of businesses through government policy, as I have outlined in my report, it's not surprising that companies have hit troubled waters. However, that doesn't mean that the consumer has turned its back on garden centres as an industry, as the UK media have suggested, or indeed that a business needs to sink.

The industry failures we are witnessing do not indicate fragility within the garden centre industry. They reflect owners, mainly private equity, putting short-term corporate greed ahead of long-term sustainable strategy. Many owners underestimate the complexity of modern garden centre retailing. As I have said many times, it's not one business but eight businesses, all requiring unique skill sets, under one roof.

I use an analogy to explain our sustainable growth. Over the years, we have grown through what I call the "snowball of profit" principle. As they move forward, snowballs get bigger as they collect more snow, gradually building a bigger snowball. We have grown sustainably over the years by adhering to this principle. We ensure maximum profitability and invest this profit back into growing the business, thus creating a virtual circle: more profit drives more growth, resulting in less debt. Maintain this, and the company won't melt! Where growth from an acquisition contains a significant upside, extending one's debt is wise, as we did in 2018/19 when we acquired 17 Wyevale Garden Centres, which doubled the size of our business. On the upside, other people's failures are growth opportunities for Blue Diamond.

The garden centre industry remains one with a bright, strong future. Blue Diamond is well-positioned as the most profitable and largest garden centre group in the UK, and it continues to prosper and grow as more garden centre businesses become distressed or are sold for family reasons.

New Centres

Last year, we acquired two garden centres from the Frost family. Like many other garden centre owners, they have reached an age where they have decided to retire, as their children have no interest in running the business and would rather one day inherit the cash! The family has run garden centres for the past 60 years. They are strong businesses with a loyal generational AB1 customer base. In February of this year, we acquired Yarnton Garden Centre on the edge of the Cotswolds and north of Oxford. Other garden centre opportunities are gestating, and we will start building a new garden centre on the Elveden estate in Suffolk towards the end of this year.

Our turnover made history last year, as we became the first garden centre group to hit sales of £332m. Sales are expected to fall just short of £400m in 2025.

I wish to thank the now 5,000 employees who collectively make the difference and help build the company DNA that makes us the leading force in the industry. Their passion, positivity and pride in the business are evident from the shop floor to the annual awards, which showcase how special this Group has become in one night. Illustrations of this energy, passion and creativity is expressed through our social media channels on Instagram, and Facebook.

Alan Roper – Managing Director
7 May 2025

REFURBISHMENTS AND NEW CENTRES
2024 REVIEW

1. BECKWORTH
- Wayfinding signage upgrade
- New fashion department

2. BICESTER AVENUE
- New luxury concession brands

3. CARDIFF
- Complete department refurbishment
- New restaurant and Pâtisserie Théâtre Café

4. CANTERBURY CHARTHAM
- Complete department refurbishment

5. CHENIES
- New eatery – Potting Shed Café

6. NAILSWORTH
- New farm shop – Local Larder

7. VAN HAGE
- New eatery – Café VH and Garden Café

8. FROSTS WOBURN SANDS
- Acquired in July 2024

9. FROSTS WILLINGTON
- Acquired in October 2024

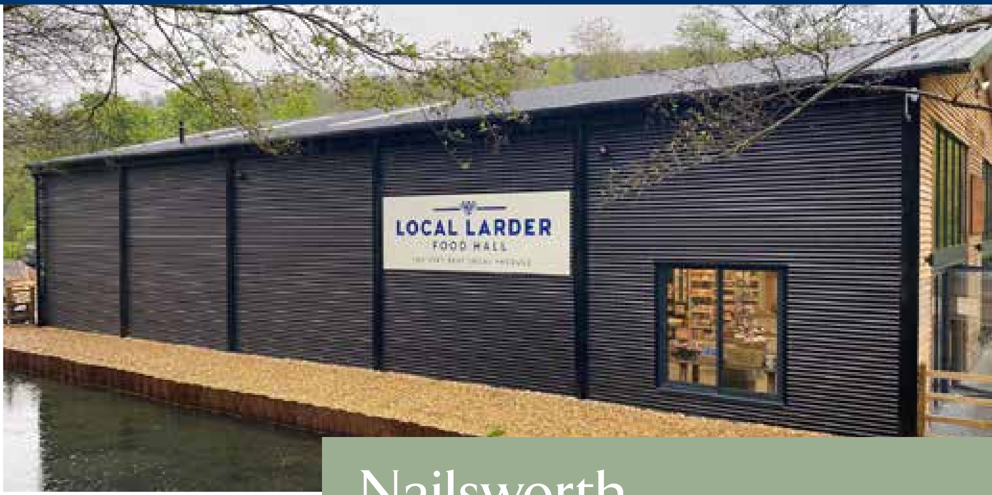
Beckworth Emporium

Bicester Avenue

Cardiff

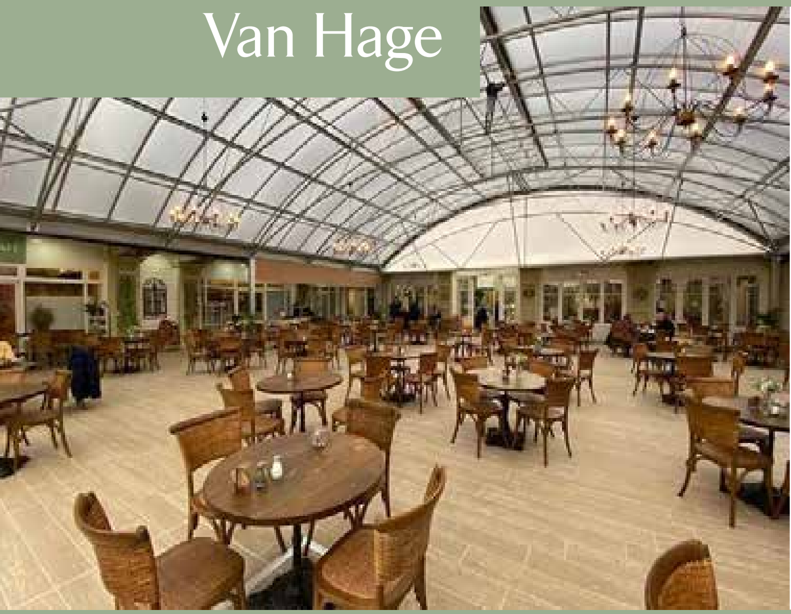
Canterbury Chartham

Chenies



Nailsworth

Van Hage



Woburn Sands

Willington

The Environment

Environmental approach

Environmental sustainability is embedded in every aspect of our operations as we strive for a greener, more sustainable future. As the largest garden centre group in Britain, we take our environmental responsibility seriously, championing peat-free growing, promoting peat-free houseplants, and fostering meaningful partnerships with organisations such as The National Trust and The Soil Association to enhance our green credentials.

