

Company Registration No. 00169606 (England and Wales)

**THE HORTICULTURAL TRADES ASSOCIATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

THE HORTICULTURAL TRADES ASSOCIATION

COMPANY INFORMATION

Directors

W Armitage
F Barnes
T Barnes
M Bent
G Caesar
J Crosland
A Down
B Fraser
N Grant
V Nuttall
A Taylor
M Burks (Appointed 25 September 2024)
M Pitman (Appointed 13 June 2024)
J Owen (Appointed 17 April 2025)

Company number 00169606

Registered office

Horticulture House
Chilton
Didcot
Oxfordshire
England
OX11 0RN

Auditor

Johnston Carmichael LLP
227 West George Street
Glasgow
G2 2ND

THE HORTICULTURAL TRADES ASSOCIATION

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THE HORTICULTURAL TRADES ASSOCIATION

CHAIRMAN'S REVIEW

FOR THE YEAR ENDED 31 DECEMBER 2024

Introduction

2024 should be recognised as a celebration of 125 years of your Association's existence. Of helping our members flourish. Our memories are sometimes short particularly when we have basked in the warmest, driest spring since records began. But looking back I'm not sure that 2024 will be remembered favourably by our membership from a trading perspective being one of the wettest on record with gardening sales negative in the year and a change of Government that brought about a very significant financial impact - in the short term through an increase in National Insurance charges and in the long term Inheritance Tax increases.

Notwithstanding, and continuing a historical theme, your Association has risen to these challenges and lent into supporting its membership. Over the past five years we have played a role in rolling back the restrictions during Covid saving the industry an estimated £276m and have been able to face into an unprecedented era of restrictive post Brexit regulation and legislation with some successes. Our political engagement has never been more comprehensive, and importantly our ability to be proactive rather than reactive never better. Our ability to collect and analyse data has improved immeasurably and this has enabled far more insightful research and support for policy initiatives.

We have over the period since 2019 built our net revenues from circa £4.0m to £5.7m allowing an additional £1.7m to be spent on member support and services. Whilst underlying net assets have grown from £1.0m to over £2.2m. Our gifting proposition continues to grow and has a far greater understanding of its benefits amongst members.

The content and feedback from conference has demonstrated how far the confidence and strength of the Association has shifted.

Under the leadership of our CEO we have a very strong senior leadership team bolstered by the recruitment of a new CFO in the first quarter of this year. Changes to our membership services team have significantly improved our whole member engagement.

Financials

Our aim as a not-for-profit membership association is to maximise the benefits to all members, to match our income with our expenditure, and thus to breakeven or declare a small surplus each year at the operating profit level.

From a balance sheet perspective, the HTA Board takes a very conservative approach to matching our liabilities with our assets and to building our net assets in line with the growth of our business and to a level that gives us cover for a "rainy day". In particular, we consider the potential detriment of a market value reduction in investment values at year end.

In 2024 your Associations activities generated a loss before tax of £141k. This is the final year of our gift card breakage share with our historic partner and without this payment of £469k our underlying result would be a positive one and one ahead of plan. Having built our net assets up to £3.4m in 2021 we have allowed ourselves to operate at a deficit in order to increase our service proposition to members while at the same time financing our breakage commitments. From 2025 we should be operating at breakeven.

I would like, as always, to explain the trading result in a little more detail. Our total revenues increased by £1.4m to £6.6m in the year. This is accounted for by gifting income increasing by £1.2m from £2.8m last year; by membership subscriptions increasing by £110k to £1.7m and other income increased £90k to £949k. Other income includes a growing contribution from HTA Events and Learning and Development offset by a reduction in Preferred Partner commissions.

Although gifting sales were on a par with the previous year at £32.5m, despite the weaker trading environment, gifting income was well ahead mainly due to the termination of the breakage share agreement reducing from £886k last year to £469k this year. It is the ongoing contribution received from gifting revenues, some 63% of income in 2024, that allows us to maintain and expand the range of activities that we carry out on behalf of our membership, and we have continued this into the current year.

THE HORTICULTURAL TRADES ASSOCIATION

CHAIRMAN'S REVIEW (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Gifting income comprises two elements, a commission on sales less redemptions and breakage (that element of spend left on cards or vouchers post expiry). Commission income in 2024 was £1.9m (2023 - £1.9m) and breakage income was £2.1m (2023 - £947k)

Cost of sales at £938k is £43k higher than the prior year and relates mainly to the cost of running the gifting scheme, in particular increased gift card activation fees as part of the migration away from paper vouchers. Other direct expenses include production costs and merchandising.