Transitioning to peat-free compost is a fundamental pillar of our sustainability strategy. We have proactively provided peat-free alternatives for a number of years and remain committed to becoming fully peat-free by the end of 2026. This initiative is already well underway at Bridgemere and Worfield Nurseries, where hardy plants thrive in 100% peat-free compost. The effort extends to our seasonal nurseries, with a pledge to use peat-free compost for all pot-grown vegetables, herbs, and select bedding plants. In 2025, we plan to expand this approach across all pot-grown seasonal plants while further exploring alternative peat-free growing media. Our ultimate vision is to cultivate plants and offer bagged compost made from UK-sourced, sustainable materials, setting a new industry benchmark.

Responding to the rising demand for eco-friendly products, we introduced a British houseplants range grown in peat-free media. This initiative supports local growers, reduces dependence on imports, and helps lower our carbon footprint. While the range is still evolving, it has been warmly received by our customers.

Our partnerships with The National Trust and The Soil Association reflect our shared commitment to environmental stewardship. With The National Trust, we have developed exclusive plant collections inspired by its gardens, all cultivated in peat-free compost and housed in recyclable pots. Meanwhile, our collaboration with The Soil Association highlights organic and nature-friendly gardening practices, fostering a healthier ecosystem.

Our ECOMADE plant pot covers, crafted from recycled coffee grounds and plastic, exemplify a creative approach to reducing landfill waste. Initiatives like this reinforce our dedication to sustainable products and waste reduction.

Beyond our products, we embed environmental consciousness into our operations. From eliminating single-use plastics in our stores to implementing recycling programs for compost bags and plant pots. Investments in energy-efficient technologies, water conservation measures, and the adoption of electric vehicles in our nurseries further demonstrate our efforts to minimise environmental impact.

We also work closely with suppliers to ensure the use of recyclable materials and sustainable practices. The introduction of electric vehicle charging points powered by renewable energy and the installation of solar panels across our garden centres reaffirm our commitment to a greener future.

In essence, through ongoing innovation, strategic partnerships, and a commitment to green practices, we are contributing to a more sustainable and environmentally responsible future.

Energy consumption and greenhouse gas emissions

In 2023 we took the decision to follow voluntarily the UK's Streamlined Energy and Carbon Reporting (SECR) policy, which requires quoted and large unquoted companies to share energy use and carbon emissions information in their annual reports.

The table opposite shows the Group's energy consumption and greenhouse gas emissions by energy type in 2024 and 2023. The increase in total energy consumption and greenhouse gas emissions is predominately attributable to the acquisitions of Woburn Sands and Willington along with full years for Fosseway and Beckworth.

We continue to pursue various initiatives to reduce our carbon footprint, including the installation of solar panels and electric charging points in our centres, investment in LED lighting and tighter operational control and monitoring of gas and electricity consumption in our centres. We recognise the importance of this for both the health of our planet and our business performance.

In line with evolving consumer demands for eco-conscious products, we have launched a British houseplants range grown in peat-free media.

	2024	2023
Energy Consumption (kWh)		
Electricity	16,681,066	17,372,766
Natural Gas	12,172,210	10,911,823
Transport Fuels	1,962,761	1,289,674
Bottled Gas	3,194,700	3,232,616
Other Fuels	2,256,966	1,304,013
Total	**36,267,703**	**34,110,892**
Greenhouse Gas Emissions (tCO2e)		
From combustion of fuels		
Natural Gas	2,226.30	1,992.03
Transport Fuel	460.33	304.21
Bottled Gas	685.26	692.39
Other Fuels	416.96	250.00
Sub-Total	**3,788.85**	**3,238.63**
Purchased Electricity	3,453.81	3,597.45
Sub-Total	**3,453.81**	**3,597.45**
Total Emissions	**7,242.67**	**6,836.08**
Carbon Intensity		
Annual kWh per £1,000 of sales revenue	109	110
Annual tonnes of CO2 per £1m of sales revenue	22	22

Our calculation methodology is carried out in line with UK Government environmental reporting guidance.

Waste management

We are also pleased to report that on a like for like basis the total rubbish we produced decreased by 7.4% in 2024 compared with 2023. This is the result of cleaner, more efficient sites and continued reduced supplier tertiary and secondary packaging.

In 2024, landfill reduced by 31%, with landfill diversion increasing from 92% in 2023 to 93.3% in 2024.

Large-scale water conservation for irrigation at our Bridgemere Nursery

Directors' Report for the year ended 31 December 2024

The Directors submit their report and the audited financial statements of the group for the year ended 31 December 2024. 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 Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 18.

Adjusted for the 5:1 share split a final dividend for the year ended 31 December 2023 of 1.6p per share totalling £2,793,540 was paid on 11 June 2024.

An interim dividend for the year ended 31 December 2024 of 1.1p per share totalling £1,924,648 was paid on 5 December 2024.

Going concern

The financial statements have been prepared on the going concern basis, which assumes that the Group will continue in operational existence for the foreseeable future. The Directors have prepared detailed profit and cash flow forecasts to 31 December 2026, which combined with their knowledge of current trading and experience of the business, underpin their conclusion that the Group will be able to meet all its liabilities as they fall due.

The Directors have produced a detailed going concern stress test for the Group, to determine its viability as a going concern. The main assumption of this stress test is a reduction of 15% in revenue with corresponding cost reductions for a period of at least 12 months from the date of approval of the financial statements. In this scenario, the Group would comply with all of its banking covenants and have sufficient cash headroom at the end of every month to meet its financial obligations. Even then, the Group would have a number of options to remain a going concern, including but not limited to scaling back its uncommitted capital expenditure programme, reducing or suspending the cash dividend and operating cost reductions.

The Group 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 18 months from the approval of the financial statements and have therefore concluded that it is appropriate that the financial statements are prepared on the going concern basis. The Group has access to nearly £100m of committed lending facilities until at least 31 March 2028 following a refinancing which was completed in April 2025.

Post balance sheet events

The group acquired three former Dobbies centres in three separate deals, in each case taking on a new lease with the existing landlord. All three centres were acquired for no premium, with preferential terms in the first 3 years to support the capital investment required to deliver the Blue Diamond experience. Deals completed: 10 January 2025 Harlestone Heath, 30 January 2025 Huntingdon and 11 March 2025 Worlds End. All three centres closed for refurbishment with Harlestone opening on the 24th March 2025, Huntingdon 10th April 2025 and Worlds End on 1st May 2025.

On 1 Feb 2025 the group acquired Yarnton Home and Garden in a trading assets deal for £2.5m.

On 3 April 2025 the Group completed a refinancing exercise increasing the overall borrowing capacity to £100m, the new facilities are available until at least 31st March 2028. On this date the RCF was repaid in full and therefore the new RCF facility remains fully un-utilised.

On 11 April 2025 the Directors proposed a final dividend for the year ended 31 December 2024 of 1.75p 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 2024 to the date of this report.

S Burke	(Chairman)
A Roper	(Managing Director)
T Carey	
D Ummels	
S Crowder	

Other changes in directors holding office are as follows:

R J Hemans ceased to be a director on 8 July 2024 and N McDonald was appointed as a director on 8 July 2024.

On behalf of the board:

N. McDonald

N. McDonald
Director

7 May 2025

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 2024 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 2024 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Consolidated Statement of Changes in Equity, the Consolidated 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, including 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 Group's 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, 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 Company; 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,

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

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:

Non-compliance with laws and regulations

Based on:

- our understanding of the Group and the industry in which it operates;
- discussion with management and those charged with governance; and
- obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations and we considered the significant laws and regulations which have a direct impact on the preparation of the financial statements, namely Companies Act, FRS 102, relevant direct tax compliance regulations in the jurisdictions in which the Group operates.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations.

We identified such laws and regulations to be Environmental and Health & Safety, General Data Protection Regulations (GDPR).

Our procedures in respect of the above included:

- review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;
- review of correspondence with tax authorities for any instances of non-compliance with laws and regulations;
- review of financial statement disclosures and agreeing to supporting documentation; and
- review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be incorrect recognition of revenue through unusual combination journals and management override of control, in particular inappropriate estimates and judgements to improve the financial position and performance.

Our procedures in respect of the above included:

- testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- evaluating and where appropriate challenging assumptions and judgements made by management in determining significant accounting estimates as disclosed in the financial statements
- assessment of journal entries to accounts that were considered to carry a greater risk of fraud as part of our planned audit approach including any unusual combination journals posted to revenue.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

Use of our report

This report is made solely to the Company's members, as a body, in accordance with 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.

James Newman
Senior Statutory Auditor

For and on behalf of BDO LLP, Statutory Auditor,
Southampton, UK

7 May 2025

Consolidated Statement of Comprehensive Income

Year ended 31 December 2024

	Notes	2024 £000	2023 £000
Turnover	4	**332,364**	310,568
Cost of sales		**(153,274)**	(147,305)
Gross profit		**179,090**	163,263
Distribution costs		**(175)**	(152)
Administrative expenses		**(159,308)**	(141,573)
		19,607	21,538
Other operating income	7	**5,604**	5,262
Group operating profit	4	**25,211**	26,800
Share of loss for the year in associated undertaking		**(17)**	(33)
Profit before interest and taxation		**25,194**	26,767
Interest receivable and similar income	8	**9**	17
Interest payable and similar expenses	9	**(3,407)**	(2,615)
Profit before taxation		**21,796**	24,169
Taxation on profit	10	**(5,847)**	(6,011)
Profit for the financial year		**15,949**	18,158
Earnings per share (current year reflects 5:1 share split)	26	**9.12p**	52.13p
Other comprehensive income			
Unrealised surplus on revaluation of freehold properties	13	**4,593**	19,117
Movement in deferred tax relating to revaluation of freehold properties	23	**(1,813)**	(4,536)
Other comprehensive income for the year		**2,780**	14,581
Total comprehensive income for the year		**18,729**	32,739
Profit attributable to: Owners of the parent		**18,729**	32,739

The notes on pages 23 to 47 form part of these financial statements.

Consolidated Balance Sheet

Year ended 31 December 2024

	Notes	2024 £000	2024 £000	2023 £000	2023 £000
Fixed assets					
Intangible assets	12		**18,395**		15,573
Tangible fixed assets	13		**235,863**		212,333
Investments	14		**-**		17
			254,258		227,923
Current assets					
Stocks	15	**52,393**		53,457	
Debtors	16	**20,906**		17,880	
Cash at bank and in hand	17	**12,365**		7,816	
		85,664		79,153	
Creditors					
Amounts falling due within one year	18	**(70,044)**		(55,278)	
Net current assets			**15,620**		23,875
Total assets less current liabilities			**269,878**		251,798
Creditors					
Amounts falling due after more than one year	19		**(22,353)**		(24,964)
Provisions for liabilities	23		**(25,285)**		(19,200)
Net assets			**222,240**		207,634
Capital and reserves					
Called up share capital	24		**701**		698
Share premium			**7,750**		7,158
Revaluation reserve			**62,775**		59,995
Capital reserve			**9,439**		9,439
Retained earnings			**141,575**		130,344
Total equity			**222,240**		207,634

The financial statements were approved by the Board of Directors and authorised for issue on 7 May 2025 and were signed on its behalf by:

N. McDonald

N. McDonald
Director

The notes on pages 23 to 47 form part of these financial statements.

Consolidated Statement of Changes in Equity

Year ended 31 December 2024

	Called up share capital £000	Retained earnings £000	Share premium £000
Balance at 1 January 2023	**696**	**117,060**	**6,483**
Changes in equity			
Profit for the year	-	18,158	-
Total comprehensive income	-	18,158	-
Dividends (note 11)	2	(4,874)	675
Balance at 31 December 2023	**698**	**130,344**	**7,158**
Changes in equity			
Profit for the year	-	15,949	-
Total comprehensive income	-	15,949	-
Dividends (note 11)	3	(4,718)	592
Balance at 31 December 2024	**701**	**141,575**	**7,750**

The notes on pages 23 to 47 form part of these financial statements.