Administrative expenses including depreciation increased by 19% £1.0m to £6.5m. There were a number of key initiatives within this expansion, in particular related to headcount and the strengthening of the senior leadership team, and the flow through of new hires made in 2023. The full year impact of these costs at £527k is the key driver behind this year's increase. Alongside the corresponding operational cost associated with higher staff levels, other notable variances include a £48k contribution to the new HCP construct; increased event costs, in the main the HTA conference and a higher contribution to maintaining our IT functionality.

This £6.5m expenditure is effectively our investment in services to members and I hope that you will have all continued to see the profile and status of your association grow and evolve. This has been particularly prevalent in success in lobbying government around the key issues in particular the introduction of border controls. There have of course been many other initiatives that we have been engaged in and these will be reported on in more detail in our Annual Review.

The net impact of interest income, investment income and capital gains in the year was another positive at £664k. The change is due to recovery of investment portfolio values as marked to market at the year end and a continued rise in bond income as the impact of higher interest rates impact. The Association's investment strategy is conservative with 75% of the portfolio invested in high grade bonds. This does not mean that volatility doesn't exist in any one year as history has shown, albeit as portfolio bond assets are held to maturity, historic losses and gains will not necessarily be realised and will naturally reverse over time.

Finally, In relation to fixed assets our investment in Horticultural House our head office remains constant at £5.1m. This asset has remained pretty constant since acquisition although it should be noted that it has absorbed over £700k of depreciation over the period and provides a rent free base from which the Association can operate.

Net assets for 2024 were forecast to decrease substantially given our budgeted expenditure and the continued release of shared income to our historic gifting partner. I am pleased to report that net assets have remained relatively stable at £2.2m.

I would, as always, draw your attention to the fact that a proportion of our gifting liabilities are likely never to materialise through natural breakage. This year this number is estimated at £6.6m and is a further underwrite to your Association's net assets and provide comfort that we can continue to invest in your future even with a diminution in net assets in the short term.

It is likely that the changes to the accounting standards that come into play next year will allow us to recognise this number in our net assets perhaps reflecting a truer picture of strength. This may well allow a recalibration in our investment policy going forward that might have a more positive long term return for our portfolio.

THE HORTICULTURAL TRADES ASSOCIATION

CHAIRMAN'S REVIEW (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Outlook

It seems strange to be so repetitious but once again I have to say we remain in ever uncertain times with geopolitics impacting both the macro and micro economic outlook.

That said the weather and the most successful spring trading season in my lifetime will have brought huge respite to our sector.

This combined with some major successes on the lobbying front most recently the potential reset of an SPS agreement engender a sense of a brighter future.

I would not want this to detract from our attention on two of the most consequential issues facing our sector. First the increase in IHT which unchanged will have a devastating impact on a sector characterised by so many small family businesses.

We have a great Growth Plan for our sector but that is in great danger of falling on stony ground if the the break up of family businesses and a down turn in investment spend over the coming years is the end outcome.

Second, the relentless march of environmental legislation, where weak impact analyses that take little account of the holistic picture and thus the law of unintended consequences, in turn lead to substantial economic cost placed on business and the consumer with little or no environmental benefit.

I know The HTA is well positioned to act and react on your behalf on these and all the other issues that get in the way of growing your businesses sustainably and I would like to thank all our staff for their dedication and the effort they have put into serving all our members.

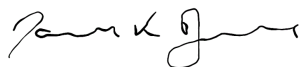
Again as I stated last time resilience has been an innate characteristic of our industry. Resourcefulness and innovation a hallmark. Our members both large and small have a great capacity to handle change.

Given the level of expansion in HTA activities over the past few years, 2025 will be a year when we consolidate on our position and focus on our priorities.

On a personal note this will be my last report as Chairman as I will be retiring at our forthcoming AGM in September. The role of Chairman will no longer exist.

I have thoroughly enjoyed my time representing our industry and I would like to thank all of those who have helped and supported me over the past seven years.

Whatever the future holds I do believe that your Association is in a stronger, more influential and respected place.



.....
T J K Barnes
Chairman

04-Aug-2025

Date:

THE HORTICULTURAL TRADES ASSOCIATION

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

Introduction

The directors present the strategic report for the year ended 31 December 2024.

Environmental Horticulture is the art and science of improving the world around us with plants and trees. This includes the cultivation, planting and designing of flora for environmental and health benefits.

The Horticultural Trades Association (HTA) represents the entire UK sector's supply chain, (1,359 businesses) including growers, retailers, landscapers, manufacturers and service providers, as well as running the National Garden Gift Voucher (NGGV) scheme. This means they are well positioned to use the experience, expertise and knowledge within their membership and professional employment in representations to the Government of The United Kingdom of Great Britain and Northern Ireland.

The HTA is run by members for members giving a voice to the industry and representing them to Government and other key stakeholders. It also supports gardening businesses and the wider supply chain with learning courses, trade shows, briefings, research, marketing and operational support.