Consolidated Statement of Changes in Equity (continued)

Year ended 31 December 2024

	Revaluation reserve £000	Capital reserve £000	Total equity £000
Balance at 1 January 2023	**45,414**	**9,439**	**179,092**
Changes in equity			
Profit for the year	-	-	18,158
Surplus on revaluation of freehold properties (note 13)	19,117	-	19,117
Movement in deferred tax relating to revaluation of freehold properties (note 23)	(4,536)	-	(4,536)
Total comprehensive income	14,581	-	32,739
Dividends (note 11)	-	-	(4,197)
Balance at 31 December 2023	**59,995**	**9,439**	**207,634**
Changes in equity			
Profit for the year	-	-	15,949
Surplus on revaluation of freehold properties (note 13)	4,593	-	4,593
Movement in deferred tax relating to revaluation of freehold properties (note 23)	(1,813)	-	(1,813)
Dividends (note 11)	-	-	(4,123)
Balance at 31 December 2024	**62,775**	**9,439**	**222,240**

The notes on pages 23 to 47 form part of these financial statements.

Consolidated Cash Flow Statement

Year ended 31 December 2024

	Notes	2024 £000	2023 £000
Cash flows from operating activities			
Profit for the financial year		**15,949**	18,158
Adjustments for:			
Amortisation of intangible assets	12	**893**	746
Depreciation of tangible assets	13	**8,564**	9,026
(Loss)/profit on disposal of tangible assets		**(5)**	17
Amortisation of lease incentives		**(111)**	(117)
Foreign exchange gains		**(1)**	(9)
Share of loss before tax of associated undertaking	14	**-**	49
Interest receivable	8	**(9)**	(17)
Interest payable	9	**3,407**	2,615
Taxation charge	10	**5,847**	6,011
Decrease in stocks		**2,912**	1,833
(Increase) in debtors		**(974)**	(2,205)
Increase/(decrease) in creditors		**5,846**	(120)
Corporation tax paid		**(5,205)**	(5,816)
Interest received		**9**	17
Interest paid		**(3,407)**	(2,615)
Net cash generated from operating activities		**33,715**	27,573
Cash flows from investing activities			
Purchases of tangible fixed assets		**(13,295)**	(14,361)
Sale of tangible fixed assets		**555**	8,166
Dividends received from investments		**-**	70
Business combination – Beckworth Limited		**-**	(13,362)
Cash balances acquired with – Beckworth Limited		**-**	4
Business combinations – Fosseway Garden Centre Limited		**-**	(13,787)
Cash balances acquired with – Fosseway Garden Centre Limited		**-**	1,737
Business combinations – FGC Holdings Limited group	30	**(24,851)**	-
Cash balances acquired with FGC Holdings Limited group	30	**11,209**	-
Business combinations – Willington	30	**(3,113)**	-
Business combinations – Glendale	30	**-**	(1,415)
Business combinations – Worfield		**(230)**	-
Net cash used in investing activities		**(29,725)**	(32,948)
Cash flows from financing activities			
Receipts from revolving credit facility		**7,853**	13,000
Debt issue costs		**-**	(50)
Repayment of bank loans		**(2,500)**	(2,500)
Equity dividends paid		**(4,123)**	(4,197)
Net cash generated in financing activities		**1,230**	6,253
Net increase in cash and cash equivalents		**5,220**	878
Cash and cash equivalents at the beginning of the year		**6,315**	5,437
Cash and cash equivalents at the end of the year		**11,535**	6,315
Cash and cash equivalents comprise:			
Bank and cash balances	17	**12,365**	7,816
Bank overdrafts	17	**(830)**	(1,501)
		11,535	6,315

The notes on pages 23 to 47 form part of these financial statements.

Notes to the Consolidated Financial Statements

Year ended 31 December 2024

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Notes to the Consolidated Financial Statements

Year ended 31 December 2024

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, which assumes that the Group will continue in operational existence for the foreseeable future. The Directors have prepared detailed profit and cash flow forecasts to 31 December 2026, which combined with their knowledge of current trading and experience of the business, underpin their conclusion that the Group will be able to meet all its liabilities as they fall due.

The Directors have produced a detailed going concern stress test for the Group, to determine its viability as a going concern. The main assumption of this stress test is a reduction of 15% in revenue with corresponding cost reductions for a period of at least 12 months from the date of approval of the financial statements. In this scenario, the Group would comply with all of its banking covenants and have sufficient cash headroom at the end of every month to meet its financial obligations. Even then, the Group would have a number of options to remain a going concern, including but not limited to scaling back its uncommitted capital expenditure programme, reducing or suspending the cash dividend and operating cost reductions.

The Group 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 18 months from the approval of the financial statements and have therefore concluded that it is appropriate that the financial statements are prepared on the going concern basis. The Group completed a refinancing exercise in April 2025 increasing the overall borrowing capacity to 100m, the new facilities are available until at least 31st March 2028.

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 2024

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.

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 2024

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 2024

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 materiality 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 was calculated using the FIFO 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.

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 2024

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 2024

2. ACCOUNTING POLICIES (continued)

Administrative expenses

Administrative expenses include all wages and salaries.

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, including scrip dividends.

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 or issues in the form of scrip dividends 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 2024 based on advice from 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 2024

3. SIGNIFICANT JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY (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. TURNOVER AND GROUP OPERATING PROFIT

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

	2024 £000	2023 £000
Amortisation of goodwill	**921**	774
Amortisation of negative goodwill	**(28)**	(28)
Depreciation of tangible fixed assets	**8,564**	9,026
Profit/(Loss) on sale of other tangible fixed assets	**(5)**	(17)
Fees payable to the Group's Auditor		
- Audit of the Group's Consolidated Financial Statements	**95**	87
- Audit of the subsidiary companies	**168**	153
Foreign exchange gains	**(1)**	9
Operating lease expense	**21,087**	20,439
Defined contribution pension cost	**1,479**	1,343
Rental income in other operating income	**(5,604)**	(5,341)

Notes to the Consolidated Financial Statements (continued)

Year ended 31 December 2024

4. TURNOVER AND GROUP OPERATING PROFIT (continued)

The Group acquired Frosts Garden Centre Holdings Limited and Willington Garden Centre Limited during the year, and their results are included in the Group's results from the dates of acquisition and are disclosed in the table below under 'Acquired'. The Group's results from continuing activities including acquisitions is given below:

	2024 Continuing	2024 Acquired	2024 Total	2023 Total
Turnover	**326,275**	**6,089**	**332,364**	310,568
Cost of sales	**(150,361)**	**(2,913)**	**(153,274)**	(147,305)
Gross profit	**175,914**	**3,176**	**179,090**	163,263
Distribution costs	**(172)**	**(3)**	**(175)**	(152)
Administrative expenses	**(156,750)**	**(2,558)**	**(159,308)**	(141,573)
Other operating income	**5,490**	**114**	**5,604**	5,262
Group operating profit	**24,482**	**729**	**25,211**	26,800

5. SEGMENT ANALYSIS

By geographical area	UK		CI		GROUP	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Turnover	**314,438**	292,692	**17,926**	17,876	**332,364**	310,568
Profit before interest and taxation						
Regional profit	**37,520**	37,089	**3,489**	3,369	**41,009**	40,458
Group costs	**-**	-	**-**	-	**(15,815)**	(13,691)
Group profit before interest and tax	**37,520**	37,089	**3,489**	3,369	**25,194**	26,767
Segment total assets less current liabilities						
Segment net assets	**247,760**	230,636	**36,220**	35,541	**283,980**	266,177
Unallocated assets and liabilities	**N/A**	N/A	**N/A**	N/A	**(14,102)**	(14,379)
Total assets less current liabilities	**247,760**	230,636	**36,220**	35,541	**269,878**	251,798

Notes to the Consolidated Financial Statements (continued)

Year ended 31 December 2024

6. EMPLOYEES

	2024 £000	2023 £000
Wages and salaries	**83,487**	71,146
Social security costs	**6,322**	5,026
Other pension costs	**1,479**	1,343
	91,288	77,515
The average number of employees during the year was as follows:		
Management	**158**	138
Retail	**4,486**	4,050
	4,644	4,188

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 2024 amounting to £ 252,172 (2023: £256,276).

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 £1,160,338 (2023: £978,034).

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 2024 was £66,000 (2023: £53,601). In addition, during the year the Group paid contributions of £nil (2023: £55,857) into the personal pension scheme of one (2023: two) Director of the Group.

7. OTHER OPERATING INCOME

	2024 £000	2023 £000
Concession rents receivable	**5,567**	5,341
Other income	**37**	(79)
	5,604	5,262

Year ended 31 December 2024

8. INTEREST RECEIVABLE AND SIMILAR INCOME

	2024 £000	2023 £000
Bank interest receivable	**9**	17
	9	17

9. INTEREST PAYABLE AND SIMILAR EXPENSES

	2024 £000	2023 £000
Bank interest and finance charges	**3,407**	2,615
	3,407	2,615

10. TAXATION

	2024 £000	2023 £000
Provision for current tax		
Current tax on UK profits for the year	**3,721**	4,514
Current tax on Jersey retail profits for the year	**423**	453
Current tax on Guernsey retail profits for the year	**-**	21
Adjustments in respect of previous periods	**292**	43
	4,436	5,031
Group's share of joint venture and associated undertaking current tax	**-**	16
Total current tax	**4,436**	5,047
Provision for deferred tax		
Origination and reversal of timing differences	**1,499**	816
Changes to tax rates	**-**	30
Adjustments in respect of previous periods	**(88)**	118
Total deferred tax	**1,411**	964
Taxation on profit	**5,847**	6,011

Notes to the Consolidated Financial Statements (continued)

Year ended 31 December 2024

10. TAXATION (continued)

Factors affecting tax charge for the year

The tax assessed for the year differs from the large retailers rate of corporation tax in Guernsey of 20% (2023: 20%). The differences are explained below:

	20234 £000	2023 £000
Profit before tax	21,796	24,169
Profit multiplied by large retailers' rate of corporation tax in Guernsey of 20%	-	75
Effects of:		
UK corporation tax on UK taxable profits at 25% (2023: 25%)	4,639	4,816
Jersey corporation tax on retail profits at 20% (2023: 20%)	785	659
Share of associated undertaking tax	-	16
Expenses not deductible for tax purposes	181	171
Non-taxable income	(760)	(706)
Effect of change in rate	-	30
Fixed asset differences	281	168
Deferred tax not recognised	429	612
Adjustments to tax charge in respect of prior periods	292	170
Total tax charge for the year	5,847	6,011

The Group's Guernsey taxable profits are chargeable to income tax at the large retailers rate of 20% (2023: 20%) and the Group's Jersey retail profits are taxable at 20% (2023: 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

	2024 £000	2023 £000
Ordinary shares		
Final 2023 dividend of 1.6p per share (2022: 8.5p)	2,793	2,957
Interim 2024 dividend of 1.1p per share (2023: 5.5p per share)	1,925	1,917
	4,718	4,874

At the 2023 AGM shareholders voted in favour of a 5:1 share split. On a restated like for like basis the comparative final dividend in 2022 would be 1.7p while the comparative 2023 interim dividend would be 1.5p.

A final dividend for the year ended 31 December 2023 of 1.6p per share totalling £2,793,540 was paid on 11 June 2024.

An interim dividend for the year ended 31 December 2024 of 1.1p per share totalling £1,924,648 was paid on 5 December 2024.

The Directors have also declared a final dividend for the year ended 31 December 2024 of 1.75p per share, which will be paid on 13 June 2025 to those shareholders on the register at 6 June 2025.