The HTA's directors set the company's strategy and continually review performance against plan and budget.

Business review

The environmental horticulture and landscaping industry is a significant contributor to the UK economy. A study in 2024 by Oxford Economics estimated that, in 2023, through three channels of impact – direct, indirect and induced – the sector contributed around £31.5 billion to UK GDP and employed around 605,000 people. However, challenges such as Brexit-related trade disruptions, labour shortages, and policy gaps hindered the sectors' growth potential, underscoring the need for strategic investment and government support to unlock its full capacity.

The HTA, in its role as the voice of the sector, continued to lobby government to overcome many of these challenges. Through the operation of the NGGV scheme, the HTA also locked in significant consumer spend to the sector for the benefit of its members.

A full analysis of performance of the HTA for year ending 31st December 2024 is covered in the Chairman's statement on pages 1 to 3.

Key performance indicators

Membership numbers – The HTA is a membership organisation with a significant revenue stream from membership subscriptions. Growing this revenue stream by increasing the member base is an important part of the company's strategy, as is monitoring consolidation and contraction within the sector. Membership numbers are therefore a vital metric for the company and a key performance target. As at the end of 2024 the HTA had 1,359 members (2023 – 1,380)

Surplus/deficit – The HTA is a not-for-profit organisation. All funds generated from operating and investing activities are used for the benefit of members. The focus is therefore to match income generated in the year with expenditure incurred and to run at break-even. Any surplus or deficit is therefore regularly reviewed. In 2024 the result for the year was a deficit of £371,196 (2023 - £84,602)

Gift card scheme sales - The National Garden Gift Card Scheme plays a crucial role in the operations of the HTA. It locks in significant spend to the horticultural sector, for the benefit of members and it also provides vital income for the HTA to be able to carry out its activities. In 2024 the value of gift cards sold under the National Garden Gift Card scheme was £32,492,180 (2023 - £32,034,155)

Members satisfaction – one of the core values of the HTA is an unwavering focus on members and their interests. If the HTA is to remain relevant, then member engagement is a vital part of that. This is closely monitored with weekly satisfaction surveys amongst samples of the membership base. Satisfaction is scored on a scale from 1-10. The full year member satisfaction score for 2024 was 8.0 (2023 – 8.3)

Other key performance indicators are qualitative in nature and are expressed internally by the senior leadership team and the Board.

THE HORTICULTURAL TRADES ASSOCIATION

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Principal risks and uncertainties

The principal risks facing the company as identified by the senior leadership team and the Board of Directors are:

Dependency on limited income sources – The HTA is heavily reliant on income generated from the gifting scheme and membership subscriptions. Gifting income in particular is highly sensitive to weather patterns and key occasions during the year, while membership subscriptions are influenced by consolidation in the environmental horticulture sector and leavers from that sector. To mitigate these risks, the Board and senior leadership team constantly review options for diversification as appropriate, consider new gifting strategies to identify new income streams and investigate new membership categories.

Disaster recovery and planning including cybersecurity – the threat from cybersecurity breach is ever present and increasing in relevance each year. As part of a wider disaster scenario, there is an increasing risk that the HTA may face destruction of property or records, loss of key data or system failures. If the HTA is unable to respond to these potential events in a timely manner, this could lead to an inability to function as an Association, a loss of key member data, reputational damage and potentially financial loss. While significant work has been done on IT specific risks, the Company continues to develop a full disaster recovery plan to mitigate these risks

Effective engagement with members and reduced relevance – As a membership organisation, remaining engaged with and relevant to members is essential. With a diverse member base and a wide range of issues that the HTA must engage on there is a risk that members may feel the services offered are not relevant to their needs, that the lobbying capability is no longer effective, that there is a disconnect on the value proposition or that there are insufficient touchpoints with the HTA. This could lead to loss of membership or lack of engagement with the NGGV scheme both of which would affect income and potentially damage the HTAs ability to operate as an effective trade association. The HTA works hard to implement processes that incorporate member feedback on the Association's strategy and activities, to engage members through a range of groups and committees and to communicate clearly the HTA constitution to key stakeholders.

On behalf of the board



.....
M Bent
Director

04-Aug-2025

Date:

THE HORTICULTURAL TRADES ASSOCIATION

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

The directors present their annual report and financial statements for the year ended 31 December 2024.

Principal activities

The principal activity of the company continued to be that of the principal trade association representing ornamental growers, garden retailers, landscapers and suppliers.

Results

The results for the year are set out on page 13.

Directors

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

W Armitage

F Barnes

T Barnes

M Bent

G Caesar

J Crosland

B Douglas-Davies (Resigned 25 September 2024)

A Down

B Fraser

N Grant

V Nuttall

A Taylor

A Vick (Resigned 7 November 2024)

M Burks (Appointed 25 September 2024)

M Pitman (Appointed 13 June 2024)

J Owen (Appointed 17 April 2025)

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Auditor

In accordance with the company's articles, a resolution proposing that Johnston Carmichael LLP be reappointed as auditor of the company will be put at a General Meeting.

Statement of disclosure to auditor

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

THE HORTICULTURAL TRADES ASSOCIATION

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

On behalf of the board



.....
M Bent
Director

04-Aug-2025

Date:

THE HORTICULTURAL TRADES ASSOCIATION

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

THE HORTICULTURAL TRADES ASSOCIATION

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE HORTICULTURAL TRADES ASSOCIATION

Opinion

We have audited the financial statements of The Horticultural Trades Association (the 'company') for the year ended 31 December 2024 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in members' funds, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2024 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the Annual Report and Financial Statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

THE HORTICULTURAL TRADES ASSOCIATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE HORTICULTURAL TRADES ASSOCIATION

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Extent to which the audit is considered 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.

We assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations by considering their experience, past performance and support available.

All engagement team members were briefed on relevant identified laws and regulations and potential fraud risks at the planning stage of the audit. Engagement team members were reminded to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

THE HORTICULTURAL TRADES ASSOCIATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE HORTICULTURAL TRADES ASSOCIATION

Extent to which the audit is considered capable of detecting irregularities, including fraud (continued)

We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and the sector in which it operates, focusing on those provisions that had a direct effect on the determination of material amounts and disclosures in the financial statements. The most relevant frameworks we identified include:

- Companies Act 2006;
- UK Corporation Tax legislation; and
- UK Generally Accepted Accounting Practice.

We gained an understanding of how the company is complying with these laws and regulations by making enquiries of management and those charged with governance. We corroborated these enquiries through our review of relevant correspondence with regulatory bodies and board meeting minutes.

We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur, by meeting with management and those charged with governance to understand where it was considered there was susceptibility to fraud. This evaluation also considered how management and those charged with governance were remunerated and whether this provided an incentive for fraudulent activity. We considered the overall control environment and how management and those charged with governance oversee the implementation and operation of controls. We identified a heightened fraud risk in relation to:

- Management override of controls
- Revenue recognition

In addition to the above, the following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

- Reviewing minutes of meetings of those charged with governance for reference to: breaches of laws and regulation or for any indication of any potential litigation and claims; and events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud;
- Reviewing the level of and reasoning behind the company's procurement of legal and professional services;
- Performing audit procedures over revenue recognition, testing sales from source documentation to the accounting system and ensuring year-end sales cut-off has been appropriately applied;
- Performing audit procedures over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing judgements made by management in their calculation of accounting estimates for potential management bias;
- Completion of appropriate checklists and use of our experience to assess the Company's compliance with the Companies Act 2006; and
- Agreement of the financial statement disclosures to supporting documentation.

Our audit procedures were designed to respond to the risk of material misstatements 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 intentional concealment, forgery, collusion, omission or misrepresentation. 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 would become aware of it.

THE HORTICULTURAL TRADES ASSOCIATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE HORTICULTURAL TRADES ASSOCIATION

Use of our report

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



Matthew Kaye (Senior Statutory Auditor)
For and on behalf of Johnston Carmichael LLP

Statutory Auditor

04-Aug-2025

Date:

227 West George Street
Glasgow
G2 2ND

THE HORTICULTURAL TRADES ASSOCIATION

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £	2023 £
Value of gift cards sold under the National Garden Gift Card Scheme		32,492,180	32,034,155
Turnover	3	6,602,784	5,217,716
Cost of sales		(937,918)	(894,799)
Gross profit		5,664,866	4,322,917
Administrative expenses		(6,534,383)	(5,494,011)
Other operating income		64,668	74,346
Operating loss	4	(804,849)	(1,096,748)
Interest receivable and similar income	6	412,152	411,615
(Loss)/gain on disposal of current asset investments	7	(54,268)	6,715
Changes in fair value of current asset investments	7	306,175	465,082
Loss before taxation		(140,790)	(213,336)
Tax on loss	8	(312,086)	170,305
Loss for the financial year		(452,876)	(43,031)
Other comprehensive income/(expense)			
Revaluation of tangible fixed assets		81,680	(84,071)
Tax relating to other comprehensive income/(expense)		-	42,500
Total comprehensive expense for the year		(371,196)	(84,602)