Year ended 31 December 2024

12. INTANGIBLE FIXED ASSETS

	Goodwill £000	Negative goodwill £000	Totals £000
Cost			
At 1 January 2024	**18,239**	**(544)**	**17,695**
Arising on business combinations (note 30)	**3,715**	**-**	**3,715**
At 31 December 2024	**21,954**	**(544)**	**21,410**
Amortisation			
At 1 January 2024	**2,524**	**(402)**	**2,122**
Charge for the year	**921**	**(28)**	**893**
At 31 December 2024	**3,445**	**(430)**	**3,015**
Net book value			
At 31 December 2024	**18,509**	**(114)**	**18,395**
At 31 December 2023	**15,715**	**(142)**	**15,573**

At 31 December 2024, carrying amounts of goodwill are attributable to Coton Orchard Garden Centre of £676,000 (2023: £730,000), with a remaining amortisation period of 13 years, Trelawney Garden Centre of £515,000 (2023: £567,000), with a remaining amortisation period of 10 years, Milton Park (Dorset) Limited of £1,626,000 (2023: £1,727,000) with a remaining amortisation period of 16 years, Blackdown Garden Centre Limited of £568,000 (2023: £602,000) with a remaining amortisation period of 17 years, Van Hage & Company Limited of £4,748,000 (2023: £5,013,000) with a remaining amortisation period of 18 years, Beckworth Limited of £4,621,000 (2023: £4,870,000) with a remaining amortisation period of 18.5 years , Fosseway Garden Centre Limited of £874,000 (2023: £922,000) with a remaining amortisation period of 18.5 years, Frosts Garden Centre Limited of £2,265,000 with a remaining amortisation period of 19.5 years and Willington Garden Centre of £1,450,000 with a remaining amortisation period of 19.5 years.

Notes to the Consolidated Financial Statements (continued)

Year ended 31 December 2024

13. TANGIBLE FIXED ASSETS

	Freehold land and buildings £000	Leasehold improvements £000	Motor vehicles £000
Cost			
At 1 January 2024	**154,589**	**36,786**	**1,215**
Additions	**759**	**1,131**	**105**
Acquired in business combinations	**12,410**	**597**	**656**
Disposals	**-**	**(469)**	**-**
Revaluation	**4,553**	**-**	**-**
At 31 December 2024	**172,311**	**38,045**	**1,977**
Depreciation			
At 1 January 2024	**20**	**10,287**	**890**
Charge for the year	**40**	**1,864**	**143**
Disposals	**-**	**-**	**-**
Revaluation adjustments	**(40)**	**-**	**-**
At 31 December 2024	**20**	**12,151**	**1,033**
Net book value			
At 31 December 2024	**172,291**	**25,894**	**944**
At 31 December 2023	154,569	26,499	325

	Furniture, fixtures and equipment £000	Computer equipment £000	Totals £000
Cost			
At 1 January 2024	**58,507**	**5,775**	**256,872**
Additions	**10,749**	**551**	**13,295**
Acquired in business combinations	**1,098**	**-**	**14,761**
Disposals	**(86)**	**-**	**(555)**
Revaluation	**-**	**-**	**4,553**
At 31 December 2024	**70,268**	**6,326**	**288,926**
Depreciation			
At 1 January 2024	**28,988**	**4,354**	**44,539**
Charge for the year	**5,946**	**572**	**8,564**
Disposals	**-**	**-**	**-**
Revaluation adjustments	**-**	**-**	**(40)**
At 31 December 2024	**34,934**	**4,926**	**53,063**
Net book value			
At 31 December 2024	**35,334**	**1,400**	**235,863**
At 31 December 2023	29,519	1,421	212,333

Year ended 31 December 2024

13. TANGIBLE FIXED ASSETS (continued)

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

	2024 £000	2023 £000
Freehold land and buildings - garden centres	**171,361**	153,639
Freehold land	**930**	930
	172,291	154,569

The carrying values adopted in these financial statements for the year ended 31 December 2024 are based upon 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 2024.

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:

	2024 £000	2023 £000
Historic costs	**106,961**	**93,792**
Accumulated depreciation	**(6,084)**	**(4,584)**
	100,877	**89,208**

The revaluation reserve as at 31 December 2024 is stated net of cumulative deferred tax adjustments of £18,412,000 (2023: £12,817,000). There were no revaluation gains realised during the year as a result of the sale of freehold properties (2023: £nil). The net revaluation surplus for the year of £4,593,000 (2023: £19,117,000) is comprised of a net surplus of £nil (2023: £nil) recognised in the Consolidated Statement of Comprehensive Income and a surplus of £ 4,593,000 (2023: £19,117,000) 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 £122,950,000 (2023: £118,850,000), promissory notes to the value of £4,000,000 (2023: £4,000,000) and a bond to the value of £13,300,000 (2023: £13,300,000) 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.

Notes to the Consolidated Financial Statements (continued)

Year ended 31 December 2024

14. FIXED ASSET INVESTMENT

	Associated undertaking £000
Cost	
At 1 January 2024	**17**
Investment write down	**(17)**
At 31 December 2024	**-**
Net book value	
At 31 December 2024	**-**
At 1 January 2024	**17**

Associated 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.

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 Garden Centre Limited	Jersey	Garden centre retailer
Milton Park (Dorset) Limited	England	Dormant
Blackdown Garden Centre Limited	England	Garden centre retailer
Van Hage & Company Limited	England	Garden centre retailer
Beckworth Limited	England	Garden centre retailer
Fosseway Garden Centre Limited	England	Garden centre retailer
FGC Holdings Limited	England	Garden centre retailer
Frosts Garden Centre Limited	England	Garden centre retailer

Year ended 31 December 2024

15. STOCKS

	2024 £000	2023 £000
Goods for resale	**52,393**	53,457

Goods for resale are disclosed net of a provision for slow moving and obsolete stock of £1,476,000 (2023: £1,399,000). A charge of £77,000 (2023: £532,948) was recognised in cost of sales against stock as a movement in the provision.

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 £000	2023 £000
Trade debtors	**6,195**	6,727
Prepayments	**7,198**	5,610
Other debtors	**5,703**	4,790
Corporation tax	**1,810**	753
	20,906	17,880

Trade debtors are stated after provisions for impairment of £76,633 (2023: £nil).

17. CASH AND CASH EQUIVALENTS AND REVOLVING CREDIT FACILITY

	2024 £000	2023 £000
Cash at bank and in hand (cash per group balance sheet)	**12,365**	7,816
Less: bank overdrafts and revolving credit facility (note 18)	**(26,683)**	(19,501)
	(14,318)	(11,685)

Included within bank overdrafts and revolving credit facility (note 18) are revolving credit facility amounts totalling £25.9m (2023: £18m) which are not cash and cash equivalents.