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

THE HORTICULTURAL TRADES ASSOCIATION

BALANCE SHEET

AS AT 31 DECEMBER 2024

	Notes	2024		2023	
		£	£	£	£
Fixed assets					
Intangible assets	9		323,536		264,616
Tangible assets	10		5,125,462		5,185,804
			<u>5,448,998</u>		<u>5,450,420</u>
Current assets					
Stocks	12	80,806		47,518	
Debtors	13	10,057,947		8,456,578	
Investments	14	13,029,708		12,300,844	
Cash at bank and in hand		2,277,951		5,696,700	
		<u>25,446,412</u>		<u>26,501,640</u>	
Creditors: amounts falling due within one year	15	<u>(28,092,010)</u>		<u>(29,091,535)</u>	
Net current liabilities			<u>(2,645,598)</u>		<u>(2,589,895)</u>
Total assets less current liabilities			2,803,400		2,860,525
Provisions for liabilities					
Deferred tax liability	16	584,703		270,632	
		<u>(584,703)</u>		<u>(270,632)</u>	
Net assets			<u>2,218,697</u>		<u>2,589,893</u>
Members' funds					
Revaluation reserve	19		1,018,522		936,842
Profit and loss reserves	19		1,200,175		1,653,051
Total equity			<u>2,218,697</u>		<u>2,589,893</u>

04-Aug-2025

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



.....
M Bent
Director

Company Registration No. 00169606

THE HORTICULTURAL TRADES ASSOCIATION

STATEMENT OF CHANGES IN MEMBERS' FUNDS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Revaluation reserve	Profit and loss reserves	Total
	£	£	£
Balance at 1 January 2023	978,413	1,696,082	2,674,495
Year ended 31 December 2023			
Loss for the year	-	(43,031)	(43,031)
Other comprehensive expense:			
Loss on revaluation of tangible fixed assets	(84,071)	-	(84,071)
Tax relating to other comprehensive expense	42,500	-	42,500
Total comprehensive expense for the year	(41,571)	(43,031)	(84,602)
Balance at 31 December 2023	936,842	1,653,051	2,589,893
Year ended 31 December 2024			
Loss for the year	-	(452,876)	(452,876)
Other comprehensive income:			
Gain on revaluation of tangible fixed assets	81,680	-	81,680
Total comprehensive expense for the year	81,680	(452,876)	(371,196)
Balance at 31 December 2024	1,018,522	1,200,175	2,218,697

THE HORTICULTURAL TRADES ASSOCIATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash absorbed by operations	21	(3,072,924)		(2,932,168)	
Income taxes refunded		34,001		-	
Net cash outflow from operating activities		(3,038,923)		(2,932,168)	
Investing activities					
Purchase of intangible assets		(234,467)		(102,209)	
Purchase of tangible fixed assets		(80,553)		(190,500)	
Proceeds on disposal of investments		(476,958)		(825,690)	
Interest received		89,386		119,485	
Other income received from investments		322,766		292,130	
Net cash used in investing activities		(379,826)		(706,784)	
Net decrease in cash and cash equivalents		(3,418,749)		(3,638,952)	
Cash and cash equivalents at beginning of year		5,696,700		9,335,652	
Cash and cash equivalents at end of year		2,277,951		5,696,700	

THE HORTICULTURAL TRADES ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

Company information

The Horticultural Trades Association is a company limited by guarantee incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the company's operations, and its principal activities are set out in the Directors' report.

1.1 Accounting convention

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

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

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

1.2 Going concern

The Directors have assessed the HTA's current and future solvency by means of a prudent forecasting exercise with detailed assumptions regarding future income generation, expenditure, and cash flows.

Income and expenditure are closely monitored in order to protect cash reserves whilst prioritising activities that maximise member value and engagement. The Directors are satisfied that the Association is well placed to manage its risks and has sufficient cash resources to fund ongoing operations for at least twelve months from the date of approval of these financial statements. The society has net current liabilities of £2.2m (2023 - £2.6m), however, this figure includes the total financial obligation of the Association for all unexpired gift vouchers and cards. These financial instruments are not discounted as they are deemed to be payable on demand, however, it is very unlikely that all amounts would be redeemed within one year. Based on experience, the directors estimate that at 31 December 2024, £6.6m (2023: £5.9m) of vouchers and cards in circulation are not expected to be redeemed.

In conclusion, the Directors have formed a judgment, at the time of approving the financial statements, that there is a reasonable expectation that the Association has adequate resources to meet its obligations as they fall due whilst maintaining member services at their current level. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

1.3 Turnover

Turnover represents the recognised value of goods and services provided and is stated net of trade discounts and VAT.

Membership subscriptions are recognised as turnover in the period to which they relate. Subscriptions in advance are treated as deferred income.

Commission on National Garden Gift Vouchers is substantially recognised on the date of sale when the company has transferred the significant risks and rewards of ownership to the buyer, and it is probable that the company will receive the previously agreed upon payment. A small, fixed percentage of the commission is deferred until the voucher is redeemed or the financial obligation has expired. Vouchers are sold and redeemed under contract within a closed community of members.

Commission on Garden Gift Cards is recognised at the point of sale. Garden Gift Cards are sold via an agency agreement with third parties and redeemed under contract within a closed community of members. Any residual financial liability relating to National Garden Gift Vouchers and Garden Gift Cards is released to turnover on expiry of the relevant obligation.

THE HORTICULTURAL TRADES ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

1.4 Intangible fixed assets other than goodwill

Intangible assets purchased are stated at historical cost less amortisation.

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

Software	20% - 33% straight line
Patents & licences	10% straight line
Other intangibles	20% - straight line

Other intangible assets represent the Company's 50% interest in organising and staging The Garden Press Event in the UK, which commenced in 2017.

The Directors considered that the future income generated from these events would benefit the Company over a period of 5 years and accordingly the cost was amortised over this period.

1.5 Tangible fixed assets

Freehold properties are stated at their fair value. Tangible fixed assets other than freehold properties are stated at historical cost less depreciation.

Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	2.5% straight line
Freehold improvements	10% straight line
Fixtures and fittings	10% - 33% straight line

Land is not depreciated.

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

Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the land and buildings is usually considered to be their market value.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in profit or loss or a revaluation loss exceeds the accumulated revaluation gains recognised in equity; such gains and losses are recognised in profit or loss.

1.6 Impairment of fixed assets

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

THE HORTICULTURAL TRADES ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

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

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

1.7 Stocks

Stocks consist of books, leaflets, deactivated gift cards and gift vouchers. These are stated at the lower of cost and net realisable value after making provisions for obsolete or slow-moving items.

At each reporting date, stock is assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to sell. The impairment loss is recognised immediately in the profit or loss for the period.

1.8 Cash and cash equivalents

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

1.9 Financial instruments

Financial assets, other than current asset investments which are held at fair value, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

Fair value measurement of financial instruments

The fair value of financial assets are determined by reference to quoted market prices. Fair value movements in respect of current asset investments are recognised in the profit or loss for the period.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities are held at amortised cost.

National Garden Gift Vouchers and Garden Gift Cards in circulation are held at the value of the financial obligation until that obligation has expired.

1.10 Taxation

The tax expense for the period comprises current and deferred tax.

Current tax

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

THE HORTICULTURAL TRADES ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

Deferred tax

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

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

1.11 Employee benefits

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

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

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

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.14 Foreign exchange

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

2 Judgements and key sources of estimation uncertainty

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

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

THE HORTICULTURAL TRADES ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

2 Judgements and key sources of estimation uncertainty (Continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Carrying value of freehold property within tangible assets

The freehold property included in tangible fixed assets (as per note 10) is carried at fair value at the balance sheet date. The property was revalued by Savills (UK) Limited as at 31 December 2023 and it is the view of the directors that this valuation continues to be appropriate and representative of the fair value of the property as at 31 December 2024.

3 Turnover and other revenue

	2024	2023
	£	£
Turnover analysed by class of business		
Subscriptions	1,652,516	1,541,887
Sale of services to members	948,738	854,727
Commissions and breakage on the sale of vouchers or cards	4,001,530	2,821,102
	<u>6,602,784</u>	<u>5,217,716</u>
	2024	2023
	£	£
Other significant income		
Bank interest income	89,386	119,485
Rent receivable	64,688	74,346
Income from current asset investments	322,766	292,130
	<u>376,840</u>	<u>486,961</u>

4 Operating loss

	2024	2023
	£	£
Operating loss for the year is stated after charging:		
Exchange differences excluding those arising on financial instruments measured at fair value through profit or loss	313	-
Fees payable to the company's auditor for the audit of the company's financial statements	42,000	42,000
Depreciation of owned tangible fixed assets	222,556	193,407
Loss on disposal of tangible fixed assets	1,538	629
Amortisation of intangible assets	174,029	160,692
	<u>440,436</u>	<u>396,728</u>

THE HORTICULTURAL TRADES ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

5 Employees

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

2024 Number	2023 Number
60	55

Their aggregate remuneration comprised:

	2024 £	2023 £
Wages and salaries	3,003,667	2,536,696
Social security costs	298,167	246,206
Pension costs	163,798	118,759
	<u>3,465,632</u>	<u>2,901,661</u>

6 Interest receivable and similar income

	2024 £	2023 £
Interest income		
Interest on bank deposits	89,386	119,485
Income from fixed asset investments		
Income from other fixed asset investments	322,766	292,130
Total income	<u>412,152</u>	<u>411,615</u>