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 £000	2023 £000
Trade creditors	**23,359**	17,602
Bank overdrafts and revolving credit facility (note 17)	**26,683**	19,501
Lease incentives (note 19)	**116**	116
Bank loans (note 20)	**2,500**	2,500
Accruals and other creditors	**6,819**	6,405
Other taxes and social security	**10,567**	9,154
	70,044	55,278

Notes to the Consolidated Financial Statements (continued)

Year ended 31 December 2024

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

	2024 £000	2023 £000
Bank loans (note 20)	**19,936**	22,436
Lease incentive	**2,417**	2,528
	22,353	24,964

The lease incentives are amortised over the terms of the leases. The amounts falling due in over 5 years total £1,957,000 (2023: £2,073,000).

20. LOANS

	2024 £000	2023 £000
The maturities of sources of debt finance are due as follows:		
In one year or less	**2,500**	2,500
In more than one year but not more than two years	**2,500**	2,500
In more than two years but not more than five years	**17,436**	19,936
	22,436	24,936

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

The Group had one £32m term loan, which was repayable quarterly over fifteen years, and a revolving credit facility of £38m. Both facilities were available until 31 March 2026.

In April 2025 the group secured a new facility of £100m comprising of a £62m term loan repayable quarterly over twenty five years and a revolving credit facility of £38m. Both facilities are available for three years with the option of two one year extensions.

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.

The Group had drawn £25.9m of its revolving credit facility at 31 December 2024 (31 December 2023: £18m).

Notes to the Consolidated Financial Statements (continued)

Year ended 31 December 2024

21. LEASING AGREEMENTS

Minimum lease payments fall due as follows:	**Non-cancellable operating leases**	
	2024 £000	**2023 £000**
Within one year	**20,358**	18,797
Between one and five years	**89,300**	74,442
In more than five years	**443,615**	345,133
	553,273	438,372

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

	2024 £000	**2023 £000**
Within one year	**3,949**	**3,461**
Between one and five years	**7,278**	**6,794**
In more than five years	**2,147**	**2,668**
	13,374	**12,923**

22. FINANCIAL INSTRUMENTS

	2024 £000	**2023 £000**
Financial assets		
Financial assets measured at amortised cost	**24,073**	15,561
Financial derivatives measured at fair value through profit and loss	**-**	-
	24,073	15,561

	2024 £000	**2023 £000**
Financial liabilities		
Financial liabilities measured at amortised cost	**(77,297)**	(65,595)
Financial derivatives measured at fair value through profit and loss	**-**	-
	(77,297)	(65,595)

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 2024

23. PROVISIONS FOR LIABILITIES

	2024 £000	2023 £000
Deferred tax	**25,285**	19,200
At beginning of year	**19,200**	12,625
Charged to profit	**1,411**	965
Prior year	**(319)**	-
On business combination	**3,180**	1,074
Charged to other comprehensive income	**1,813**	4,536
At end of year	**25,285**	19,200
The provision for deferred taxation is made up of:		
Accelerated capital allowances	**8,042**	6,477
Revaluation gains on freehold properties	**17,487**	12,817
Other short term timing differences	**(244)**	(94)
	25,285	19,200

Year ended 31 December 2024

24. CALLED UP SHARE CAPITAL

	2024 £000	2023 £000
Authorised 190,000,000 (2023: 38,000,000) ordinary shares of £0.004 each (2023: £0.02 each)	**760**	760

	2024 £000	2023 £000
Allotted, called up and partly paid 175,248,791 (2023: 34,919,256) ordinary shares of £0.004 each (2023: £0.02 each)	**701**	698

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

	2024 Shares in issues No.	2024 Share capital £
At 1 January 2024	**34,919,256**	**698,385**
Scrip dividend relating to 2023 final dividend	**371,705**	**1,487**
Scrip dividend relating to 2024 interim dividend	**280,806**	**1,123**
Increase in issued shares following 5:1 split	**139,677,024**	**-**
At 31 December 2024	**175,248,791**	**700,995**

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 £4,645,157 (2023: £3,939,934)

26. EARNINGS PER SHARE

	Profit for year 2024 £000	Earnings per share 2024 P	Profit for year 2023 £000	Earnings per share 2023 P
Basic earnings per share	**15,949**	**9.12**	18,158	52.13

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 174,821,993 (2023: 34,692,054).

If the 2023 comparative earnings per share had been calculated on the same share structure as at 31 December 2024 the comparative would be 10.43 pence per share.

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 net liabilities covered by the guarantee totalled £36,754,000 (2023: £36,621,000).

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 2024

28. 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.

Key management personnel, of which there were 17 in 2024 (2023: 15), 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 £3,672,300 (2023: £3,081,546).

Included in Creditors: amounts due within one year (note 18) is an amount of £1,002,000 (2023: £2,401,000) and Creditors: amounts due after more than one year (note 19) is an amount of £450,000 (2023: £nil) due to key management personnel, of which £450,000 (2023: £1,300,000) is the amount so far accrued in respect of the long-term incentive plan (LTIP) for executive directors and senior managers, which is based on Group performance targets for the years ending 31 December 2024, 2025 and 2026, and is payable in April 2027.

Total dividends paid to Directors while in office amounted to £84,554 (2023: £101,668). 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 0.004p each (2023: 0.02p shares):

	2024 No.	2023 No.
Simon Burke	**618,435**	115,797
Alan Roper	**1,497,330**	295,480
Richard Hemans	**-**	171,000
Tom Carey	**731,897**	142,122
Susie Crowder	**7,655**	1,507
David Ummels	**128,435**	25,275
	2,983,752	751,181

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.

The comparative shares are stated under the share structure in place prior to the 5:1 split in 2024.