7 Gains/(losses) on current asset investments

	2024 £	2023 £
Change in value of financial assets held at fair value through profit or loss	306,175	465,082
(Loss)/gain on disposal of current asset investments	(54,268)	6,715
	<u>251,907</u>	<u>471,797</u>

8 Taxation

	2024 £	2023 £
Current tax		
Adjustments in respect of prior periods	(1,985)	-
	<u>(1,985)</u>	<u>-</u>

THE HORTICULTURAL TRADES ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

8 Taxation	(Continued)	
	2024	2023
	£	£
Deferred tax		
Origination and reversal of timing differences	296,628	(170,305)
Adjustment in respect of prior periods	17,443	-
	<u>314,071</u>	<u>(170,305)</u>
Total deferred tax	<u>314,071</u>	<u>(170,305)</u>
Total tax charge/(credit)	<u>312,086</u>	<u>(170,305)</u>

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

	2024	2023
	£	£
Loss before taxation	(140,790)	(213,336)
	<u>(140,790)</u>	<u>(213,336)</u>
Expected tax credit based on the standard rate of corporation tax in the UK of 25.00% (2023: 23.52%)	(35,198)	(50,177)
Tax effect of income not taxable in determining taxable profit	(104,912)	(41,627)
Adjustments in respect of prior years	(1,985)	-
Deferred tax adjustments in respect of prior years	17,443	-
Fixed asset differences	20,495	20,657
Chargeable gains	60,921	49,618
Movement on deferred tax not recognised	352,362	(142,189)
Remeasurement of deferred tax to average rate	-	(1,664)
Exempt ABGH distributions	(16,323)	(15,310)
Expenses not deductible	15,756	8,272
Other differences	3,527	2,115
	<u>312,086</u>	<u>(170,305)</u>
Taxation charge/(credit) for the year	<u>312,086</u>	<u>(170,305)</u>

In addition to the amount charged/(credited) to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2024	2023
	£	£
Deferred tax arising on:		
Revaluation of property	-	(42,500)
	<u>-</u>	<u>(42,500)</u>

The company has £5.9m (2023 - £5.4m) of unused gross tax losses that have not been recognised.

THE HORTICULTURAL TRADES ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

9 Intangible fixed assets

	Other intangibles	Software	Patents & licences	Total
	£	£	£	£
Cost				
At 1 January 2024	95,000	732,137	400	827,537
Additions	-	228,932	5,535	234,467
Disposals	-	(113,557)	-	(113,557)
	<u>95,000</u>	<u>847,512</u>	<u>5,935</u>	<u>948,447</u>
At 31 December 2024	95,000	847,512	5,935	948,447
Amortisation and impairment				
At 1 January 2024	95,000	467,901	20	562,921
Amortisation charged for the year	-	173,729	300	174,029
Disposals	-	(112,039)	-	(112,039)
	<u>95,000</u>	<u>529,591</u>	<u>320</u>	<u>624,911</u>
At 31 December 2024	95,000	529,591	320	624,911
Carrying amount				
At 31 December 2024	-	317,921	5,615	323,536
	<u>-</u>	<u>317,921</u>	<u>5,615</u>	<u>323,536</u>
At 31 December 2023	-	264,236	380	264,616
	<u>-</u>	<u>264,236</u>	<u>380</u>	<u>264,616</u>

The above other intangibles cost of £95,000 represents the Company's 50% interest in organising and staging The Garden Press Event in the UK, which commenced in 2017.

The Directors considered that the income generated from the Garden Press Event would benefit the Company over a period of 5 years and 10 years for the Association of Professional Landscapers. The above costs have been amortised over those periods.

The above patent relates to the purchase of a trademark in connection with The Association of Professional Landscapers.

THE HORTICULTURAL TRADES ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

10 Tangible fixed assets

	Freehold property £	Freehold improvements £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 January 2024	4,780,000	503,853	494,499	5,778,352
Additions	-	57,580	22,973	80,553
Disposals	-	-	(19,376)	(19,376)
At 31 December 2024	4,780,000	561,433	498,096	5,839,529
Depreciation and impairment				
At 1 January 2024	-	299,136	293,412	592,548
Depreciation charged in the year	81,680	60,410	80,466	222,556
Eliminated in respect of disposals	-	-	(19,357)	(19,357)
Revaluation	(81,680)	-	-	(81,680)
At 31 December 2024	-	359,546	354,521	714,067
Carrying amount				
At 31 December 2024	4,780,000	201,887	143,575	5,125,462
At 31 December 2023	4,780,000	204,717	201,087	5,185,804

The freehold property, Horticulture House, Chilton, is included at its fair value, as revalued by Savills (UK) Limited as at 31 December 2023. It is the view of the directors that this valuation continues to be appropriate and representative of the fair value of the property as at 31 December 2024.