29. ANALYSIS OF CHANGES IN NET DEBT

	1 January 2024 £000	Cash flows £000	Acquired with subsidiaries £000	Non-cash movements £000	Other movements	31 December 2024 £000
Cash at bank and in hand	7,816	(6,660)	11,209	-	-	12,365
Bank overdrafts	(1,501)	671	-	-	-	(830)
Revolving credit facility	(18,000)	(7,853)	-	-	-	(25,853)
Bank loans due within one year	(2,500)	2,500	-	(2,500)	-	(2,500)
Bank loans due in more than one year	(22,436)	-	-	2,500	-	(19,936)
	(36,621)	(11,342)	11,209	-	-	(36,754)

Year ended 31 December 2024

30. BUSINESS COMBINATIONS

On 31 July 2024 the Group completed the acquisition of FGC Holdings Limited group, whose principal activity is that of the operation of a garden centre together with a B2C website. 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	1,090	12,410	13,500
Current assets			
Stocks	1,149	-	1,149
Debtors	880	-	880
Cash and bank balances	11,209	-	11,209
Current assets	13,238	-	13,238
Total assets	14,328	12,410	26,738
Creditors: amounts falling due within one year			
Creditors	(1,050)	-	(1,050)
Provisions for liabilities	-	(3,102)	(3,102)
Total liabilities	(1,050)	(3,102)	(4,152)
Total identifiable net assets	13,278	9,308	22,586
Goodwill			2,265
Total cash purchase consideration (including expenses of £281,219)			24,851

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

The revenue from FGC Holdings Limited group (trading as Frosts Garden Centre) included in the consolidated income statement for 2024 was £4,824,614. FGC Holdings Limited group (trading as Frosts Garden Centre) also contributed a profit before tax of £676,082 over the same period.

Notes to the Consolidated Financial Statements (continued)

Year ended 31 December 2024

30. BUSINESS COMBINATIONS (continued)

On 18 October 2024 the Group completed the acquisition of the trade and assets of Willington Garden Centre, which was a business combination, whose principal activity is that of the operation of a garden centre together with a B2C website. 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	964	-	964
Current assets			
Stocks	699	-	699
Current assets	699	-	699
Total assets	**1,663**	**-**	**1,663**
Creditors: amounts falling due within one year	-	-	-
Total liabilities	-	-	-
Total identifiable net assets	**1,663**	**-**	**1,663**
Goodwill			1,450
Total cash purchase consideration (including expenses of £285,424)			3,113

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

The revenue from Willington Garden Centre included in the consolidated income statement for 2024 was £1,227,734. Willington Garden Centre also contributed a profit before tax of £233,125 over the same period.

31. POST BALANCE SHEET EVENTS

The group acquired three former Dobbies centres in three separate deals, in each case taking on a new lease with the existing landlord. All 3 centres were acquired for no premium, with preferential terms in the first 3 years to support the capital investment required to deliver the Blue Diamond experience. Deals completed: 10 January 2025 Harlestone Heath, 30 January 2025 Huntingdon and 11 March 2025 Worlds End. All three centres have closed for refurbishment with Harlestone opening on the 24th March 2025, Huntingdon 10th April 2025 and Worlds End on 1st May 2025.

On 1 Feb 2025 the group acquired Yarnton Home and Garden in a trading assets deal for £2.5m.

On 3 April 2025 the Group completed a refinancing exercise increasing the overall borrowing capacity to £100m, the new facilities are available until at least 31st March 2028. On this date the RCF was repaid in full and therefore the new RCF facility remains fully unutilised.

On 11 April 2025 the Directors proposed a final dividend for the year ended 31 December 2024 of 1.75p per share. The dividend has not been accrued in these financial statements because the dividend was declared after the balance sheet date.

Gloucestershire
3 SHIRES
Garden Centre
Ledbury Road
Newent GL18 1DL

Northampton
BECKWORTH EMPORIUM
Garden Centre
120-140 Glebe Rd
Mears Ashby
Northants NN6 0DL

Oxfordshire
BICESTER AVENUE
Garden Centre
Oxford Road
Bicester, Oxon
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

Derbyshire
CHATSWORTH
Garden Centre
Calton Lees
Beeley
Matlock DE4 2NX

Hertfordshire
CHENIES
Garden Nursery
Nr. Rickmansworth
WD3 6EN

Cambridgeshire
COTON ORCHARD
Garden Centre
Cambridge Road
Coton CB23 7PJ

Derbyshire
DERBY
Garden and Home
Alfreton Road
Little Eaton
Derby DE1 5DB

Devon
ENDSLEIGH
Garden Centre
A38, Ivybridge
Plymouth PL21 9JL

Cheshire
GROSVENOR
Garden Centre
Wrexham Road
Belgrave
Chester CH4 9EB

Northamptonshire
HARLESTONE HEATH
Garden Centre
Harlestone Road
Northampton NN5 6UJ

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

Herefordshire
HEREFORD
Garden Centre
Kings Acre Road
Hereford HR4 0SE

Cambridgeshire
HUNTINGDON
Garden and Home
Banks End, Wyton
Huntingdon PE28 2AA

Gloucestershire
NAILSWORTH
Garden Centre
Avening Road
Nailsworth
Stroud, 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

Lincolnshire
PETERBOROUGH
Home and Garden
Peterborough PE1 4YZ

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

Hertfordshire
VAN HAGE
Garden Centre
Great Amwell
Ware SG12 9RP

Surrey
WEYBRIDGE
Garden Centre
New Haw Road
Addlestone, Weybridge
KT15 2BU

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

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

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

Worcestershire
EVESHAM
Home and Garden
The Valley Twyford
Evesham WR11 4DS

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

Gloucestershire
FOSSEWAY
Garden Centre
Stow Road
Moreton-in-Marsh
GL56 0DS

Buckinghamshire
FROSTS
Garden Centre
Newport Road
Woburn Sands
Milton Keynes MK17 8UE

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

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

Warwickshire
MELBICKS
Garden Centre
Chester Road
Coleshill
Birmingham B46 3HY

Shropshire
MERE PARK
Garden Centre
Stafford Road
Newport TF10 9BY

Hampshire
RAKE
Garden Centre
London Road
Rake, Liss
GU33 7JH

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

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

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

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

Bedfordshire
WILLINGTON
Garden Centre
Sandy Road, Willington
Bedford MK44 3QP

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

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

Buckinghamshire
WORLD'S END
Garden Centre
Aylesbury Road
Wendover HP22 6BD

Oxfordshire
YARNTON
Garden Centre
Sandy Lane, Yarnton
Kidlington, Oxon OX5 1PA

We just keep growing...

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