In line with FRS102 requirements, a depreciation charge in respect of freehold property was processed in the year, however a notional revaluation has been included as per the above in order to keep the carrying amount of the property unchanged in the current year.

If the freehold property was measured using the cost model, the carrying amounts would be as follows:

	2024 £	2023 £
Cost	4,347,833	4,347,833
Accumulated depreciation	(623,375)	(552,500)
Carrying value	3,724,458	3,795,333

11 Financial instruments

	2024 £	2023 £
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	13,029,708	12,300,844

THE HORTICULTURAL TRADES ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

12 Stocks

	2024 £	2023 £
Finished goods and goods for resale	80,806	47,518

13 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Trade debtors	8,358,480	7,956,921
Corporation tax recoverable	466	32,482
Other debtors	1,457,940	191,140
Prepayments and accrued income	241,061	276,035
	<u>10,057,947</u>	<u>8,456,578</u>

Trade debtors are stated net of bad debt provisions of £72,056 (2023: £17,365).

14 Current asset investments

	2024 £	2023 £
Fair value of current asset investments	13,029,708	12,300,844

Current asset investments comprise shares and bonds in listed companies which are traded on a regular basis, together with deposit accounts. The profit recognised on these investments in the income statement for the period was £574,672 (2023: £763,927 loss) representing profits and losses on disposals and both realised and unrealised fair value re-measurements.

THE HORTICULTURAL TRADES ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

15 Creditors: amounts falling due within one year

	Notes	2024 £	2023 £
Trade creditors		394,586	456,102
Taxation and social security		503,893	467,807
Deferred income	17	1,932,014	1,796,966
Other creditors		24,845,744	25,871,733
Accruals and deferred income		415,773	498,927
		<u>28,092,010</u>	<u>29,091,535</u>

Other creditors contain financial instruments in circulation, being gift vouchers and gift cards with liabilities totalling £24,329,460 (2023 - £25,649,564).

The financial instruments in circulation include both National Garden Gift Vouchers and Garden Gift Cards. The amount outstanding at the balance sheet date represents the financial obligation of the company for all unexpired vouchers and cards. These financial instruments are not discounted as they are deemed to be payable on demand. Based on experience, the directors estimate that at 31 December 2024, £6.6m (2023: £5.9m) of vouchers and cards in circulation are not expected to be redeemed.

In accordance with FRS 102, these financial instruments will be derecognised only upon expiration of the liability or as account maintenance fees are applied in the case of certain gift cards.

16 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2024	Liabilities 2023
Balances:	£	£
Accelerated capital allowances	232,129	215,817
Tax losses	-	(247,671)
Investments	244,532	194,444
Deferred tax on property capital gain	108,042	108,042
	<u>584,703</u>	<u>270,632</u>
		2024
		£
Liability at 1 January 2021 (as restated)		270,632
Charge to profit or loss		314,071
		<u>584,703</u>

THE HORTICULTURAL TRADES ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

17 Deferred income

	2024 £	2023 £
Other deferred income	1,932,014	1,796,966

Other deferred income contains membership fee income to be released over the duration of the membership period.

18 Retirement benefit schemes

	2024 £	2023 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	163,798	118,759

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions totalling £4,278 (2023 - £20,618) were payable to the fund at the year end and are included in creditors.

19 Reserves

Revaluation reserve

The revaluation reserve represents gains made on the revaluation of fixed assets.

Profit and loss reserves

The profit and loss reserve represents cumulative profits or losses.

20 Ultimate controlling party

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1.05 towards the assets of the company in the event of liquidation. There is no ultimate controlling party of The Horticultural Trades Association.

THE HORTICULTURAL TRADES ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

21 Cash absorbed by operations

	2024 £	2023 £
Loss for the year after tax	(452,876)	(43,031)
Adjustments for:		
Taxation charged/(credited)	312,086	(170,305)
Investment income	(412,152)	(411,615)
Loss on disposal of tangible fixed assets	1,538	629
Amortisation and impairment of intangible assets	174,029	160,692
Depreciation and impairment of tangible fixed assets	222,556	193,407
Loss/(gain) on sale of investments	54,268	(6,715)
Other gains and losses	(306,175)	(465,082)
Movements in working capital:		
(Increase)/decrease in stocks	(33,288)	37,504
Increase in debtors	(1,633,385)	(1,418,900)
Decrease in creditors	(1,134,573)	(812,961)
Increase in deferred income	135,048	4,209
Cash absorbed by operations	<u>(3,072,924)</u>	<u>(2,932,168)</u>

22 Analysis of changes in net funds

	1 January 2024 £	Cash flows £	31 December 2024 £
Cash at bank and in hand	5,696,700	(3,418,749)	2,277,951
	<u>5,696,700</u>	<u>(3,418,749)</u>	<u>2,277,951</u>